

# **KANSAS HOUSING**

***EMERGENCY  
SOLUTIONS  
GRANT***

**2019 HANDBOOK**

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## **ESG ELIGIBLE ACTIVITIES (PROGRAM TYPES)**

**Keep in mind: in general, if it is not listed in the regulation, it's not eligible!**

All recipients of ESG funds are expected to comply with Kansas Balance of State requirements for utilizing the centralized assessment process and procedures of the Continuum of Care (CoC). Sub recipients are required to comply with all ESG requirements as required in – 24 CFR 576, including; the provision of case management, helping program participants increase income, either via employment assistance or through the acquisition of mainstream benefits, and helping program participants move into and stay in permanent housing.

**Emergency Shelter (ES):** Increase the quantity and quality of temporary shelter provided to homeless individuals and families by paying for operating and essential services.

- a. Essential Services
- b. Operations

**Street Outreach (SO):** Meet the immediate needs of unsheltered homeless individuals and families by connecting them with emergency shelter, housing, and critical health services.

**Homelessness Prevention (HP):** Prevent households from becoming homeless through rental assistance and housing relocation and stabilization services.

- c. Housing Relocation and Stabilization Services
  - i. Financial Assistance
  - ii. Services Costs
- d. Rental Assistance

**Rapid Re-housing (RRH):** Quickly move homeless individuals and families into permanent housing through rental assistance and housing relocation and stabilization services.

- e. Housing Relocation and Stabilization Services
  - i. Financial Assistance
  - ii. Services Costs
- f. Rental Assistance

**Homeless Management Information System (HMIS):** Support ESG subrecipient's participation in the HMIS collection and data analysis of households that are homeless or at risk of homelessness.

**Administration (AD):** Support for the activities and supplies necessary to successfully administer the ESG program.

## Emergency Shelter: (ES)

Component: Emergency Shelter. These activities are designed to increase the quantity and quality of temporary shelters provided to homeless people, through the renovation of existing shelters or conversion of buildings to shelters, paying for the operating costs of shelters, and providing essential services. § 576.102			
Activity types:			
Essential Services	Renovation (also includes Major Rehab and Conversion)	Shelter Operations	Assistance Required Under the Uniform Relocation and Real Property Acquisition Act of 1970 (URA)
<b>Eligible costs:</b> <ul style="list-style-type: none"> <li>• Case management</li> <li>• Child Care</li> <li>• Education Services</li> <li>• Employment Assistance and Job Training</li> <li>• Outpatient Health Services</li> <li>• Legal Services</li> <li>• Life Skills Training</li> <li>• Mental Health Services</li> <li>• Substance Abuse Treatment Services</li> <li>• Transportation</li> <li>• Services for Special Populations</li> </ul>	<b>Eligible costs:</b> <ul style="list-style-type: none"> <li>• Labor</li> <li>• Materials</li> <li>• Tools</li> <li>• Other costs for renovation (including rehab or conversion)</li> </ul>	<b>Eligible costs:</b> <ul style="list-style-type: none"> <li>• Maintenance</li> <li>• Rent</li> <li>• Security</li> <li>• Fuel</li> <li>• Equipment</li> <li>• Insurance</li> <li>• Utilities</li> <li>• Food</li> <li>• Furnishings</li> <li>• Supplies necessary for shelter operation</li> <li>• Hotel/Motel Vouchers</li> </ul>	<b>Eligible costs:</b> <ul style="list-style-type: none"> <li>• Relocation payments</li> <li>• Other assistance to displaced persons</li> </ul>

From the HUD ESG regulations, “emergency shelter means any facility, the primary purpose of which is to provide a temporary shelter for the homeless in general or for specific populations of the homeless and which does not require occupants to sign leases or occupancy agreements.” Shelter stays should be avoided, if possible, and when not possible, limited to the shortest time necessary to help participants regain permanent housing. Emergency shelter programs should be closely linked to an array of programs in order to accomplish this goal of stable permanent housing including, but not limited to, rapid re-housing, transitional housing, affordable housing placement, and employment. Linkages should also be made to applicable mainstream programs such as SOAR, food stamps, TANF, etc.

ESG funds may be used for costs of providing essential services to homeless families and individuals in emergency shelters and operating emergency shelters.

- a. Case management. (A) Using the centralized or coordinated assessment (B) Conducting the initial evaluation (a), including verifying and documenting eligibility; (C) Counseling; (D) Developing, securing, and coordinating services and obtaining Federal, State, and local benefits; (E) Monitoring and evaluating program participant progress; (F) Providing information and referrals to other providers; (G) Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking; and (H) Developing an individualized housing and service plan, including planning a path to permanent housing stability.
- b. Child care. The costs of child care for program participants, including providing meals and snacks, and comprehensive and coordinated sets of appropriate developmental activities, are eligible. The children must be under the age of 13, unless they are disabled. Disabled children must be under the age of 18. The child-care center must be licensed by the jurisdiction in which it operates in order for its costs to be eligible.

Education services. When necessary for the program participant to obtain and maintain housing, the costs of improving knowledge and basic educational skills are eligible. Services include instruction or training in consumer education, health education, substance abuse prevention, literacy, English as a Second Language, and General Educational Development (GED). Component services or activities are screening, assessment and testing; individual or group instruction; tutoring; provision of books, supplies and instructional material; counseling; and referral to community resources.

- c. Employment assistance and job training. The costs of employment assistance and job training programs are eligible, including classroom, online, and/or computer instruction; on-the-job instruction; and services that assist individuals in securing employment, acquiring learning skills, and/or increasing earning potential. Learning skills include those skills that can be used to secure and retain a job. Services that assist individuals in securing employment consist of employment screening, assessment, or testing; structured job skills and job-seeking skills; special training and tutoring, including literacy training and prevocational training; books and instructional material; counseling or job coaching; and referral to community resources.
- d. Outpatient health services. Eligible costs are for the direct outpatient treatment of medical conditions and are provided by licensed medical professionals. Emergency Solutions Grant (ESG) funds may be used only for these services to the extent that other appropriate health services are unavailable within the community. Eligible treatment consists of assessing a program participant's health problems and developing a treatment plan; assisting program participants to understand their health needs; providing directly or assisting program participants to obtain appropriate medical treatment, preventive medical care, and health maintenance services, including emergency medical services; providing medication and follow-up services; and providing preventive and non-cosmetic dental care.
- e. Legal services. (A) Eligible costs are the hourly fees for legal advice and representation by attorneys licensed and in good standing with the bar association of the State in which the services are provided, and by person(s) under the supervision of the licensed attorney, regarding matters that interfere with the program participant's ability to obtain and retain housing. (B) Emergency Solutions Grant (ESG) funds may be used only for these services to the extent that other appropriate legal services are unavailable or inaccessible within the community. (C) Eligible subject matters are child support, guardianship, paternity, emancipation, and legal separation, orders of protection and other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking, and appeal of veterans and public benefit claim denials. (D) Component services or activities may include client intake, preparation of cases for trial, provision of legal advice, representation at hearings, and counseling. (E) Fees based on the actual service performed (i.e., fee for service) are also eligible, but only if the cost would be less than the cost of hourly fees. Filing fees and other necessary court costs are also eligible. If the Sub Recipients is a legal services provider and performs the services itself, the eligible costs are the Sub Recipients' employees' salaries and other costs necessary to perform the services. (F) Legal services for immigration and citizenship matters and issues relating to mortgages are ineligible costs. Retainer fee arrangements and contingency fee arrangements are ineligible costs.
- f. Life skills training. The costs of teaching critical life management skills that may never have been learned or have been lost during the course of physical or mental illness, domestic violence, substance use, and homelessness are eligible costs. These services must be necessary to assist the program participant to function independently in the community. Component life skills training are budgeting resources, managing money, managing a household, resolving conflict, shopping for food and needed items, improving nutrition, using public transportation, and parenting.
- g. Mental health services. (A) Eligible costs are the direct outpatient treatment by licensed

professionals of mental health conditions. (B) ESG funds may only be used for these services to the extent that other appropriate mental health services are unavailable or inaccessible within the community. (C) Mental health services are the application of therapeutic processes to personal, family, situational, or occupational problems in order to bring about positive resolution of the problem or improved individual or family functioning or circumstances. Problem areas may include family and marital relationships, parent-child problems, or symptom management. (D) Eligible treatment consists of crisis interventions; individual, family, or group therapy sessions; the prescription of psychotropic medications or explanations about the use and management of medications; and combinations of therapeutic approaches to address multiple problems.

- i. Substance abuse treatment services. (A) Eligible substance abuse treatment services are designed to prevent, reduce, eliminate, or deter relapse of substance abuse or addictive behaviors and are provided by licensed or certified professionals. (B) ESG funds may only be used for these services to the extent that other appropriate substance abuse treatment services are unavailable or inaccessible within the community. (C) Eligible treatment consists of client intake and assessment, and outpatient treatment for up to 30 days. Group and individual counseling and drug testing are eligible costs. Inpatient detoxification and other inpatient drug or alcohol treatment are not eligible costs.
- j. Transportation. Eligible costs consist of the transportation costs of a program participant's travel to and from medical care, employment, child care, or other eligible essential services facilities. These costs include the following: (A) The cost of a program participant's travel on public transportation; (B) If service workers use their own vehicles, mileage allowance for service workers to visit program participants; (C) The cost of purchasing or leasing a vehicle for the recipient or Sub Recipients in which staff transports program participants and/or staff serving program participants, and the cost of gas, insurance, taxes, and maintenance for the vehicle; and (D) The travel costs of recipient or Sub Recipients staff to accompany or assist program participants to use public transportation.
- k. Shelter operations. Eligible costs are the costs of maintenance (including minor or routine repairs), rent, security, fuel, equipment, insurance, utilities, food, furnishings, and supplies necessary for the operation of the emergency shelter. Where no appropriate emergency shelter is available for a homeless family or individual, eligible costs may also include a hotel or motel voucher for that family or individual.

#### **Shelter Operations: Maintenance**

In general, maintenance activities include: cleaning; minor or routine repairs of furnishings, equipment, and fixtures; and protective or preventative measures to keep a building, its systems, and its grounds in working order. Maintenance activities:

- Do not materially add to the value of the building/property;
- Do not appreciably prolong the useful life of the building/property; and
- Do not adapt the building/property to new uses.

Examples of maintenance activities could include activities such as: replacing a few shingles on a leaky roof; patching leaking pipes or plumbing; replacing a broken window; fixing a crack in a sidewalk; filling potholes in a parking lot; and repairing portions of a fence.

**Minimum period of use:** The minimum period of use for maintenance activities is the same as for other shelter operations and essential services activities—that is, the recipient/subrecipient must provide services or shelter to homeless individuals and families at least for the period during which the ESG funds are provided (for example, the contract period specified in a subrecipient agreement) (see § 576.102(c)(2)).

**Level of environmental review required:** Maintenance activities are Categorically Excluded, Not Subject to §58.5 (CENST), meaning that maintenance is categorically excluded from National Environmental Policy Act (NEPA), and not subject to § 58.5, but still subject to § 58.6 (see § 58.35(b)(3)).



## Habitability Standards

The ESG Program requires subrecipients to follow habitability standards for **emergency shelter operations programs** and for **homelessness prevention and rapid re-housing** programs assisting participants to obtain or remain in permanent housing.

The Emergency Solutions Grants (ESG) Program Interim Rule establishes different habitability standards for emergency shelters and for permanent housing (the Rapid Re-housing and Homelessness Prevention components).

- **Emergency Shelter Standards.**
  - Emergency shelters that receive ESG funds for renovation or shelter operations must meet the minimum standards for safety, sanitation, and privacy provided in §576.403(b).
  - In addition, emergency shelters that receive ESG funds for renovation (conversion, major rehabilitation, or other renovation) also must meet state or local government safety and sanitation standards, as applicable.
- **Permanent Housing Standards.** The recipient or subrecipient cannot use ESG funds to help a program participant remain in or move into housing that does not meet the minimum habitability standards under §576.403(c). This restriction applies to all activities under the Homelessness Prevention and Rapid Re-housing components.

Recipients and subrecipients must document compliance with the applicable standards. Note that these checklists do not cover the requirements to comply with the Lead-Based Paint requirements at §576.403(a). For more discussion about how and when the standards apply, see **ESG Minimum Standards for Emergency Shelters and Permanent Housing**, located at <http://OneCPD.info/esg>.

Any Emergency Shelter that receives ESG assistance for shelter operations must meet the following minimum safety, sanitation, and privacy standards.

### **Minimum Standards Do Not Apply to Essential Services and HMIS Activities**

- The minimum standards for emergency shelters apply only when ESG funds are used for **shelter operations** and **conversion, major rehabilitation, or other renovation**.
- **Essential services** provided under the Street Outreach and Emergency Shelter components do not trigger either the minimum standards for emergency shelter or the minimum standards for permanent housing. This is because there is no unit to inspect; these services are provided for persons who are sleeping in emergency shelters or 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.
- Likewise, the minimum standards do not apply to an emergency shelter (or other organization) receiving ESG funds only for **HMIS** costs.

- a. Structure and materials  
The shelter building must be structurally sound to protect residents from the elements and not pose any threat to health and safety of the residents.
- b. Access  
The shelter must be accessible in accordance with Section 504 of the Rehabilitation Act (29 U.S.C. 794) and implementing regulations at 24 CFR part 8; the Fair Housing Act (42 U.S.C. 3601 *et seq.*) and implementing regulations at 24 CFR part 100; and Title II of the Americans with Disabilities Act (42 U.S.C. 12131 *et seq.*) and 28 CFR part 35; where applicable.
- c. Space and security  
Except where the shelter is intended for day use only, the shelter must provide each program participant in the shelter with an acceptable place to sleep and adequate space and security for themselves and their belongings.
- d. Interior air quality  
Each room or space within the shelter must have a natural or mechanical means of ventilation. The interior air must be free of pollutants at a level that might threaten or harm the health of residents.
- e. Water supply  
The shelter's water supply must be free of contamination.
- f. Sanitary facilities  
Each program participant in the shelter must have access to sanitary facilities that are in proper operating condition, are private, and are adequate for personal cleanliness and the disposal of human waste.
- g. Thermal environment  
The shelter must have any necessary heating/ cooling facilities in proper operating condition.
- h. Illumination and electricity  
The shelter must have adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There must be sufficient electrical sources to permit the safe use of electrical appliances in the shelter.
- i. Food preparation  
Food preparation areas, if any, must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner.
- j. Sanitary conditions  
The shelter must be maintained in a sanitary condition.
- k. Fire safety  
There must be at least one working smoke detector in each occupied unit of the shelter. Where possible, smoke detectors must be located near sleeping areas. The fire alarm system must be designed for hearing- impaired residents. All public areas of the shelter must have at least one working smoke detector. There must also be a second means of exiting the building in the event of fire or another emergency.

## Rapid Re-Housing: (RRH)

Component: Rapid Re-Housing. These activities are designed to move homeless people quickly to permanent housing through housing relocation and stabilization services and short- and/or medium-term rental assistance. § 576.104		
Activity types:		
Rental Assistance**	Housing Relocation and Stabilization Services	
Eligible costs:	Financial Assistance	Services Costs
<ul style="list-style-type: none"> <li>• Short-term rental assistance</li> <li>• Medium-term rental assistance</li> <li>• Rental arrears</li> </ul> <p>**Rental assistance can be project-based or tenant-based.</p>	<p><u>Eligible costs:</u></p> <ul style="list-style-type: none"> <li>• Rental Application Fees</li> <li>• Security Deposits</li> <li>• Last Month's Rent</li> <li>• Utility Deposits</li> <li>• Utility Payments</li> <li>• Moving Costs</li> </ul>	<p><u>Eligible costs:</u></p> <ul style="list-style-type: none"> <li>• Housing Search and Placement</li> <li>• Housing Stability Case Management</li> <li>• Mediation</li> <li>• Legal Services</li> <li>• Credit Repair</li> </ul>

Households receiving Rapid Re-housing assistance do not have to income qualify at program entrance but must have an income below 30% Area Median Income (AMI) for the geographic area after twelve months of assistance at annual certification. Rapid Re-housing programs are designed to help homeless individuals and families rapidly transition into permanent housing. Linkages should also be made to applicable mainstream programs such as SOAR, TANF, etc. Rapid Re-housing funds may be used to provide housing relocation and stabilization services and short to medium term rental assistance. Assistance must be necessary to help the program participant obtain and remain in permanent housing.

### a. Housing Relocation and Stabilization Services

i. Financial Assistance: rental application fees, security deposits, last month's rent, utility deposits, utility payments and moving costs.

ii. Services Costs: housing search and placement, housing stability case management, mediation, legal services and credit repair.

### b. Rental Assistance: short term rental assistance, medium term rental assistance, rental arrears.

## Homelessness Prevention: (HP)

Component: Homelessness Prevention. These activities are designed to prevent an individual or family from moving into an emergency shelter or living in a public or private place not meant for human through housing relocation and stabilization services and short- and/or medium-term rental assistance. § 576.103		
Activity types:		
Rental Assistance**	Housing Relocation and Stabilization Services	
Eligible costs:	Financial Assistance	Services Costs
<ul style="list-style-type: none"> <li>• Short-term rental assistance</li> <li>• Medium-term rental assistance</li> <li>• Rental arrears</li> </ul> <p>**Rental assistance can be project-based or tenant-based.</p>	<p><u>Eligible costs:</u></p> <ul style="list-style-type: none"> <li>• Rental Application Fees</li> <li>• Security Deposits</li> <li>• Last Month's Rent</li> <li>• Utility Deposits</li> <li>• Utility Payments</li> <li>• Moving Costs</li> </ul>	<p><u>Eligible costs:</u></p> <ul style="list-style-type: none"> <li>• Housing Search and Placement</li> <li>• Housing Stability Case Management</li> <li>• Mediation</li> <li>• Legal Services</li> <li>• Credit Repair</li> </ul>

Households receiving Homelessness Prevention assistance must have an income level below 30% Area Median Income (AMI) for the geographic area at entry and must meet the definition of "at risk of homelessness". The household must demonstrate that they do not have sufficient resources or support networks to prevent them from losing their housing and moving to an emergency shelter or other place not meant for human habitation. Participants must be re-certified every 90 days. Linkages should also be made to applicable mainstream programs such as SOAR, TANF, etc. Homelessness Prevention funds may be used to provide housing relocation and stabilization services and short to medium term rental assistance. Assistance must be necessary to help the program participant regain stability in their current permanent housing or obtain other permanent housing.




### a. Housing Relocation and Stabilization Services

- i. Financial Assistance: rental application fees, security deposits, last month's rent, utility deposits, utility payments and moving costs.
- ii. Services Costs: housing search and placement, housing stability case management, mediation, legal services and credit repair.

Rental Assistance: short term rental assistance, medium term rental assistance, rental arrears.

## Homeless Prevention cs. Rapid Re-Housing?

Remember: The main difference between Homelessness Prevention and Rapid Re-housing is the homelessness status of the participant at the time they enter the program.

ELIGIBLE ACTIVITIES: RAPID RE-HOUSING AND HOMELESSNESS PREVENTION COMPONENTS		
Housing Relocation and Stabilization Services	<b>Rental Assistance°</b> <a href="#">24 CFR §576.106</a> 	<ul style="list-style-type: none"> <li>• Short-term rental assistance (0-3 months)</li> <li>• Medium-term rental assistance (4-24 months)</li> <li>• Rental arrears (One-time payment for up to 6 months of rent in arrears)</li> </ul> <p><i>Any combination of the above types, so long as the total amount of assistance does not exceed 24 months</i></p> <p>°Rental assistance can be project-based or tenant-based.</p>
	<b>Financial Assistance</b> <a href="#">24 CFR §576.105</a> 	<ul style="list-style-type: none"> <li>• Rental Application Fees (when charged by owner to all applicants)</li> <li>• Security Deposits (no more than 2 month's rent)</li> <li>• Last Month's Rent (applies to 24-month cap)</li> <li>• Utility Deposits (when required by utility company for all customers)</li> <li>• Utility Payments (up to 24 months of payments per service, including up to 6 months of arrears per service)</li> <li>• Moving Costs (e.g., truck rental, moving company, up to 3 months of storage)</li> </ul>
	<b>Services</b> <a href="#">24 CFR §576.105</a> 	<ul style="list-style-type: none"> <li>• Housing Search and Placement</li> <li>• Housing Stability Case Management</li> <li>• Mediation</li> <li>• Legal Services</li> <li>• Credit Repair (e.g., budgeting/ money management)</li> </ul>

## Street Outreach: (SO)

**Component: Street Outreach.** These activities are designed to meet the immediate needs of unsheltered homeless people by connecting them with emergency shelter, housing, and/or critical health services. § 576.101

**Activity type: Essential Services**

Eligible costs:

- Engagement
- Case Management
- Emergency Health Services
- Emergency Mental Health Services
- Transportation
- Services for Special Populations

ESG funds may be used for costs of providing essential services necessary to reach out to unsheltered homeless people; connect them with emergency shelter, housing, or critical services; and provide urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility. The term “unsheltered homeless people” is defined as

—  
*(1) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning: (i) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground; ...*

There are 6 eligible activities for Street Outreach, as follows:

- a. Engagement – the location, identification and relationship building with unsheltered homeless people and the engagement of them for the purpose of providing immediate support, intervention, and connections with homeless assistance programs and/or mainstream social services and housing programs. Eligible activities include assessment of needs and eligibility; providing crisis counseling; addressing urgent physical needs, and actively connecting and providing information and referrals to programs targeted to homeless people and mainstream social services and housing programs. Eligible costs include the cell phone costs of outreach workers during the performance of these activities.
- b. Case management – the assessment of housing and service needs, and implementing individualized services to meet the needs of the program participant. Eligible services and activities are as follows: using the centralized or coordinated assessment system as required under § 576.400(d); conducting the initial evaluation required under § 576.401(a), including verifying and documenting eligibility; counseling; developing, securing and coordinating services; obtaining Federal, State, and local benefits; monitoring and evaluating program participant progress; providing information and referrals to other providers; and developing an individualized housing and service plan, including planning a path to permanent housing stability.
- c. Emergency health services. Eligible costs are for the direct outpatient treatment of medical conditions and are provided by licensed medical professionals operating in community-based settings, including streets, parks, and other places where unsheltered homeless people are living. Eligible treatment consists of developing a treatment plan; assisting program participants to understand their health needs; providing directly or obtaining emergency medical treatment; and providing medication and follow-up services.
- d. Emergency mental health services. Eligible costs are the direct outpatient treatment by licensed professionals of mental health conditions operating in community-based settings, including streets, parks, and other places where unsheltered people are living.

of the problem or improved individual or family functioning or circumstances. (iv) Eligible treatment consists of crisis interventions, and the prescription and management of psychotropic medications.

- e. Transportation. The transportation costs of travel by outreach workers, social workers, medical professionals, or other service providers are eligible, provided that this travel takes place during the provision of services eligible under this section. The costs of transporting unsheltered people to emergency shelters or other service facilities are also eligible.
- f. Services for special populations. ESG funds may be used to provide services for homeless youth, victim services, and services for people living with HIV/AIDS, so long as the costs of providing these services are eligible under paragraphs (a)(1) through (a)(5) of this section.
- g. Implementation of Street Outreach

Street Outreach should be principally focused to one goal: that of supporting homeless households in achieving some form of permanent, sustainable housing. While Street Outreach teams may use incentives to encourage trust and build relationships, or to ensure that homeless households' emergency needs are met, the awards made should not be used to support other programs that seek to alleviate the burden of living on the streets. Outreach teams will have the most comprehensive knowledge of street-based individuals/ households within the locality. Outreach teams will be responsible for ensuring that a case plan is established for each household that is client centered, realistic and focused towards a goal of permanent housing. Outreach teams will be expected to establish close working relationships with other service providers, not only Emergency Shelters, but other mainstream and housing focused services, such as Rapid Re-Housing. Not every homeless household is expected to need admittance to an emergency shelter and Street Outreach teams should be prepared to implement a variety of interventions in securing permanent housing. Linkages should also be made to applicable mainstream programs such as SOAR, food stamps, TANF, etc.



## Assigning Essential Services to the Appropriate Program Component

### Did You Know?

In the ESG Program, recipients/subrecipients may provide essential services under both the Street Outreach and Emergency Shelter components. However, the specific allowable costs under each component depend on **the population being served** and **where the services are provided**.

- **Unsheltered homeless persons** staying on the streets or in other places not meant for human habitation can receive:
  1. Non-facility based essential services on the street, parks, or other locations where unsheltered persons may be staying, under the Street Outreach component, and
  2. Essential services in an emergency shelter, under the Emergency Shelter component.
- **Persons staying in an emergency shelter** can receive essential services, under the Emergency Shelter component:
  1. In an emergency shelter, and
  2. At another site, such as a child care center for children under 13 who are staying in a shelter.

**Note:** See [FAQ 2238](#) for requirements for a day shelter to qualify as an emergency shelter.

### What Services Can Be Provided?

The following table summarizes and compares the essential services allowable under each component:

Street Outreach	Emergency Shelter
Engagement	--Not eligible--
Case Management	Case Management
--Not eligible--	Child Care
--Not eligible--	Education Services
--Not eligible--	Employment Assistance/Job Training
Emergency Health Services	Outpatient Health Services
--Not eligible--	Legal Services
--Not eligible--	Life Skills Training
Emergency Mental Health Services	Mental Health Services
--Not eligible--	Substance Abuse Treatment Services
Transportation	Transportation
Services for Special Populations	Services for Special Populations

### Administration: (Ad)

#### \*Administrative Activities. § 576.108

Eligible costs are broadly categorized as follows:

- General management, oversight, and coordination
- Training on ESG requirements
- Consolidated Plan
- Environmental review

Up to 7.5% of a recipient's allocation of ESG funding can be used for Administrative activities. KHRC provides 2.5% administrative funding to subrecipients. Subrecipients should review their grant contract for Administration costs allowed, if any. Administration includes general management, oversight, and coordination; reporting on the program; costs of providing training on ESG requirements and attending HUD approved ESG trainings (which are rare).



## DEFINITION OF HOMELESSNESS, AT RISK OF HOMELESSNESS

HUD defines homelessness into four categories. Category 3 (Homeless under Other Federal Statutes) is only allowable after a request from the local CoC to use it AND approval by HUD, therefore is not listed below.

1. **Category 1:** Literally Homeless or Core Definition (1) individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning (i) has a primary nighttime residence that is a public or private place not meant for human habitation (ii) is living in a 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 and local government programs) OR (iii) is exiting an institution where they 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.

**Qualifies for:** Emergency Shelter, Rapid Re-Housing, Transitional Housing, Outreach, Supportive Services programs

2. **Category 2** Imminent Risk of Homelessness (2) Individual or family who will imminently lose their primary nighttime residence, provided that (i) residence will be lost within 14 days of the date of application for homeless assistance (ii) no subsequent residence has been identified AND the individual or family lacks the resources or support networks needed to obtain other permanent housing.

Must also exhibit one or more of the following risk factors:

- (a) Has moved frequently because of economic reasons “two or more times during the 60 days immediately preceding the application for assistance”.
- (b) Is living in the home of another because of economic hardship.
- (c) Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application.
- (d) Lives in a hotel or motel paid for by charitable organizations or the federal, state, or local government
- (e) Lives in severely overcrowded housing (in a single-room occupancy or efficiency apartment unit in which more than two persons, on average, reside or another type of housing in which there reside more than 1.5 persons per room, as defined by the U.S. Census Bureau).
- (f) Is exiting a publicly funded institution or system of care (health-care, mental health, foster care, correction program).
- (g) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness (characteristics described in the funded jurisdictions Consolidated Plan).

**Qualifies for:** Emergency Shelter, Rapid Re-Housing, Transitional Housing, Homeless Prevention

3. **Category 4:** Fleeing/Attempting to Flee Domestic Violence (4) any individual or family who (i) is fleeing, or is attempting to flee, domestic violence (ii) has no other residence AND (iii) lacks the resources or support networks to obtain other permanent housing.

## Eligible Participants by Component

<b>ELIGIBILITY BY COMPONENT</b> (Emergency Solutions Grants Program)	<b>Street Outreach</b>	<p>Individuals defined as Homeless under the following categories are eligible for assistance in SO:</p> <ul style="list-style-type: none"> <li>• Category 1 – Literally Homeless</li> <li>• Category 4 – Fleeing/Attempting to Flee DV (where the individual or family also meets the criteria for Category 1)</li> </ul> <p>SO projects have the following additional limitations on eligibility within Category 1:</p> <ul style="list-style-type: none"> <li>• Individuals and families must be living on the streets (or other places not meant for human habitation) and be unwilling or unable to access services in emergency shelter</li> </ul>
	<b>Emergency Shelter</b>	<p>Individuals and Families defined as Homeless under the following categories are eligible for assistance in ES projects:</p> <ul style="list-style-type: none"> <li>• Category 1 – Literally Homeless</li> <li>• Category 2 – Imminent Risk of Homeless</li> <li>• Category 4 – Fleeing/Attempting to Flee DV</li> </ul>
	<b>Rapid Re-housing</b>	<p>Individuals defined as Homeless under the following categories are eligible for assistance in RRH projects:</p> <ul style="list-style-type: none"> <li>• Category 1 – Literally Homeless</li> <li>• Category 4 – Fleeing/Attempting to Flee DV (where the individual or family also meets the criteria for Category 1)</li> </ul>
	<b>Homelessness Prevention</b>	<p>Individuals and Families defined as Homeless under the following categories are eligible for assistance in HP projects:</p> <ul style="list-style-type: none"> <li>• Category 2 –Imminent Risk of Homeless</li> <li>• Category 4 – Fleeing/Attempting to Flee DV</li> </ul> <p>Individuals and Families who are defined as At Risk of Homelessness are eligible for assistance in HP projects.</p> <p>HP projects have the following additional limitations on eligibility with homeless and at risk of homeless:</p> <ul style="list-style-type: none"> <li>• Must only serve individuals and families that have an annual income <u>below</u> 30% of AMI</li> </ul>

## DOCUMENTATION AND RECORD KEEPING REQUIREMENTS

Subrecipients must document homeless status for every program participant. Subrecipients must keep ESG records for 5 years after the expenditure of all funds from the grant. ESG subrecipients must establish and follow Written Standards to ensure program compliance. Written Standards must describe procedures for verifying homelessness status. Lack of third-party documentation cannot prevent a household from receiving emergency assistance including shelter and victim services.

Evidence for establishing and verifying homeless status in preferred order of documentation is:

- a. Third-party documentation – source documents provided by an outside source
- b. Staff/Intake worker observation – documented by ESG staff
- c. Certification from the person seeking assistance – ESG staff must certify efforts made to obtain third party documentation before allowing applicant to self-certify

### Homeless Status Documentation and Record Keeping Requirements:

- A. **Homeless CATEGORY 1** acceptable evidence includes:
  - i. ESG Homeless Certification and ESG Self Certification Forms
  - ii. HMIS Verification of Homelessness
  - iii. A written observation by an outreach worker of the conditions where the individual or family was living, a written referral by another housing or service provider
- B. **Homeless CATEGORY 1** and is exiting an institution where he or she resided for 90 days or less, acceptable evidence includes evidence listed above for CATEGORY 1 AND ONE of the following:
  - i. Discharge paperwork or a written or oral referral from a social worker, case manager, or other appropriate official of the institution, stating the beginning and end dates of the time residing in the institution. All oral statements must be recorded by the intake worker; OR
  - ii. Where the evidence listed above in (A) is not obtainable, a written record of the intake worker's due diligence in attempting to obtain the evidence described in (A) and a certification by the individual seeking assistance that states he or she is exiting or has just exited an institution where he or she resided for 90 days or less. A written observation by an outreach worker of the conditions where the individual or family was living, a written referral by another housing or service provider
- C. **Homeless CATEGORY 2** evidence includes at least one of the following stating that the household must leave within 21 days:
  - i. A court order resulting from an eviction notice or equivalent notice, or a formal eviction notice;
  - ii. For applicants whose primary nighttime residence is a hotel or motel room not paid for by charitable organizations or federal, state, or local government programs, Evidence that the individual or family lacks the resources necessary to reside there for more than 21 days after the date of application for homeless assistance OR
  - iii. An oral or written statement by the individual or head of household that the owner or renter of the housing in which they currently reside will not allow them to stay for more than 21 days after the date of application for homeless assistance. The intake worker must record the statement and certify that it was found credible.

**To be found credible, the oral statement must either:**

- a. Be verified by the owner or renter of the housing in which the individual or family resides at the time of application for homeless assistance **AND**
- b. Be documented by a written certification by the owner or renter or by the intake worker's recording of the owner or renter's oral statement.

**If the intake worker is unable to contact the owner or renter:**

- a. The intake worker must provide written documentation certifying that he/she performed due diligence in attempting to obtain verification and written certification that the applicant's statement was true and complete.
- b. Certification by the individual or head of household that no subsequent residence has been identified; **AND**
- c. Certification or other written documentation that the individual or family lacks the resources and support networks needed to obtain other permanent housing.

**D. Homeless CATEGORY 4: Acceptable evidence includes:**

If the individual or family is receiving shelter or services provided by a victim service provider:

- i. ESG Self Certification Form **AND**
- ii. A certification by the intake worker.

If the individual is seeking services from non- victim service provider:

- i. The ESG Self Certification Form documenting that applicant is fleeing a domestic violence situation, has not identified a subsequent residence, and lacks the resources or support networks, e.g., family, friends, faith-based, or other social networks, needed to obtain housing where his/her safety would not be jeopardized **AND**
- ii. Written observation by the intake worker, a written referral by a housing or service provider, social worker, legal assistance provider, health-care provider, law enforcement agency, legal assistance provider, pastoral counselor, or any other organization from whom the individual or head of household has sought assistance for domestic violence

**AT RISK OF HOMELESSNESS: Acceptable evidence includes:**

- A. Annual Income: When determining the **annual income** of an individual or family, the recipient or Sub Recipients must use the standard for calculating annual income under 24 CFR 5.609. Check guidance for further evidence requirements.
- B. Lacks **Evidence of the second eligibility criterion** ("lacks sufficient resources..."):
  - i. Source documents - notice of termination from employment, unemployment compensation statement, bank statement, health-care bill showing arrears, utility bill showing arrears.
  - ii. To the extent that source documents are unobtainable, a written statement by the relevant third party - (e.g., former employer, public administrator, relative) or written certification by the intake staff of the oral verification by the relevant third party that the applicant meets one or both of the criteria of the definition of "at risk of homelessness" **OR**
  - iii. If source documents and third-party verification are unobtainable, a written statement by intake staff describing the efforts taken to obtain the required evidence.

**Evidence for documenting at least one of the 7 risk factors:**

- a. Source documents – (notice of termination from employment, unemployment compensation statement, bank statement, health-care bill showing arrears, utility bill showing arrears).
- b. To the extent that source documents are unobtainable, a written statement by the relevant third party - (e.g., former employer, public administrator, relative) or written certification by the intake staff of the oral verification by the relevant third party that the applicant meets one or both of the criteria of the definition of “at risk of homelessness” or
- c. If source documents and third-party verification are unobtainable, a written statement by intake staff describing the efforts taken to obtain the required evidence. (can include staff visit to applicant home to verify eligibility)

**INTAKE, INCOME ELIGIBILITY AND RE-CERTIFICATION****Intake**

All ESG applicants must participate in and subrecipients should document an initial consultation to assess needs and to determine program eligibility. The consultation should include, verification of homeless status, Coordinated Entry System assessment, barriers to housing stability, data entry of required HMIS or comparable database universal data elements and any other program specific information such as income and documentation of insufficient support networks. Participants may not receive assistance for the same eligible activity from multiple federal sources. If the participant is not eligible for ESG assistance, subrecipients are required to provide documentation regarding non-eligibility and to identify other appropriate service referrals within the CoC that can meet the applicant’s needs. No household can receive more than 24 months of ESG assistance in 3 years.

**Eligibility Assessment for Emergency Shelter, Street Outreach**

Eligibility for these programs requires a verification of homelessness. See previous section on documenting housing status. There are no income eligibility requirements for emergency shelter, or street outreach.

**Income Eligibility**

When determining the annual income of an individual or family, the subrecipient must use the standard for calculating annual income under 24 CFR 5.609. As a reminder, there are no income eligibility requirements for emergency shelter and street outreach. To qualify for rapid re-housing a household’s income must be below 30 percent Area Median Income (AMI) at annual recertification and to qualify for homelessness prevention a household’s income must be below 30 percent AMI for the geographic area at the time of entering the program and at each 90-day recertification.

(a) Annual income means all amounts, monetary or not, which go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member OR are anticipated to be received from a source outside the family during the 12-month period following admission or annual recertification date. Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

(b) Annual income includes, but is not limited to, the full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services. Income includes the net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.

(c) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.

(d) The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount.

(e) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay.

(f) Welfare assistance payments. Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments, (i) qualify as assistance under the TANF program definition at 45 CFR 260.31 AND (ii) are not otherwise excluded.

#### **Income Exclusions**

When determining income, the following income is excluded. Annual income does not include the following.

(a) Income from employment of children (including foster children) under the age of 18.

(b) Payments received for the care of foster children or foster adults.

(c) Lump-sum additions to family assets, such as inheritances and insurance payments.

(d) Amounts received by the family that are specifically for, or in reimbursement of, the costs of medical expenses for any family member.

(e) Income of a live-in aide.

(f) The full amount of student financial assistance paid directly to the student or to the educational institution.

(g) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.

(h) Amounts received under training programs funded by HUD.

(i) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS).

(j) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program.

(k) Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the PHA or owner,

on a part-time basis, that enhances the quality of life in the development. No resident may receive more than one such stipend during the same period of time.

(l) Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the employment training program.

(m) Temporary, nonrecurring or sporadic income (including gifts).

(n) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.

(o) Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse).

(p) Adoption assistance payments in excess of \$480 per adopted child.

(q) [Reserved]

(r) Deferred periodic amounts from supplemental security income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts.

(s) Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.

(t) Amounts paid by a state agency to a family member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home.

(u) Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to PHAs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary.

## **Re-Certification**

Re-certification determines whether or not an individual or family is still eligible for a program and is required for homelessness prevention and rapid re-housing programs. Those served with homelessness prevention require the household to be under 30% AMI at intake and they must be recertified for program eligibility, homeless status and lack of resources every 90 days. Those served with rapid re-housing do not require an initial income certification but do require proof of homeless status and lack of resources. For rapid re-housing a client's income must be below 30% AMI at their annual recertification.

Re-Evaluations of Eligibility		
Component	Frequency	Requirements
<b>Rapid Re-Housing</b>	Eligibility and types/amounts of assistance must be re-evaluated not less than once <b>annually</b> .	At a minimum, each re-evaluation must establish and document: <ul style="list-style-type: none"> <li>• The program participant does not have an annual income that exceeds 30% of median family income for the area.</li> <li>• The program participant lacks sufficient resources and support networks necessary to retain housing without ESG assistance.</li> </ul>
<b>Homelessness Prevention</b>	Eligibility and types/amounts of assistance must be re-evaluated not less than once every <b>3 months</b> .	

## Case Management

### Mainstream Benefits

All ESG sub recipient agencies are expected to provide case management to all ESG program participants, including connecting program participants to mainstream and other resources.

Sub Recipients must assist each program participant, as needed, to obtain:

- a. Appropriate supportive services, including assistance in obtaining permanent housing, medical health treatment, mental health treatment, counseling, supervision, and other services essential for achieving independent living; **and**
- b. Other Federal, State, local, and private assistance available to assist the program participant in obtaining housing stability, including:
  - i. Medicaid (42 CFR chapter IV, subchapter C);
  - ii. Supplemental Nutrition Assistance Program (7 CFR parts 271– 283);
  - iii. Women, Infants and Children (WIC) (7 CFR part 246);
  - iv. Federal-State Unemployment Insurance Program (20 CFR parts 601– 603, 606, 609, 614– 617, 625, 640, 650);
  - v. Social Security Disability Insurance (SSDI) (20 CFR part 404);
  - vi. Supplemental Security Income (SSI) (20 CFR part 416);
  - vii. Child and Adult Care Food Program (42 U.S.C. 1766(t) (7 CFR part 226));
  - viii. Other assistance available under the programs listed in § 576.400(c).

### Prevention and Rapid Re-Housing Case Management

Housing stability case management is required of Sub Recipients providing homelessness prevention or rapid re-housing assistance.

Sub Recipients must:

- a. Require the program participant to meet with a case manager not less than once per month to assist the program participant in ensuring long-term housing stability; **AND**
- b. Develop a plan to assist the program participant to retain permanent housing after the ESG assistance ends, taking into account all relevant considerations, such as the program participant's current or expected income and expenses; other public or private assistance for which the program participant will be eligible and likely to receive; and the relative affordability of available housing in the area.



## **RENTAL ASSISTANCE REQUIREMENTS**

KHRC has not established a mandatory share of rent and utility costs that program participants must contribute while in rapid re-housing and prevention programs. Sub recipients must develop and utilize agency policies and procedures for providing rental assistance that meet the standards of 576.400:

- a. Standards for determining what percentage or amount of rent and utilities costs each program participant must pay while receiving homelessness prevention or rapid re-housing assistance;
- b. Standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time; and
- c. Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide to a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the program participant receive assistance; or the maximum number of times the program participant may receive assistance.

### **Rental Assistance Agreements**

Short- and medium-term rental assistance programs require that a program participant and a landlord have a written lease for the provision of rental assistance. In addition, the interim rule also requires a rental assistance agreement between the sub recipient agency and the landlord.

The sub recipient agency may make rental assistance payments only to a landlord with whom the Sub Recipients 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 Recipients 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.

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

- a. The program participant moves out of the housing for which they have a lease;
- b. The lease terminates and is not renewed; or
- c. The program participant becomes ineligible to receive ESG rental assistance.

### **Late Payments**

The sub recipient must make timely payments to each owner in accordance with the rental assistance agreement. The sub recipient is solely responsible for paying late payment penalties that it incurs with non-ESG funds.

### **Leases**

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.

## Rent Reasonableness and Fair Market Rent (FMR)

Rental assistance cannot be provided for a housing unit unless the unit complies with HUD's standard of rent reasonableness, as established under 24 CFR 982.507. The rent restrictions are intended to make sure that program participants can remain in their housing after ESG assistance ends. Rent reasonableness requirements DO NOT APPLY when a program participant receives only financial assistance or services under Housing Relocation and Stabilization Services. This includes rental application fees, security deposits, last month's rent, utility payments/deposits, moving costs, housing search and placement, housing stability case management, landlord-tenant mediation, legal services, and credit repair. The rent charged for a unit must be reasonable in relation to rents currently being charged for comparable units in the private unassisted market and must not be in excess of rents currently being charged by the owner for comparable unassisted units.

- i. Rent reasonableness can be determined by accessing <http://kshousingsearch.org/>
- ii. Other local resources may be used to obtain information, e.g.: Landlord associations, Apartment guides, Craig's list, apartments.com, classified ads
- iii. Supporting documentation includes a copy of the signed and dated Rent Reasonableness chart.
- iv. The proposed unit must be compared to three (3) other units.

What HUD says:

### Determining and Documenting Rent Reasonableness

Recipients are responsible for determining what documentation is required in order to ensure the rent reasonableness standard is met. Recipients and subrecipients should determine rent reasonableness by considering the location, quality, size, type, and age of the unit, and any amenities, maintenance, and utilities to be provided by the owner. Comparable rents can be checked by using a market study of rents charged for units of different sizes in different locations or by reviewing advertisements for comparable rental units. For example, a participant's case file might include the unit's rent and description, a printout of three comparable units' rents, and evidence that these comparison units shared the same features (location, size, amenities, quality, etc.). Another acceptable method of documentation is written verification signed by the property owner or management company, on letterhead, affirming that the rent for a unit assisted with ESG funds is comparable to current rents charged for similar unassisted units managed by the same owner.

#### Caution

Comparable rents vary over time with market changes, so it is important to ensure that the comparison you are using is up-to-date and appropriate for each prospective unit.

Recipients must establish their own written policies and procedures for documenting comparable rents and ensure that they are followed when documenting rent reasonableness in the case file. A recipient may require all subrecipients to use a specific form or a particular data source. Use of a single form to collect data on rents for units of different sizes and locations will make the data collection process uniform. A sample "Rent Reasonableness Checklist and Certification" form is available at:

[www.hud.gov/offices/cpd/affordablehousing/library/forms/rentreasonablechecklist.doc](http://www.hud.gov/offices/cpd/affordablehousing/library/forms/rentreasonablechecklist.doc)

**Note:** This sample form is used across different housing programs.

### **Fair Market Rent (FMR)**

Rental assistance cannot be provided for a housing unit unless the total rent for the unit does not exceed Fair Market Rent (FMR) established by HUD, as provided under 24 CFR

982.503. The rent restrictions are intended to make sure that program participants can remain in their housing after ESG assistance ends. FMR requirements DO NOT APPLY when a program participant receives only financial assistance or services under Housing Relocation and Stabilization Services. This includes rental application fees, security deposits, last month's rent, utility payments/deposits, moving costs, housing search and placement, housing stability case management, landlord-tenant mediation, legal services, and credit repair.

FMRs are gross rent estimates. The U.S. Department of Housing and Urban Development (HUD) annually estimates FMRs. HUD sets FMRs to assure that a sufficient supply of rental housing is available to program participants. By law, HUD is required to publish new FMRs at the start of the federal fiscal year, on October 1 and can be found online at: <http://www.huduser.org/portal/datasets/fmr.html>.

When calculating whether or not the "contract rent" (amount payable to the landlord) is at or below the FMR, be sure to add the contract rent to the utility allowance provided by the appropriate local housing authority. The monthly utility allowance is calculated only for those utilities that the tenant pays for separately from the rent. The utility allowance does not include telephone, cable or satellite television service, and internet service. If all utilities are included in the rent, there is no utility allowance.

**FMR – Utility costs included in rent per PHA schedule = Maximum contract allowed rent**

### **Lead Based Paint Disclosure**

Childhood lead poisoning is a major environmental health problem in the United States, especially for low-income families in poor living conditions. If not detected early, children with high levels of lead in their bodies can suffer from damage to the brain and nervous system, behavioral and learning problems, slowed growth, hearing problems, and headaches.

Subrecipients that receive funds for emergency shelter, homeless prevention and rapid re- housing MUST comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821- 4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations in 24 CFR part 35, subparts A, B, H, J, K, M and R. Most emergency shelters are exempt, because they fall under the definition of zero-bedroom dwellings, which are exempt under the Title X statute. If the shelter does not qualify for the zero-bedroom exemption, it is covered by the regulation.

A zero-bedroom dwelling is defined in section 35.110 as "any residential dwelling in which the living areas are not separated from the sleeping area. The term includes efficiencies, studio apartments, dormitory or single room occupancy housing, military barracks, and rental of individual rooms in residential dwellings." The term "single room occupancy housing" is defined as "housing consisting of zero-bedroom dwelling units that may contain food preparation or sanitary facilities or both." Group homes are exempt if they consist of "rental of individual rooms in residential dwellings."

For homeless prevention and rapid re-housing, a lead-based paint visual assessment must be completed for all units that meet the three following conditions:

- a. The household living in the unit is being assisted with ESG financial assistance (rent assistance, utility assistance, utility/security deposits, or arrears).
- b. The unit was constructed prior to 1978.
- c. A child under the age of six, or a woman who could become pregnant is or may be living in the unit.

### **Use with Other Subsidies**

ESG financial assistance for rents and utilities 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 Uniform Relocation Act (URA) payments.

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.

### **HOMELESS MANAGEMENT INFORMATION SYSTEM (HMIS)**

Homeless Management Information System (HMIS) means the information system designated by the Continuum of Care to comply with the HUD's data collection, management, and reporting standards and used to collect client-level data and data on the provision of housing and services to homeless individuals and families and persons at-risk of homelessness. HMIS participation is a statutory requirement for ESG recipients and sub recipients. Victim service providers cannot, and Legal Services Organizations may choose to not, participate in HMIS. Providers that do not participate in HMIS must use a comparable database that produces unduplicated, aggregate reports instead.

The sub recipient may use ESG funds to pay the costs of contributing data to the HMIS designated by the Continuum of Care for the area, including the costs of:

- a. Purchasing or leasing computer hardware;
- b. Purchasing software or software licenses;
- c. Purchasing or leasing equipment, including telephones, fax machines, and furniture;
- d. Obtaining technical support;
- e. Leasing office space;
- f. Paying charges for electricity, gas, water, phone service, and high-speed data transmission necessary to operate or contribute data to the HMIS;
- g. Paying salaries for operating HMIS, including:
- h. Completing data entry;
- i. Monitoring and reviewing data quality;
- j. Completing data analysis;
- k. Reporting to the HMIS Lead;
- l. Training staff on using the HMIS or comparable database; and
- m. Implementing and complying with HMIS requirements;

## **Data Quality and Reporting**

### **Data Quality**

The KS BoS Data Quality Assurance Plan and Agreement (DQAP) provides a list of policies and procedures to ensure the data integrity of the Kansas Balance of State MAACLink Homeless Management Information System. This is how the BoS CoC ensures that the HMIS is administered in compliance with the CoC Program Interim Rule and in conformance with HMIS Data Standards and related HUD notices.

Agencies provide the following levels of data accuracy and timeliness to ensure data integrity in MAACLink:

- a. All household names are accurate,
- b. Blanks, 'Don't Know' or 'Refused' entries in required data fields do not exceed 5% per month,

- c. All services entered are consistent with the corresponding program,
- d. In all reports of shelter or housing provided for a client, the client is eligible to receive such services from the listed provider per program specific eligibility criteria, and data for intakes and exits by an agency are entered as soon as possible, but no later than 72 hours after the service date.

### **Reporting**

Each ESG agency will run and submit monthly APR's which shall be submitted to KHRC by the fourth working business day of the month following the end of the designated monthly reporting period.

### **Data Quality Compliance for Domestic Violence (DV) Service Providers**

ESG sub recipients who are domestic violence service providers and are providing ESG assistance to victims of domestic violence should not use HMIS but should use a comparable data base to record client data.

DV providers are expected to comply with the same Data Quality standards as agencies who are not serving victims of domestic violence.

### **Coordinated Entry**

HUD require all CoC's to develop and implement a centralized or coordinated assessment process.

A centralized or coordinated entry process covers the geographic area (CoC), is easily accessed by individuals and families seeking housing or services, is well advertised, and includes a comprehensive and standardized assessment tool. The assessment system may vary from community to community based on individual communities' needs. HUD requires all ESG funded Sub recipients to participate in the coordinated entry process designated by the CoC it provides services in.

The KS BoS CoC includes 101 counties organized into 8 Regions. These regions have - Regional Coordinated Entry Teams (RCET) that administer the Coordinated Entry process. The assessment tool to be used across the BoS CoC 101 counties is the Vulnerability Index Services Prioritization Decision Assistance Tool (VI-SPADT). The VI-SPADT is available in MAACLink and is part of the ESG eligibility process.

## **REQUIRED WRITTEN STANDARDS-POLICIES AND PROCEDURES**

ESG requires that each sub recipient establish and consistently apply policies and procedures for each ESG program administered by the sub recipient.

At a minimum these written standards must include:

### **Required for ALL PROGRAMS:**

- a. Standard policies and procedures for evaluating eligibility.
- b. Policies and procedures for coordination among emergency shelter providers, essential services providers, homelessness prevention, and rapid rehousing assistance providers; other homeless assistance providers; and mainstream service and housing providers (see §576.400(b) and (c) for a list of programs with which ESG-funded activities must be coordinated and integrated to the maximum extent practicable);
- c. Participation in HMIS or comparable database. The Sub Recipients must ensure that data on all persons served and all activities assisted under ESG are entered into the MAACLink HMIS. If the sub recipient is a victim service provider, a comparable database, must be used to collect client-level data over time (i.e., longitudinal data) and generates unduplicated aggregate reports based on the data.

### **Standards for STREET OUTREACH - at a minimum these written standards must include:**

- a. Standards for targeting and providing essential services related to street outreach.

**Standards for EMERGENCY SHELTER - at a minimum these written standards must include:**

- a. Policies and procedures for admission, diversion, referral, and discharge by emergency shelters, including standards regarding length of stay, if any, and safeguards to meet the safety and shelter needs of special populations, [e.g., victims of domestic violence, dating violence, sexual assault, and stalking; and individuals and families who have the highest barriers to housing and are likely to be homeless the longest].
- b. Policies and procedures for assessing, prioritizing, and reassessing needs for essential services related to emergency shelter.

**Standards for PREVENTION and RAPID RE-HOUSING at a minimum these written standards must include:**

- a. Policies and procedures for determining and prioritizing homelessness prevention and rapid re-housing assistance;
- b. Standards for determining what percentage or amount of rent and utilities costs, if any, each program participant must pay while receiving homelessness prevention or rapid re-housing assistance;
- c. Standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time,
- d. Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months in the program; or the maximum number of times the program participant may receive assistance.

**PERFORMANCE STANDARDS AND MEASURES**

**Objectives for the ESG program**

- a. Engage homeless individuals and families living on the street;
- b. Improve the number and quality of emergency shelters for homeless individuals and families;
- c. Help operate these shelters;
- d. Provide essential services to shelter residents,
- e. Rapidly re-house homeless individuals and families, and
- f. Prevent families and individuals from becoming homeless.

**Overall Goals**

- a. Reduce the number of unsheltered individuals and families
- b. Reduce length of stay for clients in emergency shelters. Length of stay should generally be no longer than 90 days for shelters.
- c. Increase placements into permanent housing for homeless individuals and families from Emergency Shelter.
- d. Prevent individuals and families from becoming homeless – either unsheltered or sheltered
- e. Increase the percentage of individuals and families remaining in permanent housing. Increase income or access to mainstream benefits for program participants while in the ESG program.

**Performance Measurements**

**A. Emergency Shelter**

- i. 75% of clients with more than 90 days in shelter exit to permanent destinations
- ii. 75 % of clients with less than 90 days in shelter exit to destinations other than homelessness

**B. Street Outreach**

- i. 50% of clients will access housing (ES, TH, SH, PH or PSH)
- ii. 75% of clients will access Essential Services

**C. Homeless Prevention**

- i. 75% of clients will maintain Permanent Housing for six (6) months.
- ii. 75% of clients will access permanent housing

**D. Rapid Re Housing**

- i. 75% of clients will maintain Permanent Housing for six (6) months.
- ii. 75% of clients will access permanent housing

**TERMINATION AND APPEALS**

As part of each program's policies and procedures, Sub Recipients must develop policies regarding termination of assistance to participants, appeals, and confidentiality procedures.

**Terminating Assistance**

As part of each program's policies and procedures, subrecipients must develop policies regarding termination of assistance to participants, complaints, appeals, and confidentiality procedures.

If a program participant violates program requirements, the subrecipient may terminate the assistance in accordance with a formal process established by the subrecipient that recognizes the rights of the individuals affected. The subrecipient must exercise judgement 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. To terminate rental assistance or housing relocation and stabilization services to a program participant, the required formal process, at a minimum, must consist of:

- (a) Written notices to the program participant containing a clear statement of the reasons for termination;
- (b) 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
- (c) Prompt written notice of the final decision to the program participant. Termination does not bar the subrecipient from providing further assistance at a later date to the same family or individual.

If a program participant violates program requirements, the Sub Recipient may terminate the assistance in accordance with a formal process established by the Sub Recipient, and approved by the 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.

**Homeless Prevention and Rapid Re-Housing Terminations**

To terminate rental assistance or housing relocation and stabilization services to a program participant, the required formal process, at a minimum, must consist of:

- a. Written notice to the program participant containing a clear statement of the reasons for termination;
- b. 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**
- c. Prompt written notice of the final decision to the program participant.
  - Termination does not bar the Sub Recipient from providing further assistance at a later date to the same family or individual.

### **KHRC ESG Appeal Process**

ESG agencies have the responsibility to resolve all client complaints. ESG agencies shall establish in writing a clear, objective, and prompt appeal policy.

ESG agencies must assure each client or applicant is aware of their right to file an appeal and the associated time restrictions. To certify that a client or applicant understands his/her rights, this information will be provided on the application and on program rules and requirements. ESG agencies will also be responsive to requests for information regarding their appeals process. The client or applicant may withdraw a request for appeal if the agency review results in a negotiated settlement.

An appeal or grievance must be filed in writing for a subrecipient to take action, except when a client complaint can be resolved quickly. Prompt action and negotiations by the agency does not preclude the right to appeal. ESG agencies must document each step of the appeals process including all communication with the client. The subrecipient is encouraged to include a review of the decision by the ESG agency.

If the appellant is dissatisfied with the decision of the subrecipient a request for appeal to KHRC must be submitted in writing to the ESG program manager within ten days of notice of action. Upon receipt of the request for appeal, the ESG program manager will copy the request for the agency whose decision has been appealed. The subrecipient will be requested to supply any documents relevant to the decision within seven days of receipt of the appeal by KHRC. The ESG program manager will review the request for appeal and any supporting documents and will respond in writing to the applicant or client within thirty days of receipt of the appeal. If the appellant is dissatisfied with the decision of the ESG program manager, he/she may appeal to the Director of Housing with Supporting Services (HWSS) of KHRC within ten days and may include additional documentation appropriate for review. The HWSS Director will respond in writing to the appellant within thirty days of receipt of the appeal. If the appellant is dissatisfied with the decision of the HWSS Director, he/she may appeal to the Executive Director of the Kansas Housing Resources Corporation, within ten days of receipt of the decision of the Executive Director and may include additional documentation appropriate for review. The Executive Director of the Kansas Housing Resources Corporation will respond in writing to the appellant within thirty days of receipt of the appeal.

The decision of the Executive Director of the Kansas Housing Resources Corporation is the final administrative remedy in the appeal process. If the appellant is dissatisfied with the final decision, he/she may seek remedy through the court system.

### **GRANT ADMINISTRATION REQUIREMENTS**

The sub recipient must have policies and procedures to ensure the requirements 24 CFR 576 are met, including those required by 2 CFR part 200. The policies and procedures must be established in writing and implemented by the sub recipient to ensure that ESG funds are used in accordance with the requirements. In addition, sufficient records must be established and maintained to enable the recipient and HUD to determine whether ESG requirements are being met.

### **2CFR 200 Subpart D – Post Federal Award Requirements**

#### **Financial Management**

The financial management system of each sub recipient must provide for the following (see also §§200.333 Retention requirements for records, 200.334 Requests for transfer of records, 200.335 Methods for collection, transmission and storage of information, 200.336 Access to records, and 200.337 Restrictions on public access to records):

#### **Internal Controls**

Sub recipients must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal



controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of sponsoring Organizations of the Treadway Commission (COSO).

## **Program Requirements**

### **Conflicts of interest.**

(a) *Organizational conflicts of interest.* The provision of any type or amount of ESG assistance may not be conditioned on an individual's or family's acceptance or occupancy of emergency shelter or housing owned by the recipient, the subrecipient, or a parent or subsidiary of the subrecipient. No subrecipient may, with respect to individuals or families occupying housing owned by the subrecipient, or any parent or subsidiary of the subrecipient, carry out the initial evaluation required under §576.401 or administer homelessness prevention assistance under §576.103. Recipients and subrecipients must also maintain written standards of conduct covering organizational conflicts of interest required under 2 CFR 200.318.

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

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

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

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

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

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

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

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

- (A) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available;
  - (B) Whether an opportunity was provided for open competitive bidding or negotiation;
  - (C) Whether the affected person has withdrawn from his or her functions, responsibilities or the decision-making process with respect to the specific activity in question;
  - (D) Whether the interest or benefit was present before the affected person was in the position described in paragraph (b)(1) of this section;
  - (E) Whether undue hardship results to the recipient, the subrecipient, or the person affected, when weighed against the public interest served by avoiding the prohibited conflict; and
  - (F) Any other relevant considerations.
- (c) *Contractors*. All contractors of the recipient or subrecipient must comply with the same requirements that apply to subrecipients under this section.

#### **Homeless participation.**

- (a) Unless the recipient is a State, the recipient must provide for the participation of not less than one homeless individual or formerly homeless individual on the board of directors or other equivalent policy-making entity of the recipient, to the extent that the entity considers and makes policies and decisions regarding any facilities, services, or other assistance that receive funding under Emergency Solutions Grant (ESG).
- (b) If the recipient is unable to meet requirement under paragraph (a), it must instead develop and implement a plan to consult with homeless or formerly homeless individuals in considering and making policies and decisions regarding any facilities, services, or other assistance that receive funding under Emergency Solutions Grant (ESG). The plan must be included in the annual action plan required under 24 CFR 91.220.
- (c) To the maximum extent practicable, the recipient or subrecipient must involve homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under ESG, in providing services assisted under ESG, and in providing services for occupants of facilities assisted under ESG. This involvement may include employment or volunteer services.

#### **Affirmative outreach.**

The recipient or subrecipient must make known that use of the facilities, assistance, and services are available to all on a nondiscriminatory basis. If it is unlikely that the procedures that the recipient or subrecipient intends to use to make known the availability of the facilities, assistance, and services will to reach persons of any particular race, color, religion, sex, age, national origin, familial status, or disability who may qualify for those facilities and services, the recipient or subrecipient must establish additional procedures that ensure that those persons are made aware of the facilities, assistance, and services. The recipient and its subrecipients must take appropriate steps to ensure effective communication with persons with disabilities including, but not limited to, adopting procedures that will make available to interested persons information concerning the location of assistance, services, and facilities that are accessible to persons with disabilities. Consistent with Title VI and Executive Order 13166, recipients and subrecipients are also required to take reasonable steps to ensure meaningful access to programs and activities for limited English proficiency (LEP) persons.

**Equal participation of faith-based organizations in HUD programs and activities.**

*Equal participation of faith-based organizations in HUD programs and activities.* Faith-based organizations are eligible, on the same basis as any other organization, to participate in HUD programs and activities. Neither the Federal Government, nor a State, tribal or local government, nor any other entity that administers any HUD program or activity, shall discriminate against an organization on the basis of the organization's religious character or affiliation, or lack thereof. In addition, decisions about awards of Federal financial assistance must be free from political interference or even the appearance of such interference and must be made on the basis of merit, not based on the religious character or affiliation, or lack thereof, of an organization.

*Separation of explicitly religious activities from direct Federal financial assistance.*

(1) A faith-based organization that applies for, or participates in, a HUD program or activity supported with Federal financial assistance retains its independence and may continue to carry out its mission, including the definition, development, practice, and expression of its religious beliefs, provided that it does not use direct Federal financial assistance that it receives (*e.g.*, via contract, grant, sub-grant, sub-award or cooperative agreement) to support or engage in any explicitly religious activities (including activities that involve overt religious content such as worship, religious instruction, or proselytization), or in any other manner prohibited by law.

(2) A faith-based organization that receives direct Federal financial assistance may use space (including a sanctuary, chapel, prayer hall, or other space) in its facilities (including a temple, synagogue, church, mosque, or other place of worship) to carry out activities under a HUD program without removing religious art, icons, scriptures, or other religious symbols. In addition, a faith-based organization participating in a HUD program or activity retains its authority over its internal governance, and 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.

*Explicitly religious activities.* If an organization engages in explicitly religious activities (including activities that involve overt religious content such as worship, religious instruction, or proselytization), the explicitly religious activities must be offered separately, in time or location, from the programs or activities supported by direct Federal financial assistance and participation must be voluntary for the beneficiaries of the programs or activities that receive direct Federal financial assistance.

*Intermediary responsibilities to ensure equal participation of faith-based organizations in HUD programs.*

If an intermediary—acting under a contract, grant, or other agreement with the Federal Government or with a State, tribal or local government that is administering a program supported by Federal financial assistance—is given the authority to select a nongovernmental organization to receive Federal financial assistance under a contract, grant, sub-grant, sub-award, or cooperative agreement, the intermediary must ensure that such organization complies with the requirements of this section. If the intermediary is a nongovernmental organization, it retains all other rights of a nongovernmental organization under the program's statutory and regulatory provisions.

*Beneficiary protections.* Faith-based organizations that carry out programs or activities with direct Federal financial assistance from HUD must give written notice to beneficiaries and prospective beneficiaries of the programs or activities describing certain protections available to them, as provided in this subsection. In addition, if a beneficiary or prospective beneficiary object to the religious character of the organization carrying out the programs or activities, that organization must promptly undertake reasonable efforts to identify and refer the beneficiary or prospective beneficiary to an alternative provider to which the beneficiary or prospective beneficiary has no such objection.