



Montana Department of Public Health and Human Services  
Emergency Solutions Grant Program

**Emergency Solutions Grant Program Manual**  
**Program Policies & Procedures**

February 2024

*The manual and guides provide a basic overview of the Emergency Solutions Grant Program and its eligible activities and requirements. It is to be used by subrecipients to implement their programs. Policies and procedures may be updated as the need arises. They are not intended to replace existing guidance produced by HUD. Additional program information can be found on the [HUD Exchange ESG Page](#).*



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Emergency Solutions Grant Program

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## Montana Department of Public Health and Human Services Emergency Solutions Grant Program

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### Section 1: PROGRAM DESCRIPTION

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The Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act) amended the McKinney-Vento Homeless Assistance Act, revising the Emergency Shelter Grants Program in significant ways and renaming it the Emergency Solutions Grants (ESG) program. The ESG Interim Rule took effect on January 4, 2012. Based on the Emergency Solutions Grant (ESG) regulations at 24 CFR Subpart F § 576.500 the following policies were established and implemented by the State of Montana. All subrecipients of ESG funds must implement, at a minimum, the following policies.

#### PURPOSE

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The HEARTH Act of 2009 established funding through HUD, to support specialized housing services for the homeless. The intent of this program is to provide safe, decent and sanitary housing for homeless individuals, as well as connect those individuals with the supportive services they need to improve their situation and maintain permanent housing. The ESG program is established by subtitle B of title IV of the McKinney-Vento Homeless Assistance Act which authorizes the Department of Housing and Urban Development (HUD) to make grants for the rehabilitation or conversion of buildings for use as emergency shelter for the homeless, for the payment of certain expenses related to operating emergency shelters, for essential services related to emergency shelters and street outreach for the homeless, and for homelessness prevention and rapid re-housing assistance.

It effectively expanded ESG's eligible activities from traditional homeless shelter and outreach services to include rapid rehousing and targeted homeless prevention. The HEARTH Act also codifies into law the Continuum of Care planning process, a longstanding part of HUD's application process to assist homeless persons by providing greater coordination in responding to their needs.

The ESG program objective is to assist individuals and families experiencing homelessness, or who are at risk of homelessness, to regain stability through services provided under the eligible activities outlined in this manual.

Subrecipients must comply with applicable laws and guidance including the requirements of:

- Housing and Urban Development (HUD) [Docket Number FR-5474-I-01]
- Section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302)
- 24 CFR Part 91
- PART 91 --- Consolidated Submissions for Community Planning and Development Programs
- The HEARTH Act
- OMB Uniform Guidance
- HUD Eligibility Determination and Documentation Guidance

#### PROGRAM ADMINISTRATION

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The Montana Department of Public Health and Human Services (DPHHS) administers these funds for the State of Montana. DPHHS delegates the implementation to subrecipients; however, as the HUD grantee for this program, DPHHS is responsible for ensuring that subrecipients carry out activities in compliance with all applicable requirements. Subrecipients are responsible, whether they are providing services directly or through other sub-subrecipients/subcontractors, for making sure that compliance with program requirements occur at all applicable levels.



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DPHHS and the ESG subrecipient formalize the relationship through a contract. To complete the contract process, the subrecipient submits a needs-based work plan and budget of eligible activities.

### **SUB-SUBRECIPIENTS AND SUBCONTRACTORS**

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According to section 576.202(b) of the ESG Interim Rule, "all subrecipients may carry out all eligible activities through their employees, procurement contracts, or subgrants to private nonprofit organizations." This means that all subrecipients, including subrecipients that are nonprofit organizations, may subgrant OR subcontract to another nonprofit. In particular, the McKinney-Vento Homeless Assistance Act and the program regulations impose specific restrictions and responsibilities on subrecipients, and each subrecipient is expected to comply with those restrictions and responsibilities as part of the terms of its subaward. Contractors, on the other hand, are responsible for complying only with those requirements and conducting the activities that the recipient or subrecipient specifies in their contracts. Therefore, when a recipient or subrecipient uses a contractor, the recipient or subrecipient must ensure the contract specifies the program requirements and policies that apply to the tasks the contractor is to perform.

#### ***Sub-subrecipient***

If a subrecipient subgrants with a nonprofit organization, this organization would be considered a sub-subrecipient. Sub-subrecipients are subject to the same requirements that are applicable to a subrecipient.

The recipient, subrecipient, and sub-subrecipient remain responsible for developing all policies and procedures for administering the program. The recipient remains responsible to HUD for complying with all ESG Program requirements for administering the program. Additionally, Subrecipients can exercise discretion in making program decisions and carrying out program activities, while subcontractors cannot.

In general, characteristics or responsibilities of a subrecipient include the following:

1. Determines who is eligible to receive what assistance;
2. Has its performance measured in relation to whether objectives of the program were met;
3. Has responsibility for programmatic decision-making;
4. Is responsible for adherence to applicable requirements in the program regulations and HUD's grant agreement with the recipient; and
5. Uses the program funds to carry out a portion of a recipient's ESG program or to carry out a CoC or ESG project, for a public purpose specified in the McKinney-Vento Homeless Assistance Act, as opposed to providing goods or services for the benefit of the recipient or subrecipient.

#### ***Subcontractor***

A recipient or subrecipient could procure any organization, including a for-profit entity, to carry out eligible ESG activities, but must follow recipient procurement procedures and its subrecipients retain copies of all procurement contracts and documentation of compliance with the procurement requirements referenced below.



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Please also note that the procurement rules are based on free and open competition for the subrecipient to get the best deal for its grant dollars in obtaining goods and services from a qualified organization. The noncompetitive proposal method (procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate) is only permitted if other methods of procurement are infeasible and one of the specified circumstances applies.

To select the contractor, the recipient or subrecipient must follow the procurement rules in the applicable OMB Circulars and any relevant state or local laws. In general, a contractor does not have the same authority as a subrecipient. Contractors do not make policy or programmatic decisions, and the goods and services they provide are "ancillary to the operation of the Federal program." The contractor is limited to performing procured services, which would be specific administrative functions under the policies and procedures developed by the recipient/subrecipient. (2 CFR part 200)

Contractors are paid for providing a good or service to the recipient/subrecipient, to assist them in undertaking activities of the program, which would include the following:

1. Provides the goods and services within normal business operations;
2. Provides similar goods or services to many different purchasers;
3. Operates in a competitive environment;
4. Provides goods or services that are ancillary to the operation of the ESG and CoC programs; and
5. Is held to the terms of the contract rather than the compliance requirements of the ESG or CoC programs.

For additional guidance on using contractors in the ESG and CoC programs please review the [SNAPS-Shot](#) on this topic.

### **MONITORING**

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Ultimately, the grantee is responsible for all activities and subrecipient activities funded with ESG, as well as responsible for ensuring that the respective subrecipients carry out activities in compliance with all applicable requirements. Effective management and oversight are a collaborative process among the grantee, subrecipient and HUD and are important functions of DPHHS.

DPHHS monitors the subrecipient's participation in the program to ensure compliance with program regulations. Visits may be scheduled as a matter of routine or based on subrecipient performance, fiscal reporting, program reporting or other areas of concern. It should be noted that desk monitoring as well as on-site monitoring may be scheduled at any time to assure compliance.

Monitoring has these goals:

1. Ensure accountability;
2. Ensure effective and efficient use of resources;
3. Help assess response to community needs; and
4. Provide training and/or technical assistance.

There are two types of monitoring: desk monitoring, where casefiles and other information may be reviewed through the use of technology and mail without leaving the office, and on-site monitoring



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visits during which monitors visit the subrecipient's office. All sponsors are monitored annually using a combination of both approaches.

**The monitoring visit:** Before an on-site monitoring visit, the DPHHS Monitor may request certain documents to review in advance of the visit. Documents may include: case files, the most recent financial audit with management letter, budget, balance sheet, job descriptions of key employees of the organization, organizational chart, cash flow chart, income statement, program financial/draw records, accounting manual, board minutes, and any other documentation DPHHS may deem necessary to review grant compliance.

Upon scheduled arrival, an appropriate space will be provided by the subrecipient that allows for review of confidential client files, interviews with subrecipient staff, and reviews of any documentation that was not provided prior to the monitoring visit.

After each monitoring visit is complete, DPHHS will send correspondence documenting findings and/or concerns, project accomplishments, areas of deficiencies and technical assistance needs. These areas will be highlighted in the report and serves to confirm issues discussed during the review process and to give grantees notice of deficient areas requiring attention.

**Roundtable/Conference Calls/Webinars:** An annual ESG Roundtable and periodic conference calls may be scheduled by DPHHS. At least one representative from each subrecipient will be required to participate. Agendas are typically provided in advance; subrecipients are encouraged to submit topic ideas for on-going training and technical assistance.

**Casefile checklist and Monitoring Tool Guide can be found in the Appendix.**

### COORDINATION

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DPHHS and subrecipients will coordinate and integrate, to the maximum extent practicable, ESG-funded programs with other programs targeted to homeless people in the area covered by the Montana Continuum of Care to provide a strategic, community-wide system to prevent and end homelessness for the area, per 24 CFR 576.400(b).

The State of Montana and subrecipients will coordinate and integrate, to the maximum extent practicable, ESG-funded activities with mainstream housing, health, social services, employment, education, and youth programs for which homeless families and individuals may be eligible.

ESG program requirements are thus aligned with other formula programs and rental assistance programs to increase efficiency and coordination among the different programs. This framework will maximize communitywide planning and strategic use of resources to:

- Standardize eligibility determinations
- Prevent and end homelessness through direct funding to the most critical services to help people achieve long-term housing stability and avoid becoming homeless again
- Improve coordination and integration with mainstream services and focus on shortening homelessness





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- Improve coordination within each community's homeless services including services funded by other programs targeted to homeless people
- Improving targeting of those most in need
- Improve data collection and performance measurement
- Allow each community to tailor its program to the particular strengths and challenges within that community
- The concept is to marshal available resources capitalizing on existing strength and increase efficiency

### CONSULTATION WITH HOMELESS CONTINUUM OF CARE PROGRAMS

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ESG regulations require program grantees to regularly consult with the homeless Continuum of Care (CoC) entity in their region to determine how to:

- Allocate ESG funds each program year
- Develop the performance standards and evaluate outcomes for projects and activities assisted by ESG funds
- Develop policies and procedures for HMIS

Coordination with Other Targeted Homeless Services:

- Coordinate and integrate ESG-funded activities with other homeless programs covered by the CoC to prevent and end homelessness for the area.
- These programs include:
  - Shelter Plus Care Program (24CFR part 582)
  - Supportive Housing Program (24CFR part 583)
  - Section 8 Moderate Rehabilitation Program for Single Room Occupancy program for Homeless Individuals (24CFR part 882)
  - HUD-Veterans Affairs Supportive Housing (HUD-VASH)
  - Education for Homeless Children and Youth Grants for State and Local Activities (Title VII-B of the McKinney-Vento Homeless Assistance Act)
  - Grants for the Benefit of Homeless Individuals (section 506 for the Public Health Services Act (42 USC 290aa-5))
  - Health Care for the Homeless (42 CFR part 51c)
  - Programs for Runaway and Homeless Youth (42 USC 5701 et seq.)
  - Projects for Assistance in Transition from Homelessness (part C of title V of the Public Health Service Act (42 U.S.C. 290cc-21 et seq.))
  - Services in Supportive Housing Grants (section 520A of the Public Health Service Act);
  - Emergency Food and Shelter Program (title III of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11331 et seq.))
  - Transitional Housing Assistance Grants for Victims of Sexual Assault, Domestic Violence, Dating Violence, and Stalking Program (section 40299 of the Violent Crime Control and Law Enforcement Act (42 U.S.C. 13975))
  - Homeless Veterans Reintegration Program (section 5(a)(1)) of the Homeless Veterans Comprehensive Assistance Act (38 U.S.C. 2021)
  - Domiciliary Care for Homeless Veterans Program (38 U.S.C. 2043)



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- VA Homeless Providers Grant and Per Diem Program (38 CFR part 61)
- Health Care for Homeless Veterans Program (38 U.S.C. 2031)
- Homeless Veterans Dental Program (38 U.S.C. 2062)
- Supportive Services for Veteran Families Program (38 CFR part 62)
- Veteran Justice Outreach Initiative (38 U.S.C. 2031)

System and Program Coordination with Mainstream Resources: The grantee and its subrecipients must coordinate and integrate, to the maximum extent practicable, ESG funded activities with mainstream housing, health, social services, employment, education, and youth programs for which families and individuals at risk of homelessness and homeless individuals and families may be eligible.

Examples of these programs include:

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

Centralized or Coordinated Assessment: Once the Continuum of Care has developed a centralized assessment system or a coordinated assessment system in accordance with requirements to be established by HUD, each ESG-funded program or project within the Continuum of Care’s area must:

- Use the CoC’s assessment system
- Work with the Continuum of Care to ensure the screening, assessment and referrals of program participants are consistent with the Written Standards for Providing ESG assistance

A victim service provider may choose not to use the Continuum of Care’s centralized or coordinated assessment system.

### **THE CONSOLIDATED PLAN**

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ESG is designed to be the first step in a continuum of assistance to prevent homelessness and to enable homeless individuals and families to move toward independent living as well as to prevent homelessness. The Consolidated Plan is designed to help states and local jurisdictions to assess their affordable housing and community development needs and market conditions, and to make data-driven, place-based investment decisions.



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The consolidated planning process serves as the framework for a community-wide dialogue to identify housing and community development priorities that align and focus funding from the CPD formula block grant programs: Community Development Block Grant (CDBG) Program, HOME Investment Partnerships (HOME) Program, Housing Trust Fund (HTF), **Emergency Solutions Grants (ESG) Program**, and Housing Opportunities for Persons with AIDS (HOPWA) Program.

The Consolidated Plan is carried out through Annual Action Plans, which provide a concise summary of the actions, activities, and the specific federal and non-federal resources that will be used each year to address the priority needs and specific goals identified by the Consolidated Plan. Grantees report on accomplishments and progress toward Consolidated Plan goals in the Consolidated Annual Performance and Evaluation Report (CAPER).

For more information on Montana's Consolidated Plan, visit the [Montana Department of Commerce](#).



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### Section 2: PROGRAM COMPONENTS

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Funding is provided under this program for the following program components and will target two populations, (1) individuals and families who are experiencing homelessness and (2) individuals and families who are currently in housing but are at risk of becoming homeless. The regulatory details for the following ESG eligible activities can be found in 24 CFR 576.101 through 108.

1. Street Outreach
  - a. Essential Services
2. Emergency Shelter
  - a. Essential Services
  - b. Shelter Maintenance (Operation)
  - c. Renovation
  - d. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)
3. Homelessness Prevention
  - a. Housing Relocation and Stabilization Service
  - b. Short- Medium Term Rental Assistance
    - i. Tenant-Based Rental Assistance
    - ii. Project-Based Rental Assistance
4. Rapid Re-housing
  - c. Housing Relocation and Stabilization Service
  - d. Short- Medium Term Rental Assistance
    - iii. Tenant-Based Rental Assistance
    - iv. Project-Based Rental Assistance
5. Homeless Management Information System (HMIS)
6. Administration

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### STREET OUTREACH

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Street Outreach services are provided on the street or in parks, abandoned buildings, bus stations, campgrounds and in other such settings where unsheltered persons are staying. Staff salaries related to carrying out street outreach activities are also eligible costs. Eligible Program Participants are individuals and families who meet the HUD homeless definition Category 1. Annual reassessment is required.

#### *Essential Services*

Essential services are used 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. Funds are to be used for eligible activities identified in this section only, including staff time and personnel costs, in support of eligible activities.

#### **Eligible Activities:**

1. **Engagement Activities** - The costs of activities to locate, identify, and build relationships with unsheltered homeless people and engage them for the purpose of providing immediate support,



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

Activities include:

- Making initial assessments of needs and eligibility
- Providing crisis counseling
- Addressing urgent physical needs, such as providing meals, blankets, clothes, or toiletries
- Providing information and referrals to programs targeted to homeless people, mainstream social services and housing programs (including emergency shelter, transitional housing, community-based services, permanent supportive housing and rapid re-housing).

Allowable costs include:

- Cell phone costs of outreach workers during the performance of these activities.

2. **Case Management** – The cost of assessing housing and service needs, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant.

Activities include:

- Using a centralized or coordinated assessment system as required under § 576.400(d)
- Conducting the initial evaluation, which includes 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, developing an individualized housing and service plan, including planning a path to permanent housing stability.

3. **Emergency Health Services** – Costs for the direct outpatient treatment of medical conditions that are provided by a licensed medical professional operating in community-based settings, including streets, parks and other places other unsheltered homeless people are living. *ESG funds may only be used for these services to the extent that other appropriate health services are inaccessible or unavailable within the area.*

Eligible Treatment Activities:

- Assessing health problems and developing a treatment plan
- Assisting program participants to understand their health care needs
- Providing directly or assisting to obtain appropriate emergency medical treatment
- Providing medication and follow-up services

4. **Emergency Mental Health services** – Costs for direct outpatient treatment by licensed professionals of mental health conditions operating in community- based settings, including streets, parks, and other places where unsheltered people are living. *ESG funds may only be used for these services to the extent that other appropriate health services are inaccessible or unavailable within the area.*

Eligible Services:

- Application of therapeutic processes to personal, family, situational or occupational problems



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### Eligible Treatment Activities:

- Crisis interventions
- Prescription of psychotropic medications
- Explanation about the use and management of medications
- Combinations of therapeutic approaches to address multiple problems

5. **Transportation costs** –Costs associated with transporting unsheltered people to emergency shelters or other service facilities and travel by outreach workers, social workers, medical professionals, or other service providers provided that the travel takes place during the provision of services eligible under this section.

### Allowable costs include:

- Program participant travel on public transportation
  - If service workers use their own vehicles, mileage allowance for service workers to visit program participants
  - The cost of purchasing or leasing a vehicle for the grantee or subrecipient and/or staff serving program participants and the cost of gas, insurance, taxes and maintenance for the vehicle
  - Travel cost to accompany or assist program participants to use public transportation
6. **Services for special populations** - Services for homeless youth, victim services (assisting program participants who are victims of domestic violence, dating violence, sexual assault, or stalking) and for people living with HIV/AIDS, **so long as the costs of providing these services are eligible under paragraphs 1 – 5 of this section.** Victim Services include services offered by rape crisis centers and domestic violence shelters and other organizations with a documented history of effective work concerning domestic violence, sexual assault or stalking.

## EMERGENCY SHELTER

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Subject to the expenditure limit in § 576.100(b), ESG funds may be used for costs of providing essential services to homeless families and individuals in emergency shelters, renovating buildings to be used as emergency shelter for homeless families and individuals, and operating emergency shelters. Funds are to be used for eligible activities identified in this section only, including staff time and personnel costs, in support of eligible activities. Eligible Program Participants are individuals and families who meet the HUD homeless definition Category 1. Annual reassessment is required.

### *Essential Services*

Essential Services are used to assist people accessing services at an emergency shelter.

### Eligible Activities:

1. **Case Management** – The cost of assessing, arranging, coordinating, and monitoring the delivery of individualized eligible services.

Activities include:



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- Using a centralized or coordinated assessment system
- Conducting the initial evaluation including verifying and documenting eligibility
- Counseling
- Developing, securing and coordinating services
- Obtaining Federal, State and local benefits
- Monitoring evaluating program participant progress
- Providing information and referral to other providers
- Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking
- Developing an individualized housing and service plan, including planning a path to permanent housing stability

2. **Child Care** – Child care cost of children under the age of 13 unless the child is disabled. Disabled children must be under the age of 18. The child care center must be licensed by the jurisdiction in which it operates to be eligible.

Allowable costs include:

- Meals and snacks
- Comprehensive and coordinated sets of appropriate developmental activities

3. **Educational Services** - When necessary for the program participant to obtain and maintain housing the costs of improving knowledge and basic educational skills are eligible.

Eligible Services include instruction or training in:

- Consumer education
- Health education
- Substance abuse prevention
- Literacy
- English as a second language
- General Educational Development

Component services or activities include:

- Screening, assessment, testing
- Individual or group instructions
- Tutoring
- Provision of books, supplies and instructional material
- Counseling
- Referral to community resources

4. **Employment assistance and job training** – Costs for employment assistance and job training programs.

Activities include:

- Classroom, online, and/or computer instruction
- On the job instruction



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- 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
  - Referral to community resources
- Acquiring learning skills which include skills that can be used to secure and retain a job, including the acquisition of vocational licenses and/or certificates
- Increasing earning potential

Allowable costs include:

- Reasonable stipends to program participants in employment assistance and job training

5. **Outpatient Health Services** - Eligible costs are for the direct outpatient treatment of medical conditions and are provided by licensed medical professionals. *ESG funds may be used only for these services to the extent that other appropriate health services are unavailable within the community.*

Eligible Treatment:

- Assessing a program participant's health problems and developing a treatment plan
- Assisting participants understand their health needs
- Providing directly or assisting participants to obtain appropriate medical treatment, preventative medical care and health maintenance services, including emergency medical services
- Providing medication and follow-up services
- Providing preventive and non-cosmetic dental care

6. **Legal Services** - Eligible costs are the hourly fees for legal advice and representation by attorneys licensed and in good standing with the bar association of Montana and by persons(s) under the supervision of the licensed attorney, regarding matters that interfere with the programs participant's ability to obtain and retain housing. Fees based on the actual service performed (i.e., fee for service) are also eligible, but only if the cost would be less than the cost of hourly fees. Filing fees and other necessary court costs are also eligible. If the subrecipient is a legal services provider and performs the services itself, the eligible costs are the subrecipient's employees' salaries and other costs necessary to perform the services. *ESG funds may be used only for these services to the extent that other appropriate health services are unavailable within the community.*

Eligible subject matters:

- Child support
- Guardianship
- Paternity
- Emancipation
- Legal separation
- Orders of protection





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- Other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking
- Appeal of veterans and public benefit claims denials
- Resolution of outstanding criminal warrants

Component Services or activities may include:

- Client intake
- Preparation of cases for trial
- Provision of legal advice
- Representation at hearings
- Counseling

Ineligible costs:

- Legal services for immigration and citizenship matters
- Issues relating to mortgages
- Retainer fee arrangements and contingency arrangements

7. **Life Skills Training** - The costs of teaching critical life management skills that may never have been learned or have been lost during 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
- Parenting

8. **Mental Health Services** - 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. Eligible costs are the direct outpatient treatment by licensed professionals of mental health conditions. *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.*

Eligible Treatment consists of:

- Crisis intervention
- Individual, family, or group therapy sessions
- Prescription of psychotropic medications or explanations about the use and management of medications



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- Combinations of therapeutic approaches to address *multiple problems*.

9. **Substance Abuse treatment** - 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. *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.*

Eligible Treatment consists of:

- Client intake and assessment
- Outpatient treatment for up to 30 days

Allowable costs include

- Group and individual counseling
- Drug testing

Ineligible costs:

- Inpatient detoxification
- Other inpatient drug or alcohol treatment

10. **Transportation** - Eligible costs consist of the transportation costs of a program participant's travel to and from medical care, employment, childcare, or other eligible essential services facilities.

Allowable costs include:

- Program participant travel on public transportation
- If service workers use their own vehicles, mileage allowance for service workers to visit program participants
- The cost of purchasing or leasing a vehicle for the grantee or subrecipient and/or staff serving program participants and the cost of gas, insurance, taxes and maintenance for the vehicle.
- Travel cost to accompany or assist program participants to use public transportation.

11. **Services for special populations** - To provide services for homeless youth, victim services (assisting program participants who are victims of domestic violence, dating violence, sexual assault, or stalking) and for people living with HIV/AIDS, so long as the costs of providing these services are eligible. Victim Services include services offered by rape crisis centers and domestic violence shelters and other organizations with a documented history of effective work concerning domestic violence, dating violence, sexual assault or stalking.

### *Shelter Maintenance / Operations*

Costs to operate and maintain emergency shelters or to provide other emergency lodging, when appropriate.

Allowable costs include:



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- Maintenance (including minor or routine repairs): 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.
- Rent
- Security
- Fuel
- Equipment
- Insurance
- Utilities
- Food
- Furnishings and supplies
- Hotel/Motel Voucher (Where no appropriate emergency shelter is available for a homeless family or individual).

### *Shelter Renovation and Conversion*

Costs to renovate an emergency shelter. The emergency shelter must be owned by a government entity or private nonprofit organization. In general, an activity that **does** materially add to the value of the building, appreciably prolong its useful life, or adapt it to new uses would be considered renovation or conversion. Examples of renovation could include: replacing fixtures, such as the HVAC system or plumbing; replacing a roof; etc. Depending on the cost of the renovation and value of the building, it might be considered minor rehabilitation or major rehabilitation (see § 576.102(c)).

Allowable costs include:

- Labor
- Materials
- Tools
- Other costs for renovation (including major rehabilitation of an emergency shelter or conversion of a building into an emergency shelter).

Renovation includes four separate activities:

1. Minor Rehabilitation: The cost of the rehabilitation of an existing emergency shelter is 75% or less of the value of the building before rehabilitation\*
2. Major Rehabilitation: The cost of the rehabilitation of an existing emergency shelter exceeds 75% of the value of the building before rehabilitation\*
3. Minor Conversion: The cost of the conversion of a building to an emergency shelter is 75% or less of the value of the building after conversion\*



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4. Major Conversion: The cost of the conversion of a building to an emergency shelter exceeds 75% of the value of the building after conversion\*

\* The value of the building is the reasonable monetary value assigned to the building, e.g., by an independent real estate appraiser

**Renovated/Converted Buildings Minimum Period of Use:** Each building renovated/converted with ESG funds must be maintained as a shelter for homeless individuals and families for not less than a period of 3 or 10 years, depending on the type of renovation/conversion and the value of the building. The value of the building is the reasonable monetary value assigned to the building, such as the value assigned by an independent real estate appraiser. The minimum use must begin on the date the building is first occupied by a homeless individual or family after the completed renovation. A minimum period of use of 10 years, required for major rehabilitation and conversion, must be enforced by a recorded deed or use restriction. (See 576.102(c)(i)-(iii))

- Major rehabilitation. If the rehabilitation cost of an emergency shelter exceeds 75 percent of the value of the building before rehabilitation, the minimum period of use is 10 years
- Conversion. If the cost to convert a building into an emergency shelter exceeds 75 percent of the value of the building after conversion, the minimum period of use is 10 years
- Renovation other than major rehabilitation or conversion. In all other cases where ESG funds are used for renovation, the minimum period of use is 3 years

For more information, refer to the [“SNAPS-Shots: Emergency Shelters: Distinguishing Between Renovation/ Conversion and Maintenance Activities - HUD Exchange”](#) that explains the categories and provides examples of each, in an effort to distinguish and clarify these activities and associated requirements for recipients and subrecipients.

### *Emergency Shelter Requirements and Special Considerations § 576.403*

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

**Minimum standards for emergency shelters.** Any building for which Emergency Solutions Grant (ESG) funds are used for conversion, major rehabilitation, or other renovation, must meet state or local government safety and sanitation standards, as applicable, and the following minimum safety, sanitation, and privacy standards. Any emergency shelter that receives assistance for shelter operations must also meet the following minimum safety, sanitation, and privacy standards. The grantee may also establish standards that exceed or add to these minimum standards.

1. **Structure and materials.** The shelter building must be structurally sound to protect residents from the elements and not pose any threat to health and safety of the residents. Any renovation (including major rehabilitation and conversion) carried out with ESG assistance must use Energy Star and WaterSense products and appliances.



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2. **Access.** The shelter must be accessible in accordance with Section 504 of the Rehabilitation Act (29 U.S.C. 794) and implementing regulations at 24 CFR part 8; the Fair Housing Act (42 U.S.C. 3601 et seq.) and implementing regulations at 24 CFR part 100; and Title II of the Americans with Disabilities Act (42 U.S.C. 12131 et seq.) and 28 CFR part 35; where applicable.
3. **Space and security.** Except where the shelter is intended for day use only, the shelter must provide each program participant in the shelter with an acceptable place to sleep and adequate space and security for themselves and their belongings.
4. **Interior air quality.** Each room or space within the shelter must have a natural or mechanical means of ventilation. The interior air must be free of pollutants at a level that might threaten or harm the health of residents.
5. **Water supply.** The shelter's water supply must be free of contamination.
6. **Sanitary facilities.** Each program participant in the shelter must have access to sanitary facilities that are in proper operating condition, are private, and are adequate for personal cleanliness and the disposal of human waste.
7. **Thermal environment.** The shelter must have any necessary heating/cooling facilities in proper operating condition.
8. **Illumination and electricity.** The shelter must have adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There must be sufficient electrical sources to permit the safe use of electrical appliances in the shelter.
9. **Food preparation.** Food preparation areas, if any, must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner.
10. **Sanitary conditions.** The shelter must be maintained in a sanitary condition.
11. **Fire safety.** There must be at least one working smoke detector in each occupied unit of the shelter. Where possible, smoke detectors must be located near sleeping areas. The fire alarm system must be designed for hearing-impaired residents. All public areas of the shelter must have at least one working smoke detector. There must also be a second means of exiting the building in the event of fire or other emergency.

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

1. **Structure and materials.** The structures must be structurally sound to protect residents from the elements and not pose any threat to the health and safety of the residents.
2. **Space and security.** Each resident must be provided adequate space and security for themselves and their belongings. Each resident must be provided an acceptable place to sleep.
3. **Interior air quality.** Each room or space must have a natural or mechanical means of ventilation. The interior air must be free of pollutants at a level that might threaten or harm the health of residents.
4. **Water supply.** The water supply must be free from contamination.
5. **Sanitary facilities.** Residents must have access to sufficient sanitary facilities that are in proper operating condition, are private, and are adequate for personal cleanliness and the disposal of human waste.
6. **Thermal environment.** The housing must have any necessary heating/cooling facilities in proper operating condition.



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7. Illumination and electricity. The structure must have adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There must be sufficient electrical sources to permit the safe use of electrical appliances in the structure.
8. Food preparation. All food preparation areas must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner.
9. Sanitary conditions. The housing must be maintained in a sanitary condition.
10. Fire safety.
  - a. There must be a second means of exiting the building in the event of fire or other emergency.
  - b. Each unit must include at least one battery-operated or hard-wired smoke detector, in proper working condition, on each occupied level of the unit. Smoke detectors must be located, to the extent practicable, in a hallway adjacent to a bedroom. If the unit is occupied by hearing impaired persons, smoke detectors must have an alarm system designed for hearing-impaired persons in each bedroom occupied by a hearing-impaired person.
  - c. The public areas of all housing must be equipped with a sufficient number, but not less than one for each area, of battery-operated or hard-wired smoke detectors. Public areas include, but are not limited to, laundry rooms, community rooms, day care centers, hallways, stairwells, and other common areas.

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

**Essential Services and shelter operation funding considerations:** Where the grantee or subrecipient uses ESG funds solely for essential services or shelter operations, the grantee or subrecipient must provide services or shelter to homeless individuals and families at least for the period during which the ESG funds are provide. These services or shelters are not limited to a particular site or structure, so long as the site or structure serves the same type of persons originally served with the assistance (e.g. families with children, unaccompanied youth, disabled individuals, or victims of domestic violence) or serves homeless persons in the same area where the grantee or sub recipient originally provided the services or shelter.

### *Transitional Facilities*

A transitional facility will only be eligible to receive ESG funds for Emergency Shelter Essential Services and Maintenance costs if:

1. It meets **BOTH** of the following criteria under the emergency shelter definition:
  - Its primary purpose is to provide a temporary shelter for the homeless in general or for specific populations of the homeless; and
  - It does not require occupants to sign leases or occupancy agreements;

OR



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2. It received funds under a FY 2010 Emergency Shelter Grants grant and met the criteria under the former emergency shelter definition (“any facility, the primary purpose of which is to provide temporary or transitional shelter for the homeless in general or for specific populations of the homeless”).

### *Restrictions on Street Outreach and Emergency Shelter*

The total amount of a grantee’s/subrecipient’s fiscal year grant that may be used for street outreach and emergency shelter activities combined cannot exceed the greater of (24 CFR § 576.100) 60 percent of the grantee’s fiscal year grant (A recipient may request a waiver for good cause to utilize funds above 60 percent).

A unit of general-purpose local government is prohibited from using ESG Funds to replace funds the local government provided for emergency shelter services during the immediately preceding 12-month period, unless HUD determines that the unit of general-purpose local government is in a severe financial deficit.

### **HOMELESSNESS PREVENTION (HP)**

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Homelessness prevention may be provided to individuals and families who meet the criteria under the “at risk of homelessness”, or who meet the criteria in paragraph (2), (3), or (4) of the “homeless” definition in Subsection 576.2. The cost of homelessness prevention is only eligible to help the program participant regain stability in the program participant’s current permanent housing or move into other permanent housing and achieve stability in the housing.

Housing relocation and stabilization services §576.105 and short- and/or medium-term rental assistance §576.106 may be provided to prevent an individual or family from moving into an emergency shelter or another place described in paragraph (1) of the “homeless” definition.

ESG financial assistance cannot be provided to a program participant receiving the same type of assistance for the same period of time from another public program.

Written standards for determining the amount of assistance are required (§576.400).

### *Conditions for using HP*

**Homeless Prevention services may be provided to those “At Risk of Homelessness” meeting the conditions of (1), (2) and/or (3) of the Homeless Definition. [See Glossary “Homeless” for definitions.](#)**

**Homeless Prevention services may be provided to those “Homeless” meeting one of the conditions of (2), (3), and/or (4) of the Homeless Definition. [See Glossary “Homeless” for definitions.](#)**

### **RAPID RE-HOUSING ASSISTANCE (RRH)**

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ESG funds may be used to help a homeless individual or family move as quickly as possible into permanent housing and achieve stability in that housing. This assistance may be provided to program participants who meet the criteria under paragraph (1) of the “homeless” definition in Subsection 576.2





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or who meet the criteria under paragraph (4) of the “homeless” definition (where the individual or family also meets the criteria for paragraph 1).

### *Conditions for using RRH*

Rapid Rehousing services may be provided to those “Homeless” meeting one of the conditions of (1) and/or (4) of the Homeless Definition. [See Glossary “Homeless” for definitions.](#)

## **ELIGIBLE ACTIVITIES FOR BOTH HP AND RRH**

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### *Rental Assistance Services*

Homeless Prevention and Rapid-Re-Housing includes rental assistance and housing relocation and stabilization services. (Subject to the general conditions under Subsection §576.103 and §576.104)

Program participants may be provided up to 24 months of rental assistance during any three-year period. This assistance may be short-term rental assistance, medium-term rental assistance, payment of rental arrears, or any combination of this assistance.

The maximum amount of rental assistance provided and, an individual or family’s level of responsibility for rent payments, over time, shall be determined by the ESG subrecipient and shall be reflective of the individual or family’s need for rental assistance and the level of financial resources available to the ESG subrecipient.

#### **Eligible Activities:**

- 1. Short-Term Rental Assistance:** Assistance for up to (3) months of rent. Designation of Short-Term Rental Assistance must take into consideration payment of Rental Assistance Arrears.
- 2. Medium-Term Rental Assistance:** Assistance for more than 3 months but not more than 24 months of rent.
- 3. Rental Assistance Arrears:** A one-time payment for up to 6 months of arrears and may include any late fees on those arrears but counts toward 24-month service period. An arrears payment is only an eligible cost if a tenant would actually be evicted for non-payment of their portion of the rent or utilities (Homelessness Prevention) or the arrears are preventing the household from obtaining permanent housing and achieving stability in that housing (Rapid Re-Housing).

Months 1-3 are defined as Short-Term Arrears (or Short-Term Rental Assistance)

Months 4-6 are defined as Medium Term Arrears (or Medium-Term Rental Assistance)

### *Housing Relocation and Stabilization Services*

Homeless Prevention and Rapid-Re-Housing includes rental assistance and housing relocation and stabilization services. (Subject to the general conditions under Subsection §576.103 and §576.104)





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### Eligible Activities:

1. **Rental Application Fees:** for the rental housing application fee that is charged by the owner to all applicants.
2. **Security Deposits:** that is equal to no more than 2 months' rent.
3. **Last month's rent:** if necessary to obtain housing to the owner of that housing at the time the owner is paid the security deposit and the first month's rent. This assistance must not exceed one month's rent and must be included in calculating the program participant's total rent assistance, which cannot exceed 24 months during any 3-year period.
4. **Utility Deposits:** for a standard utility deposit required by the utility company for all customers for utilities listed in the utility payment section.
5. **Utility Payments:** may pay for up to 24 months (during any 3-year period) of utility payments per program participant, per service, including up to 6 months of utility payments in arrears, per service. A partial payment of a utility bill counts as one month. This assistance may only be provided if the program participant or a member of the same household has an account in his or her name with a utility company or proof of responsibility to make utility payments. Eligible utility services: Gas, Electric, Water, Sewage

A household seeking utility only assistance may be eligible for ESG assistance if it can be documented that they will lose their housing and become literally homeless if utility assistance is not provided and the household meets other ESG eligibility requirements. In such cases, subrecipient must confirm and document in the case file that the utility company will in fact disconnect the utility service if the full amount or a partial payment is not paid, that the disconnection of utility service will cause housing to be unsafe or otherwise cause eviction (i.e. if the applicant is required to maintain utilities per their lease), and that no other utility assistance (i.e. LIEAP, Energy Share or ESG) is available to prevent the shut-off.

A copy of a utility shut-off notice or arrears statement is not sufficient by itself to document program eligibility. The household still has to meet all other eligibility requirements.

6. **Moving Costs:** such as truck rental or hiring a moving company. This may include payment of temporary storage fees for up to 3 months, provided that the fees are accrued after the date the program participant begins receiving assistance and before the program participant move into permanent housing. Payment of temporary storage fees in arrears is not eligible.
7. **Services Costs:** ESG funds may be used to pay the costs of providing the following services:
  - Assessment of housing barriers, needs and preferences
  - Development of an action plan for locating housing
  - Housing search
  - Outreach and negotiation with owners
  - Assistance with submitting rental applications and understanding leases



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- Assessment of housing for compliance with Emergency Solutions Grant (ESG) requirements for compliance with NSPIRE habitability and lead-based paint.
  - Assistance with obtaining utilities and making moving arrangement
  - Tenant counseling
8. **Housing search and placement:** necessary to assist program participants in locating, obtaining, and retaining suitable permanent housing, include the following:
- Assessment of housing barriers, needs, and preferences
  - Development of an action plan for locating housing
  - Housing search
  - Outreach to and negotiation with owners
  - Assistance with submitting rental applications and understanding leases
  - Assessment of housing for compliance with requirements for NSPIRE habitability and lead-based paint.
  - Assistance with obtaining utilities and making moving arrangement
  - Tenant counseling
9. **Housing Stability case management:** to pay cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing. This assistance cannot exceed 30 days during the period the program participant is seeking permanent housing and cannot exceed 24 months during the period the program participant is living in permanent housing.

### **Component Services and activities:**

- Conducting the initial evaluation (required under subsection 576.401(a), including verifying and documenting eligibility, for individuals and families applying for homeless prevention or rapid re-housing assistance.
- Counseling
- Developing, securing and coordinating services and obtaining Federal, State, and local benefits
- Monitoring and evaluating program participant progress
- Providing information and referrals to other providers
- Developing an individualized housing and service plan, including planning a path to permanent housing and stability
- Conducting re-evaluations required under subsection 576.401(b).
- Mediation between the program participant and the owner or person(s) with whom the participant is living, providing that the mediation is necessary to prevent the participant from losing permanent housing in which they currently reside.
- Legal services as set forth in subsection 576.102 (a) (1) vi), except that the eligible subject matters also include landlord/tenant matters, and the services must be necessary to resolve a legal problem that prohibits the program participant from obtaining permanent housing or will likely result in the program participant losing the permanent housing in which the program participant currently resides.



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- Credit repair for credit counseling and other services necessary to assist participants with critical skills related to household budgeting, managing money, accessing a free personal credit report, and resolving personal credit problems. This does not include payment or modification of a debt.
- May be required to use a centralized or coordinated assessment system as required under Subsection 576.400 (d), to evaluate individuals and families applying for or receiving homeless prevention or rapid re-housing assistance.

### *Special Considerations*

**Discretion to set caps and conditions:** The subrecipient may set a maximum amount or percentage of rental assistance that a participant may receive rental assistance, a maximum number of months that a participant may receive rental assistance, or a maximum number of times that a participant may receive rental assistance. The subrecipient may require program participants to share in the costs of rent. If so, it must be documented in the subrecipient's written policy and procedures manual.

**Use with other subsidies:** Except for a one-time payment of rental arrears on the tenant's portion of the rental payment, rental assistance cannot be provided to a program participant who is receiving tenant-based rental assistance or living in a housing unit receiving project-based assistance or operating assistance, through other public sources 24 CFR § 576.105(d) and 24 CFR § 576.106(c)). Rental assistance may not be provided to a participant who has been provided with replacement housing payments under URA during the period of time covered by the URA payments.

**Please note** that providing ESG rental assistance for rent costs above what another public rental subsidy will allow is not an allowable ESG expense because ESG cannot be provided to a program participant who is receiving the same type of assistance through other public sources (24 CFR § 576.105(d) and 24 CFR § 576.106(c)). However, ESG funds may be used to provide different type(s) of assistance to the program participant through other public sources (e.g., public housing, Section 8 vouchers, permanent supportive housing or other supportive housing programs, and Supportive Services for Veteran Families (SSVF)) if the applicant meets eligibility criteria for ESG.

**Coordination of benefits with other Housing Programs:** It is possible, under certain circumstances for an individual or household to receive assistance through both ESG and a non-ESG funding source. A community that plans to follow a model that combines a non-ESG funding source with ESG funding would need to design their program carefully and follow the guidance below for **enrolling household in both programs and continuously provide some form of ESG assistance.**

A household that receives assistance through a non-ESG funding source could begin to receive ESG-funded assistance when the non-ESG assistance ends only when both of the following conditions are met:

1. The household must have been initially **enrolled in both programs** at the same time; AND
2. The household must **continuously receive some form of ESG assistance** from the time the household is determined eligible and enrolled in the two programs until the time the non-ESG assistance ends (e.g., monthly utility assistance or monthly case management would count as continuous ESG assistance.) Note: ESG rental assistance, other than rental arrears, cannot be



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provided to a program participant who is concurrently receiving rental assistance from another public source.

When the non-ESG assistance ends, the ESG assistance provided to the household could also be expanded to cover ESG-eligible costs that previously had been paid for by the non-ESG source.

**Example:** A household has been determined to be eligible for rapid rehousing assistance through another federally funded rapid rehousing program and for ESG rapid rehousing. The provider enrolls the household in both programs and begins assistance under both programs concurrently. The other federal program's funds are used to provide four months of rental assistance, while ESG funds are used to provide case management, an initial security deposit, and to pay for monthly utility payments. After four months, the other federally funded rapid rehousing assistance ends, but the household continues to need assistance. At that point, ESG funds can be used to cover the costs of up to 24 months of rental assistance, up to 20 additional months of utility assistance, and up to 20 additional months of case management services. The program participant must continue to receive housing stability case management while receiving ESG rapid rehousing rental assistance.

**Please note** that special consideration must be placed on when an applicant is enrolled into an ESG or non-ESG program. An applicant would not maintain their homeless status if they are successfully housed using a non-ESG funding source prior to being enrolled in the ESG rapid rehousing program.

**Returning Deposits:** The ESG interim rule does not require security or utility deposits to be returned to the program either when the program participant leaves the program or when the lease or utility contract terminates. The state may establish our own policies regarding security and utility deposit repayments to the extent allowable under state and local law. After further research, we found out that we do not have a policy on returning security deposits and we do not intend to create one. Therefore, please disregard the guidance given during the RoundTable discussion. There is no requirement to notify the landlord to return the deposit to the agency at any time.

If a landlord chose to return it to the agency, it is considered program income under 24 CFR 576.2. It must be used as match in accordance with 24 CFR 576.201, and must be tracked in accordance with the recordkeeping requirements for match and program income under 24 CFR 576.500(o) and 576.500(u)(3).

The grantee reports program income on the SF-425 report.

### **Mobile Home Lot Rent**

Assisting a person to remain housed in a mobile home, to rent a mobile home or/and to be placed in a mobile home rental is allowable. Paying for rent of a lot on which a mobile home (also known as a manufactured home) is located or for arrears of this rent is eligible as rental assistance component. All other program requirements pertaining to rental assistance still apply, including NSPIRE habitability standards, rent reasonableness, and Fair Market Rent (FMR). Some communities have FMRs for manufactured home spaces. If there are no FMRs for manufactured home spaces in the provider's area, the FMR requirement does not apply in this limited situation.

Please note, however, that ESG may only be used if the client is determined to be eligible for ESG.



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### ADMINISTRATIVE COSTS

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The total subrecipient funds that can be spent on administrative activities are typically 5.0% percent of the subrecipient's ESG grant and is allocated through the program's funding matrix. Employee compensation and other overhead costs directly related to carrying out street outreach, emergency shelter, homelessness prevention, rapid re-housing and HMIS activities are eligible costs of those activities and not subject to the spending limit for administrative costs. Case Management costs should be charged as program costs as described as allowable in program eligible activities and are not to be considered administrative costs.

#### *Eligible Activities*

- Accounting for the use of grant funds
- Preparing reports for submission to HUD
- Obtaining program audits
- subrecipient staff salaries associated with eligible administrative costs
- ESGP training for program administrator and case managers

Description: General management, oversight and coordination. Cost of overall program management, coordination, monitoring, and evaluation. These costs include but are not limited to:

- Salaries, wages and related costs of subrecipient staff, the staff of subrecipients, or other staff engaged in program administration. In charging costs to this category, the grantee may either include the entire salary, wages, and related costs allocable to the program of each person whose primary responsibilities regarding the program involve program administration assignments, or the pro rata share of the salary, wages, and related costs of each person whose job includes any program administration assignments. The grantee may use only one of these methods for each fiscal year grant.
- Program administration assignments include the following:
  - Preparing program budgets and schedules, and amendments to those budgets and schedules;
  - Developing systems for assuring compliance with program requirements;
  - Developing interagency agreements and agreements with subrecipients and contractors to carry out program activities;
  - Monitoring program activities for progress and compliance with program requirements;
  - Preparing reports and other documents directly related to the program for submission to HUD;
  - Coordinating the resolution of audit and monitoring findings;
  - Evaluating program results against state objectives; and
  - Managing or supervising persons whose primary responsibilities regarding the program include such assignments as described in this section.

#### **Allowable costs:**



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- Travel costs incurred for monitoring of subrecipients;
- Administrative services performed under third-party contracts or agreements, including general legal services, accounting services, and audit services; and
- Other costs for goods and services required for administration of the program, including rental or purchase of equipment, insurance, utilities, office supplies and rental and maintenance (but not purchase) of office space.
- Training on ESG requirements
- Consolidated plan. Costs of preparing and amending the ESG and homelessness-related sections of the consolidated plan
- Environmental review. Costs of carrying out the environmental review responsibilities under subsection 576.407.

### *Employee Compensation and other Overhead Costs*

Employee compensation and other overhead costs directly related to carrying out:

- Street Outreach
- Emergency shelter
- Homeless Prevention
- Rapid Re-housing
- And HMIS

Are eligible program components and are not subject to the Administration expenditure limit.

### *Indirect Costs*

ESG may be used to pay indirect costs in accordance with OMB Circular A-87 (2 CFR part 225), or A-122 (2 CFR part 230), as applicable. Indirect costs (24 CFR 576.109) may be allocated to each eligible activity, so long as the allocation is consistent with an indirect cost rate proposal developed in accordance with OMB circulars.

Expenditure limits: The indirect costs charged to an activity subject to an expenditure limit under subsection 576.100 must be added to the direct costs charged for that activity when determining the total cost subject to expenditure limit.

### **INELIGIBLE ACTIVITIES**

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

**Mortgage Costs:** ESG is not a mortgage assistance program. Financial assistance may not be used to pay for any mortgage costs or costs needed by homeowners to assist with any fees, taxes, or other costs of refinancing a mortgage to make it affordable. Legal costs associated with refinancing a mortgage are also excluded.



## Montana Department of Public Health and Human Services Emergency Solutions Grant Program

### Other Ineligible Activities

In addition and unless otherwise noted in this manual, ESG funds may not be used to pay for any of the following items:

- Credit card or other consumer debt
- Car repair or other transportation costs
- Participant travel costs
- Medical or dental care and medicines
- Clothing and grooming
- Home furnishings
- Pet care/ Pet fee
- Entertainment activities
- Childcare
- Cash assistance to program participants
- Duplicating payments– using ESG funds and another source for exact same cost type for same time period
- Operations costs for housing programs
- Assistance longer than 24 months
- Direct payments to program participants
- Non-housing services, such as:
  - Food, household items, clothing
  - Furniture and appliances
- Discharge planning at institutions (hospitals, jails or prisons)
- Planning or developing new HMIS systems
- Development of New Software
- Contracting for program evaluation
- Certifications, Licenses and General Training Classes (e.g. for a case manager to gain credentials)
- Other costs defined as ineligible in the OMB Uniform Guidance

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### Section 3: DETERMINING ELIGIBILITY AND PROGRAM REQUIREMENTS

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Eligibility to receive assistance under all ESG programs will be based on the guidelines outlined by HUD, initially by determining if the individual or family qualifies as “homeless” as defined in the HEARTH Act of 2009, SEC. 103, or at-risk of homelessness. Evaluation and eligibility policies and procedures are developed in accordance with the centralized or coordinated assessment requirements set forth under 24 CFR 576.400(d).

#### CLIENT INTAKE

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An initial evaluation to determine program eligibility of individuals and/or families will be conducted by the subrecipients. Subrecipients are expected to include documentation on the results of the eligibility assessment in the case file and what program component, Homeless Prevention or Rapid Rehousing, individuals and/or families are being assisted with. Street Outreach and Emergency Shelter programs must also keep eligibility documents in client case files.





## Montana Department of Public Health and Human Services Emergency Solutions Grant Program

Subrecipients are required to participate in the centralized or coordinated assessment and intake system when it becomes available in their community.

After the initial evaluation, the type and amount of assistance will be established to ensure the individual or family's needs are met to regain stability.

Note: An eviction notice, and proof of income alone are not enough to determine eligibility and appropriateness for ESG.

### *Limited English Proficiency*

Executive Order 13166: Limited English Proficiency is a federal mandate that requires grantees of federal financial assistance to provide "meaningful access" to applicants and beneficiaries of their programs who do not speak English as their primary language and who have a limited ability to read, write, speak or understand English.

### *Identification*

The ESG and CoC Interim Rules do not require identification as a condition to apply for or receive homeless assistance. HUD requires only that all program participants meet the minimum eligibility criteria and that grantees comply with all local and federal requirements. Further, HUD strongly encourages grantees to adopt Housing First practices and remove unnecessary barriers to receiving assistance, including requiring identification.

The client may, however, need identification to secure and/or maintain housing. In this situation subrecipients should help the client to obtain identification. ESG funds may be used to pay for primary documents, such as driver's licenses or birth records, only when the primary documents are necessary for a program participant to obtain and/or maintain housing.

### *Client signatures*

The ESG Interim Rule does not specifically address requirements regarding client signatures and does not require grantees to disqualify individuals or families based on inconsistent signatures, nor does it require identification as a condition to apply for or receive homeless assistance. HUD requires only that all program participants meet the minimum eligibility criteria and that grantees comply with all local and federal requirements. Further, HUD strongly encourages grantees to adopt Housing First practices and remove unnecessary barriers to receiving assistance. The fact that a program participant has used multiple signatures, even if those signatures do not match, should not affect their eligibility for ESG rental assistance. Using a preferred name is a way to affirm one's gender identity. A way to accommodate program participants who use a preferred name is to include a field on intake forms for both "legal name" as well as "preferred name".

### *Informed Consent*

Clients must be informed about their rights regarding personal information and sign consent forms:





## Montana Department of Public Health and Human Services Emergency Solutions Grant Program

- Informed Consent form, with accompanying Terms of Service form. By signing this form, the client consents to provide information necessary for determining eligibility and providing services.
- Authorization for Use and Sharing of Information. By signing this form, the client consents to have selected information shared with other providers in order to obtain other services or to coordinate care. See the "Montana Statewide CoC CES HMIS Release of Information" Form in Appendix. **This form is to be uploaded into HMIS.**

### *Citizenship Status*

Verification of U.S. Citizenship or eligible immigration status is required for Homeless Prevention. Individuals of households who refuse to fill out the Declaration of Section 214 form and provide supporting documentation or submit proof of citizenship will be deemed ineligible members of the household.

Subrecipients may use the Declaration of Section 214 and supporting documentation or provide U.S. Identification that verifies citizenship. All adults in the household must sign the form. Parent/Guardian must sign the form for family member(s) under 18 years of age. (They DO NOT sign child's name, they sign their own name). In addition, for family members with different citizenship status, complete a separate form for each citizenship status.

Examples of documents that can be used to verify citizenship include the following:

- Social Security Card
- Birth certificate
- Religious document
- U.S. Passport
- Adoption Papers
- Military Records if it shows where born
- Certificate of Naturalization (DHS Forms N-550 or N-570).
- Certification of U.S. Citizenship (DHS Forms N-560 or N-561).
- Certification of Birth Abroad of a U.S. Citizen (Form FS-240 or FS-545).
- U.S. Citizen Identification Card (Form I-197)

Notes: A voter's registration card is not acceptable verification for proof of citizenship when citizenship is questionable since an individual is not required to verify citizenship to register to vote.

See the Declaration of Section 214 for a list of eligible immigration statuses for non-citizens and required supporting documents.

ESG benefits cannot be provided to a household member who is not a citizen or does not have an eligible immigration status but may be provided to the other household members. Instead, a prorated benefit would be paid to the household. For example, if the household consists of five members and one is not a citizen or does not have an eligible immigration status, the household would receive 4/5 of the rental assistance it would otherwise receive.



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All other eligibility requirements must be verified for every household member, regardless of citizenship status.

Street outreach, emergency shelter, safe haven, and Rapid Rehousing meet the Congressionally recognized 3-part test exceptions to protect life or safety and are therefore not subject to the Act's immigration-based restrictions AND THEREFORE, do not need to prove citizenship or sign 214 form either. Refer to [HUD's Fact Sheet](#) for more info.

### *Staff Certification of Eligibility for ESG Assistance*

The person determining eligibility must sign a statement or form stating that the household has been found eligible for the program. A new form is only required if a different staff person re-certifies eligibility at a later date. Visit the [HUD Exchange website](#). The signed form must be in every case file determined eligible or recertified.

## **HOUSING STATUS ELIGIBILITY**

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The household's housing status must be determined at the time of application and every three (3) months for Homeless Prevention and annually for Rapid Re-housing as part of the re-certification requirement and documentation must be **in the case file**.

For each client, determine whether the client is: literally homeless; imminently losing their housing; unstably housed and at-risk of losing their housing; or stably housed at program entry and exit. For clients exiting a program, the Housing Status should reflect their housing status immediately after exiting the program as determined by the client's housing destination and anticipated housing stability. Refer to corresponding Homeless Certification Housing Eligibility Form in Appendix.

Housing status is only changed in the HMIS system upon entry and exit of the ESG program.

The following is a list of allowable Housing Status options:

- Rapid Re-Housing Option:
  - 1 = Literally homeless
- Homeless Prevention Option:
  - 2 = Imminently losing their housing
  - 3 = Unstably housed and at-risk of losing their housing
- Other Options at Exit:
  - 4 = Stably housed
  - 8 = Don't Know
  - 9 = Refused

For purposes of ESG, HUD allows various types of documentation, ranging from third party verification to applicant self-declaration. Minimum acceptable types of documentation vary depending on the particular housing status and circumstance being documented. General documentation standards, in order of preference, are as follows:



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1. **Written Third Party**—Verification in writing from a third party (e.g. emergency shelter provider, landlord, etc.) either directly to ESG staff or via the applicant is most preferred.
2. **Oral Third Party**—Verification from a third party provided by the third party over the telephone or in-person directly to ESG staff. Oral third-party verification is acceptable only if written third party verification cannot be obtained. ESG staff must document reasons why third party written verification could not be obtained in the ESG participant file.
3. **Applicant Self-Declaration**—An affidavit of housing status as reported by the household is allowable but is only acceptable if written or verbal third-party verification cannot be obtained. Self-declaration of housing status (e.g., eviction) should be rare. ESG staff must document reasons why third party written, or oral verification could not be obtained in the ESG participant file.

### Housing Status Documentation:

But before providing assistance through ESG, the subrecipient **must determine and document** if the household has any other available options or resources that may prevent them from becoming literally homeless.

For all ESG applicants, documentation of the following must be in the case file:

- Other housing options (i.e., could they stay with a family member until they are able to move into a new unit or get their first paycheck?),
  - Assess and **document** all other appropriate housing options
  - Verify that no other housing options are available
    - Must be **documented** by ESG case manager or authorized staff
    - Include assessment summary or other statement indicating that applicant has no other appropriate housing options,
    - Be signed and dated by ESG case manager or other authorized ESG staff.
  - Include **documentation** indicating no other subsequent housing options in the case file.
- Support networks and financial resources to obtain immediate housing or remain in current housing.
  - Assess with applicant all financial resources AND support networks (i.e. friends, family or other personal sources of financial or material support)
  - Verify that applicant lacks financial resources and support networks to obtain other appropriate subsequent housing or remain in their housing.
  - Assessment Form or Other Documentation Must:
    - Be documented by ESG case manager or other authorized staff.
    - Include review of current account balances in checking and savings accounts held by applicant household.
    - Include assessment summary or other statement indicating that applicant lacks financial resources and support networks to obtain other appropriate subsequent housing or remain in their housing.



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- Be signed and dated by ESG case manager or other authorized ESG staff
- Include **documentation** indicating insufficient financial resources and support networks in participant case file.

**NOTE:** Remember, specifically for housing status, determining eligibility can be a multi-level process; applicants must meet **ALL** criteria and evidence of this must be present in the case file.

### INCOME ELIGIBILITY

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**Homelessness Prevention Income Requirements.** The ESG Program interim rule limits eligibility for homelessness prevention assistance to individuals and families with incomes below 30 percent of AMI at intake and incomes that do not exceed 30 percent of AMI at reassessment, which must take place not less than once every 3 months. Income must be calculated at the time of application and every three (3) months thereafter as part of the re-certification process for individuals or families receiving Homelessness Prevention. Income calculations must be documented in the client file.

**Rapid Re-Housing Income Requirements.** Please keep in mind for program participants receiving ESG "Rapid Re-Housing" assistance, an income assessment is not required at initial evaluation. At re-evaluation - which must take place not less than once annually for rapid re-housing - the participant's household must have an annual income that does not exceed 30 percent of median family income for the area, as determined by HUD.

This section provides detailed information on how to determine the Area Median Income (AMI) and how to calculate household income. Documentation of a household's total annualized gross income relative to Area Median Income and indicating the actual income guidelines for the area (30% of AMI or less) must be documented in the participant file.

#### **Determining Area Median Income:**

A household must have a gross annual income that is at or below 30% of the AMI. AMI is determined according to the state and local jurisdiction in which a household resides or enters the program and is dependent on the number of household members. The AMI for each community can be found on [HUD's Office of Policy Development and Research website](#). Click on the "Data" tab and scroll down to the 5th section labeled "HUD 30% Income Limit for ALL Areas." Subrecipients should be sure to use the most recent data posted.

When working with ESG program income limits, please be aware of the following key point:

**Extremely Low Income vs. Area Median Income Limits.** The "Extremely Low Income (ELI) families" limits **do NOT** apply to the ESG or Continuum of Care (CoC) programs. ESG does not use the ELI measure to establish income limits but instead uses the 30% of Area Median Income (AMI) income limits. Please use the 30 percent AMI tables. If ESG grantees/subrecipients were to use the ELI standard, some applicants for ESG assistance might be falsely determined to be eligible for homelessness prevention assistance, when actually their incomes were over 30 percent AMI.



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Under the ESG program, income eligibility is based on the HUD income limits in effect at the time of income verification. Income eligibility is not based on HUD income limits that correspond with the grant year under which the ESG funds were awarded.

### *Income Definition*

Income is any money that goes to, or on behalf of, the head of household or spouse (even if temporarily absent) or to any other household member. Annual income includes the current (within 30 days) gross income of all adult household members (18 years of age or older) and income attributable to a minor (S.S.I., child support, etc.)

The following types of income must be counted (inclusions) when calculating gross income for the household:

- Earned Income
- Payment statement
- Statement of income from employer/source of income
- Self-Employment/Business Income
- Most recent financial statement
- Interest & Dividend Income
- Most recent interest or dividend income statement
- Pension/Retirement Income (VA, SS, and from a former job)
- Most recent benefit notice, pension statement or other payment statement from pension provider
- Armed Forces Income
- Payment statement
- Statement of income from government official/agency
- Unemployment
- Most recent benefit statement
- Disability Income (SSI, SSDI, private disability insurance and VA disability)
- Disability income notice from SSI
- Statement from SSI
- VA Benefit Letter
- TANF/Public Assistance/General Assistance
- Most recent benefit or income notice from public assistance administrator
- Statement from public assistance administrator
- Alimony, Child Support
- Court Order
- All income from full-time students when the head of household or spouse
- Income from full-time students up to \$480 annually when not head of household or spouse
- Adoption Assistance Payments up to \$480 annually
- Worker's Compensation
- No Income Reported
- Self-Certification



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The following types of income are NOT counted (exclusions) when calculating gross income for ESG eligibility purposes:

- Income from employment of children, including foster children (Under 18)
- Inheritance and Insurance Income (Lump sum payments)
- Medical Expense Reimbursements
- Income of Live-in Aides
- Disabled Persons
- Student Financial Aid
- Armed Forces Hostile Fire Pay
- Self-Sufficiency Program Income –Funds set aside for use under a PASS program
- Other Income (i.e., temporary, non-recurring or sporadic income)(Gifts)
- Reparations paid by a foreign government
- Income from full-time students- Annual earnings in excess of \$480 for each full-time student (18 or older)(Excluding the head of household or spouse)
- Adoption Assistance Payments- In excess of \$480 annually
- Deferred and Lump Sum Social Security & SSI payments
- Income Tax and Property Tax refunds
- Home Care Assistance
- Other Federal Exclusions- 24 CFR 5.609(c) apply (i.e. food stamps, VISTA, LIEAP, WIA, WIC, Childcare)

**NOTE:** Household assets are generally not counted as income, with the exception of interest and dividend income as indicated above.

### *Income Calculation*

Depending on pay periods used by the employer or the schedule of periodic payments, the following calculations convert the average wage into annual income:

- Hourly Wage multiplied by Hours Worked Per Week multiplied by 52 weeks
- Weekly Wage multiplied by 52 weeks
- Bi-Weekly (every other week) Wage multiplied by 26 bi-weekly periods
- Semi-Monthly Wage (twice a month) multiplied by 24 semi-monthly periods
- Monthly Wage multiplied by 12 months

### *Income Documentation*

#### **HUD's required order**

1. Third Party
  - Source
    - Written, including already available documents
    - Oral
2. Intake Staff Observations
3. Self-Certification



## Montana Department of Public Health and Human Services Emergency Solutions Grant Program

### Third Party – Written Letters/Referrals

- Official communication (issued on agency stationary or program template)
- Signed and dated by appropriate third party representative
- Additional standards depend on criteria/condition of the Homeless Definition Category being used

### Third Party – Recorded Oral Statements

- By intake staff of 3<sup>rd</sup> party providing verification
- **Must be Signed and dated** by intake staff as true and complete

**Oral Third Party**—Verification from a third party (e.g. individual employer, Social Security Administration, welfare office, etc.) provided by the third party over the telephone or in-person directly to ESG staff. Oral third-party verification is acceptable only if written third party verification cannot be obtained. ESG staff must document reasons why third party written verification could not be obtained in the ESG case file. The subrecipient may use the ‘Verification of Income’ form to document oral third-party income verification.

### Intake Staff Observations

**Applicant Self-Certification**—an affidavit of income status as reported by the household is allowable but is only acceptable if written or verbal third-party verification cannot be obtained. ESG staff must document reasons why third party written, or oral verification could not be obtained in the ESG case file. See “ESG Self-Declaration of Income” template at <https://www.hudexchange.info/> for examples. The “ESG Self-Declaration of Income” template is also included under the forms section of this document. At a minimum, self-declaration documentation must include, source, amount, frequency, applicant’s signature, and date.

### HUD’s Required Order documentation requirements do not apply when providing:

- Emergency Shelter Assistance (Unsheltered Homeless)
- Street Outreach Assistance
- Domestic Violence Assistance

**Note:** ESG staff must clearly and briefly describe in case file anytime written third party documentation is not used. This may be done as part of the documented client assessment or as part of other case file documentation (e.g., in case notes, on the income verification form).

### Timeliness of Documentation

Documentation that is dated within 30 days prior to the time of application is acceptable for purposes of ESG. However, a statement received any time within the twelve months prior to the time of application and reflecting current benefits received by an applicant household is allowed.



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### *Treatment of Assets*

Assets are cash or material items that can be converted to cash quickly. They include real property, personal property, and investments that a household may possess, including assets that are owned by more than one person, but allow unrestricted access to the applicant.

Assets include:

1. Amounts in checking and saving bank accounts.
2. Stocks, bonds, savings certificates, money market funds, and other investment accounts.
3. The cash value of trusts that may be withdrawn by the household.
4. IRA, Keogh and similar retirement savings accounts, even when early withdrawal will result in a penalty.
5. Lump sum receipts of cash received and accessible by household, such as inheritances, capital gains, lottery winnings, insurance settlements, and other claims.

In Montana, ESG applicants cannot have liquid assets totaling more than two (2) months of 80% of Fair Market Rate Value for rentals in Montana.

### **DETERMINING ALLOWABLE RENT**

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#### *Fair Market Rent and Rent Reasonableness*

As explained in the ESG Notice, similar to the rules of other HUD housing programs, the interim rule prohibits rental assistance from being provided for a housing unit, unless the total rent for the unit does not exceed the fair market rent established by HUD, as provided under 24 CFR, Part 888 and complies with HUD's standard of rent reasonableness 24 CFR 982.507. These rent restrictions are intended to make sure that program participants can remain in their housing after their ESG assistance ends.

These rules apply regardless of whether a household is seeking to maintain its current housing (Homelessness Prevention), or if the household is exiting homelessness into new housing (Rapid Re-Housing).

To aid in understanding the rules and implementing them, HUD has released [Rent Reasonableness and Fair Market Rent Under the Emergency Solutions Grants Program](#). It explains the requirements and addresses how to determine whether the unit cost exceeds or does not exceed FMR, how to calculate the gross rent amount, and tips for determining and documenting compliance.

**Fair Market Rent (FMR):** Units must not exceed the FMR established by HUD for its geographical area. For purposes of calculating rent under this section, the rent shall equal the sum of the total monthly rent for the unit, and fees required for occupancy under the lease (other than late fees and pet fees) and if the tenant pays separately for utilities, the monthly allowance for utilities (excluding telephone) established by the public housing authority for the area in which the housing is located. It is not permitted to allow clients to pay the difference if a unit is above FMR.





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**Rent reasonableness:** Rent reasonableness is an ESG requirement when determining if a unit is eligible for ESG assistance. It is determined on a case-by-case basis. Rent reasonableness should be determined by considering the following:

1. The reasonableness in relation to rents being charged for comparable unassisted units, taking into account the location, size, type, quality, amenities, management, and maintenance of each unit.
2. The rent should not be in excess of rents currently being charged by the same owner for comparable unassisted units. As the notice states, this comparison can include units advertised for rent as well as those actual rents charged.

Subrecipients must determine, and document rent reasonableness for all units for which ESG rental assistance is being provided. The requirement applies whether homelessness prevention assistance or rapid re-housing assistance is provided (i.e. when participants are moving into units and when there is a current lease in place).

If the rent for the unit does not meet the rent reasonableness standard, then ESG funds may not be used to assist the household in that unit. Further, ESG funds cannot be used to pay the rent up to the rent reasonable standard, while the tenant pays the remainder. However, an eligible household could receive ESG assistance to relocate to another unit that does comply with rent reasonableness standards and is ultimately more affordable to the household.

In the Notice, HUD set a requirement that rents must be in compliance with the HUD standard of "rent reasonableness." However, it is up to the grantee to determine exactly which documentation it will require in order to ensure that the rent reasonableness standard is met. Subrecipients may choose to use the "[Rent Reasonableness Checklist and Certification](#)" template, also found in the Appendix.; or [www.affordablehousing.com](http://www.affordablehousing.com). Affordable Housing works to maintain the largest and most accurate listing of rentals that are currently available in every market in the U.S. Subrecipients that use Affordable Housing can set parameters and produce a report on rent reasonableness.

**Exceptions:** The rent restrictions discussed in the ESG Interim Rule at 24 CFR 576.106(d) (rent reasonableness and Fair Market Rents) do not apply when ESG funds are being used solely for rental arrears assistance. Furthermore, they **do not apply** when a program participant receives only financial assistance or services under Housing Stabilization and Relocation Services. This includes rental application fees, security deposits, an initial payment of "last month's rent," utility payments/deposits, and/or moving costs, housing search and placement, housing stability case management, landlord-tenant mediation, legal services, and credit repair. (**Note:** "Last month's rent" may not exceed the rent charged for any other month; security deposits may not exceed 2 months' rent.)

**Shared Housing:** The FMR used for a household in shared housing is the lower of the FMR for the family unit size or the pro-rata share of the FMR for the shared housing unit size. The pro-rata share is calculated by dividing the number of bedrooms available for occupancy by the assisted family in the private space by the total number of bedrooms in the unit. For example, in the case of a single person household renting one room in a 4-bedroom house, the FMR used would be the lower of the 1-bedroom FMR or the pro-rata share of the 4-bedroom FMR (1/4 of the 4 bedroom FMR).



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Rent reasonableness should be determined by considering the reasonableness of the rent in relation to rents being charged for comparable unassisted units, taking into account the location, quality, size, type, and age of unit, as well as any amenities, housing services, maintenance, and utilities provided by the owner. Start with other shared housing/room rentals first and expand from there.

### *Rental Assistance Agreement*

The subrecipient may make rental assistance payments only to an owner with whom the subrecipient has entered into a rental assistance agreement. The agreement must set forth the terms under which rental assistance will be provided, including the requirements that apply. The rental assistance agreement must provide that, during the time of the agreement, the owner must give the subrecipient a copy of any notice to the participant to vacate the housing unit, or any complaint used under state or local law to commence an eviction action against the participant.

It must at least include the following:

- A provision requiring the owner to give the grantee/subrecipient a copy of any notice to the program participant to vacate the housing unit, or any complaint used under state or local law to commence an eviction action against the program participant, as indicated in §576.106(e).
- The same payment due date, grace period, and late payment penalty requirements as the program participant's lease, as indicated in §576.106(f).
- For project-based rental assistance, the initial term of the rental assistance agreement must be one (1) year. For tenant-based rental assistance, grantees/subrecipients should establish the term of the rental assistance agreement for the period of time they anticipate providing assistance.

The rental assistance agreement should also include provisions addressing the following:

- **The type of rental assistance being provided** (tenant-based or project-based).
- **Late Payments:** If a grantee/subrecipient incurs late payment penalties, it is the sole responsibility of the grantee/subrecipient to pay those penalties using non-ESG funds, as indicated in §576.106(f).
- **Program Participant Sharing in Rent:** The grantee/subrecipient may require the program participant to pay a portion of the monthly rental cost. In such cases, the grantee (or subrecipient, if applicable) must have written policies and procedures for determining the program participant's portion, and the rental assistance agreement should specify the amount of rent to be paid by the grantee/subrecipient and the amount to be paid by the program participant, as indicated in §576.106(b).
- **Termination:** When providing tenant-based rental assistance, the rental assistance agreement with the owner must terminate and no further rental assistance payments may be made under that agreement if: the program participant moves out of the housing unit; the lease terminates and is not renewed; or the program participant becomes ineligible to receive ESG rental assistance §576.106(h).

Even when the assistance is solely for arrears, a rental assistance agreement is required, because rental arrears are considered rental assistance. For payments of rental arrears, the agreement should provide



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the amount paid by the grantee/subrecipient, include the number of months of arrears paid, and any other terms and conditions of the payment. The agreement should reflect the evidence/documentation used to justify that the arrears are an eligible payment.

### *Lease*

Each program participant receiving rental assistance must have a legally binding, written lease for the rental unit. The lease must be between the owner and the program participant. For participants living in housing with project-based rental assistance, the lease must have an initial term of one year.

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 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.

Each lease executed on or after December 16, 2016 must include a lease provision or incorporate a lease addendum that includes all requirements that apply to tenants, the owner or lease under [24 CFR part 5](#), subpart L (Protection for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking), as supplemented by [24 CFR 576.409](#), including the prohibited bases for eviction and restrictions on construing lease terms under [24 CFR 5.2005](#)(b) and (c). If the housing is not assisted under another "covered housing program," as defined in [24 CFR 5.2003](#), the lease provision or lease addendum may be written to expire at the end of the rental assistance period.

**Note on Project-Based Rental Assistance:** When providing project-based rental assistance, additional conditions and requirements apply for both leases and rental assistance agreements. See section 576.106(i) of the ESG interim rule for specific requirements.

Per section 576.500(h) of the ESG interim rule, client files/records must include copies of all leases and rental assistance agreements, documentation of payments made to owners for the provision of rental assistance, and supporting documentation for these payments, including dates of occupancy by program participants.

## **INSPECTIONS**

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### *Habitability Standards*

**Emergency Shelters:** All shelters must meet minimum habitability standards. Shelters renovated with ESG funds are required to meet state or local government safety and sanitation standards, include energy-efficient appliances and materials.

**Accessibility:** Reasonable accommodations for persons with disabilities must be made in order to enable program participants with a disability to have an equal opportunity to participate in the program or activities. If undertaking shelter alterations, you must consult with the specific requirements to be in compliance with 24 CFR Part 8.



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**Housing Standards:** If ESG funds are used to help a program participant remain in or move into permanent housing that housing must meet habitability standards. Inspections must be conducted upon initial occupancy and signed by the subrecipients.

An on-site inspection is required anytime a program participant is receiving ESG financial assistance. (Financial assistance includes arrears, rental assistance, security deposit assistance, utility assistance, etc.). Habitability inspections are not required for persons receiving services only (anything other than financial assistance).

Following are the habitability standards that grantees must follow:

- The unit must be in compliance with all applicable state and local housing codes and licensing requirements.
- Structure and materials: must be structurally sound so as not to pose any health and safety threat to occupants and to protect occupants from the elements.
- Access: must be accessible to occupants without being accessible to unauthorized persons and must provide an alternate means of egress in case of fire.
- Space and security: must afford adequate space and security for occupants and belongings including an acceptable place to sleep.
- Interior air quality: each room or space must be provided with natural or mechanical ventilation and must be free of air pollutants at levels that threaten the health of the occupants.
- Water supply: must be free from contamination.
- Sanitary facilities: Residents must have access to sufficient sanitary facilities that are in proper operating condition, may be used in privacy, and are adequate for personal cleanliness and the disposal of human waste.
- Thermal environment: must have adequate heating and or cooling facilities in proper working condition.
- Illumination and electricity must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. Sufficient electrical sources must be provided to permit use of essential electrical appliances while assuring safety from fire.
- Food preparation and refuse disposal: all food preparation areas must contain suitable space and equipment to store, prepare, and serve food in a sanitary manner.
- Sanitary condition: housing and any equipment must be maintained in a sanitary condition.
- Fire safety
  - Each dwelling must include at least one battery-operated or hard-wired smoke detector, in proper working condition, on each occupied level of the unit. Smoke detectors must be located, to the extent practicable, in a hallway adjacent to a bedroom. If the unit is occupied by hearing-impaired persons, smoke detectors must have an alarm system designed for the hearing-impaired in each bedroom occupied by a hearing-impaired person.
  - Public areas of all housing must be equipped with a sufficient number, but not less than one for each area, of battery-operated or hard-wired detectors. Public areas include, but are not limited to, laundry rooms, community rooms, day care centers, hallways, stairwell, and common areas.



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- There must also be a second means of exiting the building in the event of fire or other emergency.

The Housing Quality Standards (HQS) used for other HUD programs are more stringent than the habitability standards outlined in the ESG Notice. Subrecipients are not required to use HQS but may do so if they choose.

Habitability standards do *not* require a certified inspector to conduct on-site inspections.

Inspections must be conducted upon initial occupancy and then on an annual basis for the term of ESG assistance.

Subrecipients should use the “ESG Habitability Standards Checklist” in the Appendix as a guide to conduct the on-site inspection. This checklist should be completed upon initial occupancy and on an annual basis for the term of ESG assistance. Copies of the completed checklists should be included in the case files for documentation purposes.

### *Lead-based Paint Requirements*

The lead-based paint requirements exist to protect vulnerable families from potential health hazards. To prevent lead-poisoning in young children, subrecipients must comply with the Lead-Based Paint Poisoning Prevention Act of 1973 and its applicable regulations found at CFR 35, Parts A, B, M, and R. As subrecipients that provide assistance to and advocate on behalf of disadvantaged populations, it is important to understand that the lead rule is a tool that helps you ensure the safety and well-being of your clients.

Under ESG, the rule is that a lead-based paint visual assessment **must be completed** for all units that meet the three following conditions:

1. The household living in the unit is being assisted with ESG financial assistance (rent assistance, utilities assistance, utility/security deposits, or arrears).
2. The unit was constructed prior to 1978.
3. A child under the age of six is, child under 6 will be living in the unit or a pregnant woman will live there.

Note: Emergency Shelters receiving funds must be meet the Lead-Based Paint requirements as a condition of funding.

The lead requirements apply regardless of whether a household is remaining in an existing unit or moving to a new unit. The visual assessment must be completed prior to ESG assistance being provided, and annually thereafter.

There are certain exceptions to the rule. Visual assessments by ESG staff are not required under the following circumstances:

- It is a zero-bedroom or Single Room Occupancy (SRO) sized unit (studio apartments, dormitories, etc.);



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- X-ray or laboratory testing of all painted surfaces by certified personnel has been conducted in accordance with HUD regulations and the unit is officially certified to not contain lead-based paint;
- The property has had all lead-based paint identified and removed in accordance with HUD regulations;
- The client is receiving Federal assistance from another program, where the unit has already undergone a visual assessment within the past 12 months – e.g., if the client has a Section 8 voucher and is receiving ESG assistance for a security deposit or arrears (note, in such cases, ESG staff are required to obtain documentation that a visual assessment has been conducted from the agency administering the other form of assistance for the ESG case file); or
- It meets any of the other exemptions described in 24 CFR Part 35.115(a).

If any of the conditions outlined above are met, ESG program staff simply need to document the condition by completing the *ESG Lead Screening Worksheet* (available on the HUD HRE) and placing a copy in the case file. (Note: While grantees are required to document compliance with the lead rule, they are not required to use this particular screening worksheet. This tool was developed as a sample to assist subrecipients who may be looking for resources to use in their local programs.) Remember, regardless of these exceptions, all properties are still subject to the disclosure requirements.

**Disclosure requirements:** Disclosure requirements are triggered for **ALL** properties constructed prior to 1978. These require that **property owners or managers** provide tenants with:

- HUD’s disclosure form for rental properties disclosing the presence of known and unknown lead-based paint; *AND*
- A copy of the “[Renovate Right: Important Lead Hazard Information for Families, Child Care Providers and Schools](#)” pamphlet. Both the disclosure form and pamphlet are available. As explained, this requirement actually relates to property owners/managers, but sharing this information with your clients (or ensuring they have received it) is an easy thing to do and will make your job easier. ESG assessments are an important opportunity to educate clients about the potential hazards related to lead and their rights as tenants. Informed tenants are more likely to watch for potential problems in their home and proactively work with landlords to address any issues.

For more information go to [Lead-Based Paint - HUD Exchange](#)

### ESG Program Staff Responsibilities

1. Determine whether lead-based paint requirements are triggered
2. Inform ESG client and property owner of the lead-based paint requirements and schedule visual assessment.
3. Conduct visual assessment
4. Identify risks and compare to “de minimis” level
5. Make assistance determination.
6. Confirm all identified deteriorated paint has been stabilized.



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7. Respond to a child with elevated blood leads levels.
8. Conduct ongoing lead-based paint monitoring. (Annually)

ESG program staff is responsible for ensuring that property owners/managers understand their responsibilities with regard to lead-based paint hazards.

### **Property Owner/Manager Responsibilities**

1. Distribution of pamphlets and disclosure notice to occupants.
2. Perform paint stabilization.
3. Use safe work practices.
4. Obtain clearance.
5. Provide Notice of Lead Hazard Reduction to tenants.
6. Conduct ongoing lead-based paint maintenance.

Anyone may become a HUD-Certified Visual Assessor by successfully completing a 20-minute online training on HUD's website at: <http://www.hud.gov/offices/lead/training/visualassessment/h00101.htm>. The training teaches individuals how to identify deteriorated paint and how deteriorated paint must be treated.

### *Environmental Review*

ESG activities are subject to environmental review under HUD's environmental regulations in 24 CFR Part 58. HUD has authorized states and units of general local government to assume HUD's responsibilities for environmental review. The same environmental reviews procedures remain that have been required for all Emergency Solutions Grants program grants. The environmental effects of each application must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD's implementing regulations at 24 CFR Parts 50 and 58.

Environmental regulations provide certain categorical exclusions under NEPA and under Part 58 set conditions under which excluded activities may be determined exempt from all environmental review requirements. In cases where proposed assistance and matching contributions solely involve operating costs for facilities or the provision of essential services, and the structures and sites involved in the project meet the program requirements of this part, these activities are categorically excluded by regulation and may be determined fully exempt from environmental review by DPHHS.

Funds may not be obligated or expended for activities in projects that have not been previously environmentally cleared. ESG funds distributed by the State to units of local government, will require that unit of local government to assume the environmental responsibility specified in Section 104 (g)(1) of the Housing and Community Development Act of 1974. The State will be responsible for providing the release of funds in accordance with the requirement of 24 CFR Part 58.

Funds distributed by the State to nonprofit organizations will require the State to assume the environmental responsibilities specified in Section 104 (g)(1) of the Housing and Community Development Act of 1974, as amended in 1992. The State will provide the release of funds in this instance. In either case, funds may be obligated or expended only after the Request for Release of Funds





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and Certification of Compliance with Environmental Regulations at 24 CFR Part 58 have been approved for projects provided that fifteen (15) calendar days have elapsed from the time of receipt of the Request for Release of Funds and the Certification and if no objections from the public are received. An Environmental Determination Guide for ESG Activities may be found in the Appendix of this manual.

### CASE MANAGEMENT

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Assistance through the Emergency Solutions Grants (ESG) program is intended to be provided as a part of a system-wide approach. In order to evaluate and coordinate services to the greatest extent possible, ESG grantees and subrecipients providing ESG-funded rental assistance or housing and relocation services under the Rapid Re-Housing and/or Homelessness Prevention components must:

- Develop a plan with each program participant on how they will retain permanent housing after the ESG assistance ends (see 24 CFR 576.401(e)(1)(ii)).
- Require program participants to meet with a case manager not less than once per month while they are receiving ESG-assistance to implement the plan and monitor progress towards housing stability (see § 576.401(e)(1)(i)).
- Assist program participants in obtaining appropriate supportive services, as well as connecting them to other federal, state, local, and private benefits and services for which they may be eligible. This includes, but is not limited to, Medicaid, SNAP, WIC, unemployment insurance, SSI/SSDI, services for veterans, and TANF (see § 576.401(d)).
- Have written policies and procedures for coordination among different providers of services in the community. Activities must be coordinated and integrated to the maximum extent practicable (see § 576.400(e)(3)(v)).

The approach to case management described above is required when providing any amount of Rapid Re-Housing or Homelessness Prevention assistance, even when just a one-time payment of rent/utility arrears is being provided. In this instance, a single case management session may meet the program's requirements so long as the housing plan can be established and the referrals to mainstream resources can be completed during the initial intake meeting. The grantee or subrecipient may require the program participant to attend additional follow-up meetings as a condition of receiving assistance.

#### *Housing and Services/Stabilization Plan*

Housing and services plan should be completed for all participants that receive an initial intake evaluation, if necessary. The plan is intended to be a guide for both the participant and the subrecipients. It should focus on obtaining or maintaining housing with defined goals, outcomes and timelines. The plan should also identify needed community resources, referrals to partnering subrecipients especially for mainstream benefits, budget education and tenant education.

Obtaining or maintaining stable housing is a likely primary goal and other steps needed to achieve housing stability (such as employment or needed supports) are likely related goals. Plans must be developed with full involvement from household members and should start with a strength's assessment. Case managers should build plans around the client's own goals. Service needs may include: mental health, substance abuse, domestic violence, education, employment, and health care. The plan should assist the program participant in retaining permanent housing after the ESG assistance ends.





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Participants must be assisted, as needed, in obtaining appropriate supportive services such as medical or mental health treatment or services essential for independent living including mainstream benefits (Medicaid, SSI, SSDI, SNAP, WIC, LIEAP etc.)

In addition to assessing and documenting income and the current housing situation of applicant households, the subrecipients must also assess and document that the household would become homeless **but for** the ESG assistance. This includes assessing and documenting a household's support networks, monthly budget of expenses, financial resources and other housing options.

### *Providing ESG Case Management Services without Rental or Financial Assistance*

Under the Rapid Re-Housing and Homelessness Prevention components, ESG funds can be used for case management services (or other services) alone. That is, although rental assistance cannot be provided independent of case management services, case management can be provided independent of rental assistance. For example, services (such as case management) could be provided after the term of a program participant's rental assistance expires, as long as the 24-month cap for each type of assistance is not exceeded.

ESG "stand alone" case management or other services can also be provided to support program participants who receive rental assistance through non-ESG programs, as long as the individual or family is eligible for ESG assistance at the time of the intake evaluation and any recertification(s) of eligibility.

### *Limitation on Housing Stability Case Management Under the Rapid Re-Housing Component*

Often, households that are eligible for Rapid Re-Housing assistance reside in an emergency shelter or in a place not meant for human habitation while they wait for a unit to be identified. The following principles for charging the costs of housing stability case management under Rapid Re-Housing apply in these situations:

- Grantees/subrecipients may provide housing stability case management assistance under the Rapid Re-Housing component for up to 30 days during the period these program participants are residing on the street or in an emergency shelter and seeking permanent housing (see § 576.105(b)(2)).
- If the program participant needs more than 30 days of housing stability case management assistance while they are sleeping in an emergency shelter or on the street (or other place not meant for human habitation), it must be charged either to Emergency Shelter: essential services or Street Outreach: case management, as appropriate. The costs are then subject to the cap on these components.
- Once the program participant is in permanent housing, housing stability case management can be provided under the Rapid Re-Housing component for up to 24 additional months.

## **REASSESSMENT OF ELIGIBILITY**

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### *Requirements*

Subrecipients must evaluate and reassess the eligibility of ESG program participants not less than once every 3 months for Homelessness Prevention and not less than once every one (1) year for Rapid Rehousing. Subrecipients should determine the reassessment date based on the original eligibility



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assessment date. The intent is to assure the household remains eligible and needs continued assistance to prevent homelessness, particularly since eligibility is based on current income as opposed to past or projected income.

At the subrecipient's discretion, re-evaluations may be conducted more frequently than required by 24 CFR 576.401 and may also be incorporated into the case management process which must occur not less than monthly for homeless prevention and rapid re-housing participants – See 24 CFR 576.401(e) (i).

At a minimum, the re-evaluation of eligibility must establish that:

- The household does not have an annual income that exceeds 30 percent of median family income for the area, as determined by HUD.
- The program participant lacks sufficient resources and support networks necessary to retain housing with ESG assistance.
- The subrecipients may require each program participant receiving assistance to notify the subrecipients regarding changes in the participant's income or other circumstances that affect the participant's need for assistance under ESG.

### *Changes in household composition or participant's income*

The limits on the assistance apply to the total assistance an individual receives, either as an individual or as part of a family. (§ 576.106)

The subrecipient may require each program participant receiving homelessness prevention or rapid re-housing assistance to notify the subrecipient regarding changes in the program participant's income or other circumstances (e.g., changes in household composition) that affect the program participant's need for assistance under ESG. When notified of a relevant change, the subrecipient must re-evaluate the program participant's eligibility and the amount and types of assistance the program participant needs. (§ 576.401). To preserve local discretion, it is the subrecipient's choice whether to use household composition or income change other than the required re-evaluation periods of three months for homeless prevention and annually for rapid re-housing. If so, it must be documented in the written policy and procedures manual.

## **ADMINISTRATIVE REVIEW AND TERMINATION**

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### **Termination**

Persons may be terminated from the program for not meeting eligibility requirements, not following program rules, or completing and exiting the program. Subrecipients should develop their own written termination policies and procedures and apply them equitably. All clients must be made aware of their right to an administrative review.

Subrecipients are required to keep a record of all clients that are screened and classified as ineligible. The ESG recordkeeping and reporting requirements state that for each individual and family determined ineligible to receive ESG assistance, the record must include documentation of the reason for that determination. (See 24 CFR § 576.500(d)). The ESG regulation does not require that data about individuals or families determined to be ineligible be entered into an HMIS. (See 24 CFR § 576.400(f)).



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Subrecipients are also required to keep record of all clients otherwise terminated from the program, the record must include documentation of the reason for that determination.

### **ESG Administrative Review**

The purpose of the Administrative Review is to provide for the resolution of a program issue by a higher administrative authority. The Administrative Review provides the program participant an opportunity to present written or oral objections about why the proposed action is incorrect before a person other than the person (or a subordinate of that person) who made or approved the termination decision.

Any aggrieved person may file a written appeal with the subrecipient in any case in which the person believes that the subrecipient has failed to properly consider the person's application for assistance under this part. Such assistance may include, but is not limited to, the person's eligibility for, or the amount of, a payment, or termination from the program.

In deciding an appeal, the subrecipient and/or Department shall consider all pertinent justification and other material submitted by the person, and all other available information that is needed to ensure a fair and full review of the appeal.

### Subrecipient Administrative Review Process

1. If the program participant disagrees with the action taken on their case, then they have fifteen (15) days from the date of notice to request an Administrative Review and complete the Administrative Review Request Form.
2. Upon receipt of the written request for an Administrative Review, the subrecipient will notify the program participant in writing of the scheduled date, time and place, for the review within ten (10) days of the receipt of the request. If the program participant cannot appear at the date and time set for the review meeting, the program participant shall be given a reasonable opportunity to reschedule the review meeting.
3. If the program participant fails to cooperate reasonably in scheduling and completing the review meeting, the review will be cancelled, and the meeting will not be rescheduled.
4. At the Administrative Review, the program participant will be able to present their reasons for requesting the review and will be encouraged to bring any documentation or witnesses to support their argument. The subrecipient will explain the reasons for their decision.
5. After the program participant has presented their argument, the subrecipient will make a determination of any steps to be taken to resolve the issue.
6. The subrecipient will communicate its determination including an explanation of the basis on which the decision was made in writing to the client within one week.
7. The subrecipient will prepare a written report of the review for DPHHS within one week.



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### Review Outline

Responsibility	Outline
Sub-grantee	<ol style="list-style-type: none"> <li>1. Open the Administrative Review by:               <ol style="list-style-type: none"> <li>a. Stating its purpose and scope; and</li> </ol> </li> <li>2. Ask the claimant or his/her representative to present their side of case.</li> </ol>
Participant or Representative	<ol style="list-style-type: none"> <li>1. Explain why the Administrative Review was requested.</li> <li>2. Present information in support of said position.</li> </ol>
Sub-grantee	<ol style="list-style-type: none"> <li>3. Present the sub-grantee's side of the case.               <ol style="list-style-type: none"> <li>a. Explain the basis for the sub-grantee's action.</li> <li>b. Present documentation in support of said action.</li> </ol> </li> <li>4. Resolve differences by:               <ol style="list-style-type: none"> <li>a. Interpreting state policies and regulations which may not be entirely understood.</li> <li>b. Explaining to the claimant the laws and regulations under which the Department operates.</li> </ol> </li> <li>5. After both sides have presented their side, close the review meeting.</li> <li>6. Report the outcome to the program participant and DPHHS</li> </ol>

The program participant may withdraw their request for Administrative Review by sending a written and signed letter to the subrecipient.

Reversed or Modified Decision: At any time during the Administrative Review, an action may be reversed or modified by the subrecipient based on program policy.

If the Administrative Review does not resolve questions and issues relating to the adverse action to the program participant's satisfaction, the program participant may request a second review by the Department.

### Department Administrative Review Process

1. If the program participant disagrees with the action taken on their case by the subrecipient, then they have fifteen (15) days from the date of notice to request an Administrative Review by the Department.
2. The program participant must send the Department a copy of the original Administrative Review Form and provide an update on adverse actions.
3. Upon receipt of the written request for an Administrative Review, the Department will notify the program participant in writing of the scheduled date, time and place, for the review within ten (10) days of the receipt of the request. If the program participant cannot appear at the date and time set for the review meeting, the program participant shall be given a reasonable opportunity to reschedule the review meeting.
4. If the program participant fails to cooperate reasonably in scheduling and completing the review meeting, the review will be cancelled, and the meeting will not be rescheduled.



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5. The subrecipient must give the Department all relevant documents pertaining to the case and subrecipient Review upon request.
6. At the Department Administrative Review, the program participant will be able to present their reasons for requesting the review and will be encouraged to bring any documentation or witnesses to support their argument.
7. The Department will review the relevant facts, circumstances and regulations involved in the adverse action.
8. After the program review is complete, the Department will make a determination of any steps to be taken to resolve the issue.
9. The Department will communicate its findings in writing to the client and subrecipient within one week of the review meeting.
10. A review decision by the Department is final.

The Department Review will follow a similar outline to the subrecipient review.

*Right to representation:* A person has a right to be represented in their review. They may be represented by legal counsel, or by a relative, friend, or other spokesperson, or they may represent themselves. However, such representatives must have written authorization from the claimant to act in such a capacity and solely at the person's own expense.

*Review of files by person making appeal:* The subrecipient shall permit a person to inspect and copy all materials pertinent to their review, except materials which are classified as confidential by the subrecipient. If a copy is requested, there is a fee of 10 cents per page.

### **CLIENT FILE CHECKLIST AND REQUIREMENTS**

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Regardless of the type of assistance provided, if the assistance was a direct service payment or a service was provided, there must be a client file that details the reason for the assistance and justifies eligibility. It is also required to keep a record of all clients that are screened and classified as ineligible. The ESG recordkeeping and reporting requirements state that for each individual and family determined ineligible to receive ESG assistance, the record must include documentation of the reason for that determination.

In order to ensure that information contained within the file is complete and accurate, refer to the **Client File Documentation / Record Keeping Requirements by Category** and use the **Client File Checklist** form located in the forms section of the Appendix.



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### Section 4: PROGRAM FISCAL ACCOUNTABILITY

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#### Financial Responsibilities

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Programs will maintain an accounting system which segregates each major ESG funding category. (Emergency Shelter/Rapid Re-Housing/Homeless Prevention) Please note the following:

- Program must not make payments directly to program participants but only to third parties such as landlords and utility companies.
- Property receiving ESG financial or rental assistance funds may not be owned by the subrecipients or the parent, subsidiary, or affiliated organization of the subrecipients with some exceptions. See page 66-68 for allowable exceptions, waiver opportunities, and other details.
- Rental assistance paid by program cannot exceed the actual rent costs.
- Programs may not charge program fees to participants.

#### Financial Standards

Internal controls reflect the overall financial management of an organization. Standards for financial management systems of nonprofit organizations may be found in 24 CFR 84. The following areas should be included:

**Budget Controls:** When budget controls are adequate, the subrecipients will have a regular, on-going basis of comparison between actual expenditures and ESG-budgeted amounts for the activities. The ESG budget will cover intended activity expenses with flexibility for adjustments during the grant period. The subrecipient will also relate its financial information to recorded outcomes.

**Accounting Controls:** Expenditures must be supported by invoices, contracts, purchase orders, etc.,

**Wages:** Wages supported by more than one funding source must be documented by records that clearly show the time distribution and wage breakdowns between programs.

**Financial records:** Financial records that are relative to the ESG must be maintained for eight (8) years.

**Procurement Rules:** 24 CFR Part 84 provides regulations that govern the procurement of supplies, equipment, construction and services to ensure that they are obtained economically and competitively. In summary, subrecipients may use their own procurement procedures as long as they conform to the regulations. Important elements for subrecipients to consider are: a system to handle contract disputes; a code of conduct preventing conflicts of interest; some form of cost analysis to ensure economic purchases; positive efforts to use small, minority- and woman-owned businesses to the maximum extent possible.

**Property Controls:** The Federal regulations regarding property controls in 24 CFR 84.34 (f) are for the purpose of tracking the assets purchased with grant funds to ensure that they are properly maintained, secure and being used for authorized purposes. Subrecipients using ESG funds to purchase furnishings, vehicles or equipment for an activity should keep accurate records including the following: a complete



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description of the item purchased a serial or other identification number, the source of funds and Grant Agreement number, the acquisition date and the cost.

### *Audit Requirements*

The subrecipient shall conform to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Requirements) of 2 CFR 200.302, Financial Management, 2 CFR Part 200, Subpart F, Audit Requirements and 2 CFR 200.303, Internal Controls.

### *Recordkeeping*

Sufficient records must be established and maintained to enable DPHHS and HUD to determine whether ESG requirements are being met. The subrecipient must make sure any Subrecipients assisting subrecipient with the ESG program also maintain appropriate and complete records.

Subrecipients shall retain all program records pertinent to client services and expenditures paid with ESG funds. It is also required to keep a record of all clients that are screened and classified as ineligible. The ESG recordkeeping and reporting requirements state that for each individual and family determined ineligible to receive ESG assistance, the record must include documentation of the reason for that determination. Currently, program records including client files must be retained for a period of eight (8) years after the Master Contract ends. If any litigation, review, claim or audit is started before the expiration of the eight (8) year period, the record must be retained until all litigation, reviews, claims or audit findings involving the records have been resolved. They should be retained for 10 years when renovation of an emergency shelter exceeded 75% of the value of the building before renovation; and 10 years when conversion of a building into an emergency shelter exceeded 75% of the value of the building before renovation Refer to the Appendix for Client File Documentation / Record Keeping Requirements by Category.

If client file documents and signatures or policy documents are collected and maintained electronically, required documentation must be made available to DPHHS in paper form when requested or vice versa.

### *Procurement*

Purchases of services from contractors or vendors by nonprofit subrecipients with ESG funds are subject to 24 CFR Part 84. This includes standards that prohibit conflicts of interest, procedures for open competition with consistent technical solicitations, affirmative efforts to hire minority- and women- and veteran owned businesses, maintenance of selection documentation, and a contract administration system that provides sufficient monitoring. Purchases of services from contractors or vendors by public subrecipients with ESG funds are subject to 24 CFR Part 85.

### *Late Payments*

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





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### *Landlord W9*

Subrecipients are required to collect the W9 for each landlord and property management institution. For more information or to get a copy of the form, please refer to the [IRS](#).

### *Funds Reallocation and Recapture*

Per the contract, DPHHS will review financial reports and budget allocations for the eligible program components and will re-allocate resources if necessary.

DPHHS may, to meet production and expenditure goals, reduce the total funds of this contract for reallocation to an eligible contractor requiring additional funds in accordance with the following formulas:

1. If the Contractor has expended less than 45% of the total contract funds at 50% of the contract period, the Department may reduce the total contract funds by the difference between the 45% and the actual expenditures.
2. If the Contractor has expended less than 70% of the total contract funds at 75% of the contract period, the Department may reduce the total contract funds by the difference between the 70% and the actual expenditures.

## **REPORTING**

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### *Reporting guidelines*

The State of Montana is required to use the following five systems to input data related to the Homeless Prevention and Rapid Re-Housing Program. Each system is listed below as is the requirements that the state has imposed on the Human Resource Councils.

1. AWACS – DPHHS' invoice processing system.
2. Sage - Beginning in October 2017, ESG grantees will submit their accomplishment data in Sage as part of their APR. This means that grantees will no longer need to use ESG-CAPER Annual Reporting Tool (eCart). Instead, project reports (Comma Separated Value (CSV) downloads) generated by HMIS or comparable databases can be uploaded directly into Sage. The Sage aggregated report will be attached to the OLDC report.
3. HUD's Integrated Disbursement and Information System (IDIS) is the financial management system through which the Department must draw down funds. The Department will not be entering any performance or beneficiary data into IDIS.
  - Subrecipients must submit a work plan on how their money will be allocated. These amounts are inputted into IDIS. The subrecipient must track their expenditures and ensure they are not overspending in any one budget category. If more authority is needed in any one budget category a revised work plan is required before the invoice will be paid.





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4. A Homeless Management Information System (HMIS) is a client-level data collection and management system that allows for better coordination among subrecipients providing services to clients. It is not a national reporting system and it is not designed to be a financial reporting/accounting system. Subrecipients providing ESG assistance **MUST** enter client-level data into HMIS so the subrecipient can provide aggregate data to DPHHS (which is then reported to HUD) All universal and program level data elements are required.

### *Subrecipient Invoices*

After the ESG contract process has been completed, a Provider Invoice is sent to the subrecipient, which will allow them to request an advance of funds and/or reimbursement of funds.

Subrecipients are required to submit a monthly invoice and payment certification to IHSB **by the 10th of every month**. The invoice can be faxed, mailed or emailed with a signature. Email is preferred.

Included with the invoice are the following (Items may change as needs for the report change):

- Invoice
- Contract Summary
- Invoice Details
- Number Served
- FTE Table (for informational purposes)

An explanation of the Provider Invoice is as follows:

- Line 1 is equal to the contract amount of the contract. No reimbursement over the contract amount is allowed.
- Line 2 is the amount of cash that the subrecipient has received to date. This will include both the outstanding advance and expenditure amounts that have been requested.
- Line 3 is the amount of cash that the subrecipient has available to request.
- Line 4 is the amount of expenditures that have been asked for on the contract.
- Line 5 is equal to the amount that the subrecipient is currently requesting for the specific time period.
- Line 5a is the amount of the current expenditures that will be expensed towards the outstanding advance. The amount in 5a should not be greater than the amount in line 5. For example, if there is an outstanding advance of \$100,000, but only \$80,000 in expenditures then only put the \$80,000 in Line 5a.
- Line 5b is the amount in line 5 minus the amount in line 5a.
- Line 6 is the total YTD expenditures, which will be line 4 plus line 5.
- Line 7 is the Cash Balance that is available which may be positive or negative depending on the amount of advance that is still outstanding. This amount is figured by taking line 2 and subtracting line 6.
- Line 8 is the amount of new advance that is being requested. This is the amount of upfront cash that you need to operate for the month. This amount will not be greater than the Current Contract Balance.
- Line 9 is the total payment amount which is equal to line 5b plus line 8.



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- Line 10 is the new Contract Balance, line 3 minus line 9.
- In the Provider/Contractor Approval box is where an authorized person from the subrecipient will sign to receive payment.

When the subrecipient wishes to submit an invoice for payment they will fill out the Provider invoice and a supplemental program payment certification sheet that details the payment line items to be drawn down through IDIS. Payments will not be processed without a signed Provider invoice and the supplemental draw sheet. Both sheets must have an appropriate person signature approval. The subrecipient then submits the invoice.

Once all invoices are received, the Community Services Program Officer matches them to their respective work plan. If all looks good, they then send it to the Contract Specialist who inputs the invoice into the subrecipient contract system AWACs. The invoice is then given to the department's financial officer to authorize.

Once the invoice is authorized in AWACs, the payment will process and be sent out to the subrecipient either by direct deposit or check in the mail. A new Provider Invoice will be emailed to the subrecipient with the new balances remaining on the contract.

After all invoices are authorized, the program officer compiles the invoices and supplemental draw sheets for the payment month onto one draw sheet to be submitted to the General Ledger for drawdown through IDIS.

It is the subrecipient's responsibility to monitor available funding and make requests for amendments to work plans prior to exceeding available balances.

Please refer to the subrecipient Contract for further guidance. If there are ever any questions on the process of payments or any other questions, please contact the Fiscal Officer.

### ***Integrated Disbursement and Information System (IDIS)***

HUD's IDIS is the financial management system through which the Department must draw down funds and reports on ESG performance data for HUD's Consolidated Annual Performance and Evaluation Report (CAPER).

Subrecipients must submit a work plan with their ESG Contract on how their money will be allocated. These amounts are inputted into IDIS. The subrecipient must track their expenditures and ensure they are not overspending in any one budget category. This coincides with the payment certification that is attached to a subrecipient's monthly invoice. If more authority is needed in any one budget category a revised work plan is required before the invoice will be paid.

### ***Homeless Management Information System (HMIS)***

HMIS is a client-level data collection and management system that allows for better coordination among subrecipients providing services to clients. It is not a national reporting system and it is not designed to be a financial reporting/accounting system.



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Section 416 (F) of the McKinney-Vento Act requires that projects receiving funding under Emergency Solutions Grant program participate in HMIS. With the exception of victim service or legal service providers, all ESG subrecipients MUST enter client-level data into the HMIS in accordance to the U.S. Department of Housing and Urban Development HMIS Data Standards. Victim service providers will use a comparable database that collects client-level data over time and generates unduplicated aggregate reports based on the data. Information entered into a comparable database must not be entered directly into or provided to a HMIS system.

All data for a quarter must be entered by the 5th day following the end of the quarter in order to meet reconciliation and reporting requirements.

Please refer to the HMIS Data Standards for a discussion of the data standards for collecting and entering information for clients. This is available in the HMIS Help option as well as through <https://www.hudexchange.info/resource/3826/hmis-data-standards-manual/>

For HMIS Training opportunities, contact the contact the HMIS administrator, PathwaysMISI.

### *Reconciliation Requirement*

Reconciliation between the HMIS housing assistance information and the amounts invoiced to DPHHS must be made on a quarterly basis. A quarterly report of HMIS data will be provided and the subrecipient must provide written verification that the information in HMIS is complete and accurate.

### *Central Database System*

Community Action Subrecipients that are subrecipients of ESG must enter ESG clients and their related services and outcomes in the State's Central Database System (CDS). This information is used for the Community Services Block Grant Annual Report.

## **RECORDKEEPING**

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The State of Montana and subrecipients will maintain records to verify compliance with all policies, procedures and regulations in addition to the following specific requirements for recordkeeping.

### *Records Retention*

All ESG records must be retained for 8 years after the Master Contract ends. While ESG policy includes a minimum of 5 years as required by 24 CFR 576.500(y), Grantee contracts supersede this requirement.

Access to all books, documents, papers, or other records of the State and its subrecipients pertinent to ESG will be given to the HUD Office of the Inspector General, the Comptroller General of the United States, or any of their authorized representatives upon request for as long as they are retained.

### *Client Confidentiality*

Confidentiality of all records is required. All records containing personally identifying information of any applicant for and/or recipient of ESG assistance will be kept secure and confidential.



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Each subrecipient must have written procedures to ensure:

- 1 The security and confidentiality of records containing any personally identifying information of any individual or family who applies for and/or receives assistance; and
- 2 That the address or location of any assisted individual, family or housing situation will not be made public, except to the extent that this prohibition contradicts a pre-existing privacy policy of the subrecipient.

Information regarding participants will be released only after appropriate authorization to release and/or obtain information is completed.

Access to client records should always be restricted to the employee or agent that must have access to the client's information in order to properly perform their normal job functions.

Written policies should inform clients about their rights to confidentiality and disclose that all information contained in their file is confidential. Employees or program funders with access to information about the client are bound by confidentiality guidelines and will not disclose this information without prior written consent.

Upon written request, ESG clients should have access to review their records and case file content. A private location should be provided to the client for this purpose within the subrecipient. Clients should not be allowed to remove their case file from the subrecipient; however, they may be granted copies of file contents upon request. Sponsors may charge a reasonable fee for copies.



## Montana Department of Public Health and Human Services Emergency Solutions Grant Program

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### Section 5: OTHER FEDERAL REQUIREMENTS

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#### MATCH

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Each subrecipient of ESG funds will provide match equal to the amount of HUD funds received by the State of Montana. Matching is required to be reported annually. Subrecipients must use **DPHHS' Match Report Form** which can be found in the Appendix. Limited match waivers are approved on a case-by-case basis to subrecipients with limited financial opportunities.

Matching contributions may be obtained from any source, including any Federal source other than the ESG program, as well as state, local, and private sources.

Federal Sources used as contributions:

1. The grantee must ensure the laws governing any funds to be used as matching contributions do not prohibit those funds from being used to match ESG funds.
2. If ESG funds are used to satisfy the matching requirements of another Federal program, then funding from that program may not be used to satisfy the matching requirement.
3. Contributions that have been or will be counted as satisfying a matching requirement of another Federal grant or award may not count as satisfying the matching requirement.
4. The matching funds must be provided during a specified contract period.

Eligible types of matching contributions:

- Cash contributions which are expended for allowable costs
- Noncash contributions – The value of any real property, equipment, goods, or services contributed to the ESG program provided that if they were paid for with grant funds that they would have been allowable
- The value of any donated material or building,
- The value of any lease on a building,
- Any salary paid to staff to carry out the program of the grantee, and the value of the time and services contributed by volunteers to carry out the program.
- Program Income is to be used as a match

Calculating the amount of noncash contributions:

- Must use a method reasonably calculated to establish the fair market value.
- Services provided by individuals must be valued at rates consistent with those ordinarily paid for similar work in the organization or consistent with other employers for similar work in the same labor market.
- Costs paid by program income can count provided the costs are eligible ESG costs that supplement the ESG program.

Please Reference § 576.201 Matching requirement for further information.



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### COUNTY SIGN-OFFS

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County sign-offs are only required for ESG when there is a new Emergency Shelter or the shelter activities to be carried out are different than those which the county has previously approved. They are only required in the county that has a shelter, not in all counties the subrecipient provides ESG services. County officials must have some opportunity to review continued Shelter services if desired.

### FAITH-BASED ACTIVITIES

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Minimum standards for faith-based activities (24 CFR 576.406)

Religious/faith-based organizations

- Are eligible on same basis as other organizations
- Retain their independence
- Must not engage in inherently religious activities as part of ESG-funded activities
- Must not discriminate based on religion or religious belief
- Must not use ESG funds to rehabilitate structures used for inherently religious activities (e.g., chapels or sanctuaries)

If local government contributes its own funds to a faith-based organization to supplement federal funds

- Funds may be segregated or commingled
- If commingled, restrictions apply

### CONFLICT OF INTEREST

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Subrecipients must keep records to show compliance with HUD's organizational conflicts-of-interest (COI) requirements.

**Conflict of Interest (Recipient/subrecipient level):** ESG assistance will not be contingent on the individual's or family's acceptance or occupancy of emergency shelter or housing owned by the provider or a provider's subsidiary or parent. No provider, with respect to individuals or families occupying housing owned by the provider or a provider's subsidiary or parent, will carry out the initial evaluation under 24 CFR 576.401 or administer homelessness prevention assistance under § 576.103.

The specific conflict of interest requirements for a recipient or subrecipient (including any parent or subsidiary) with an ownership interest differs based on the type of assistance being provided as described below. This answer includes COI information for all ESG funded activities. Please note that the "evaluation" referred to in 24 CFR § 576.404 includes not only the program participant's eligibility for ESG assistance but also a determination of the rental assistance amounts necessary for a program participant to regain housing stability.

- **Rapid Re-Housing Tenant-Based Assistance (COI Waiver NOT required):** Under the Rapid Re-Housing component, a recipient or subrecipient may provide tenant-based rental assistance to a program participant that chooses a unit in which the recipient or subrecipient has an ownership interest. **However, the recipient or subrecipient cannot exclusively direct a program**



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**participant to a unit it owns.** To verify that the sub-recipient did not direct program participants to their property, the recipient or subrecipient would need to provide documentation that the program participant had a choice of other units. Finally, if any of the individuals or families seeking rapid rehousing assistance are currently occupying transitional housing owned by the subrecipient, the subrecipient **may NOT conduct the intake assessment** to determine the household's eligibility for ESG and the amount and types of assistance the household needs to regain stability in permanent housing.

- **Rapid Re-Housing Project-Based Assistance (COI Waiver required):** Under the Rapid Re-Housing component, a recipient or subrecipient is prohibited from providing project-based rental assistance in a unit in which it has an ownership interest. This is because project-based rental assistance is inherently conditioned upon acceptance of a unit in a particular project, so the program participant would not be offered a choice of other units not owned by the recipient or subrecipient. A recipient may request a waiver of the conflict of interest requirement from their local HUD Field Office in order to provide project-based rental assistance in a property that the recipient or sub-recipient owns.
- **Homelessness Prevention (COI Waiver required):** With regard to Homelessness Prevention assistance, the regulation explicitly prohibits a recipient or subrecipient from administering this type of assistance in a unit it owns. Therefore, a recipient would need to request a waiver of the conflict of interest requirements once per grant to provide any type of homelessness prevention assistance to a household residing in a unit owned by the recipient or subrecipient. If any of the individuals or families seeking homelessness prevention assistance are currently occupying housing owned by the subrecipient, the subrecipient **may NOT conduct the intake assessment** to determine the household's eligibility for ESG and the amount and types of assistance the household needs to regain stability in permanent housing.

PLEASE BE AWARE OF TWO ADDITIONAL REQUIREMENTS:

1. **Initial Evaluation:** First, for those individuals and families occupying housing owned by the subrecipient, the subrecipient **may NOT conduct the initial evaluation** to determine the household's eligibility for ESG and the amount and types of assistance the household needs to regain stability in permanent housing. Even a separate division of the same organization (or a parent or subsidiary) would not suffice. The subrecipient would need to find another independent organization that is also an ESG subrecipient to do the intake assessment and ensure that all program participants are eligible when in situations outlined above. Since this restriction only applies when individuals and families are occupying housing owned by the subrecipient, it would only be potentially applicable to program participants seeking homelessness prevention assistance or program participants residing in transitional housing who are seeking rapid rehousing assistance. Therefore, a recipient would need to request a waiver of the conflict of interest requirements once per grant to conduct the initial evaluation for the aforementioned situations.
2. **Waiver of the rental assistance agreement:** Second, in order for the recipient or subrecipient to administer rental assistance to assist a program participant in a unit it owns, the recipient must request a waiver of the rental assistance agreement requirement. This waiver is needed because





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the rental assistance agreement must be between the recipient or subrecipient and the owner, and it is not possible for a recipient or subrecipient to create such an agreement with itself.

Note that there are ways to avoid organizational conflicts of interest. For example, a subrecipient might identify a different subrecipient to carry out the initial evaluation, or to enter into a rental assistance agreement and administer homelessness prevention assistance for units owned by the subrecipient.

**Waiver Request Process:** If ESG program participants are to be assisted in any of the afore mentioned ways that require a waiver, the grantee/subrecipient must submit a letter to the CPD Director requesting a waiver for good cause.

The waiver must:

1. Include a description of the benefit(s) to ESG participants;
2. Explain how the subrecipient disclosed the conflict and addresses/mitigates any potential issues;
3. Demonstrate that the subrecipient has looked for other appropriate housing and it is not available, or there is a good reason why the subrecipient housing is better for the clients;
4. Demonstrate that the subsidy is not tied to a unit (clients must be able to choose the subrecipient housing); and
5. Demonstrate that there is no implied benefit to any individual or organization.

When a waiver request is approved, it is specific to the grant and remains in effect for the length of the grant period. Therefore, the recipient would need to make a new request at the beginning of each grant period. A waiver typically would pertain to a particular conflict of interest situation and would not cover more than one subrecipient. Therefore, the recipient would need to request waivers for each situation. If you receive ESG grants annually, this could mean that you would need to submit a waiver request annually for each subrecipient situation.

**Conflict of Interest (Individual Level):** When procuring goods and services, the provider will comply with codes of conduct and conflict of interest requirements under 24 CFR 84.42 (private non-profit) or 24 CFR 85.36 (government).

The ESG Notice states: “No person who is an employee, agent, consultant, officer, or elected or appointed official of the grantee and who exercises or has exercised any functions or responsibilities with respect to assisted activities, or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds there under, either for himself or herself or for those with whom he or she has family or business ties, during his or her tenure or for one year thereafter.”

NOTE: Employees of an subrecipient and their families are not automatically disqualified from receiving ESG assistance, as long as they meet the qualifications of the above paragraph (i.e., they are not in a position to exercise any responsibilities, make decisions about, gain inside information into, or obtain a personal benefit from ESG). This situation would be more likely in a large agency than it would in a very small agency.





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When a conflict of interest exists, the grantee may seek an exception by writing to the local HUD Field Office, including the following information:

- For states and other governmental entities, a 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
- For all recipients, an opinion of the recipient's attorney that the interest for which the exception is sought would not violate state or local law.

**All Transactions/Activities:** No persons involved with the ESG program or who is in a position to participate in a decision-making process or gain inside information regarding the program activities, shall obtain a financial interest or benefit from an assisted activity; or have a financial interest in any related contract, subcontract, or assisted activity; or have a financial interest in the activity's proceeds during his or her tenure or for one year following tenure. These conflict of interest provisions apply to any employee, agent, consultant, officer or elected or appointed official of the provider's agency.

If there is a question or the appearance of a conflict of interest of any type, the subrecipient should contact the local HUD field office to determine if an exception or waiver is needed.

### **NONDISCRIMINATION AND EQUAL OPPORTUNITY REQUIREMENTS**

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#### *Regulatory Requirements*

Subrecipients must comply with all applicable fair housing and civil rights requirements in 24 CFR 5.105(a).

Subrecipients must make known that ESG rental assistance and services are available to all on a nondiscriminatory basis and ensure that all citizens have equal access to information about ESG and equal access to the financial assistance and services provided under this program.

Each subrecipient must take reasonable steps to ensure meaningful access to programs to persons with limited English proficiency (LEP), pursuant to Title VI of the Civil Rights Act of 1964. This may mean providing language assistance or ensuring that program information is available in the appropriate languages for the geographic area served by the jurisdiction and that limited English proficient persons have meaningful access to ESG assistance.

To assist the subrecipients, HUD published the "Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons" (72 42 Federal Register 2732; January 22, 2007). This document can be accessed at the following website: [http://www.nhlp.org/files/Limited%20English%20Proficiency%20Outline%20%20\(2--6.17.09\).pdf](http://www.nhlp.org/files/Limited%20English%20Proficiency%20Outline%20%20(2--6.17.09).pdf).

In addition, all notices and communications shall be provided in a manner that is effective for persons with hearing, visual, and other communication-related disabilities consistent with section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR 8.6.



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If the procedures that the grantee intends to use to make known the availability of the rental assistance and services are unlikely to reach persons of any particular race, color, religion, sex, age, national origin, familial status, or disability who may qualify for such rental assistance and services, the grantee must establish additional procedures that will ensure that such persons are made aware of the rental assistance and services.

Grantee and subrecipients must also comply with the following other Federal Requirements:

- Fair Housing Act
- Uniform Administrative Requirements
- Equal Employment Opportunity Programs
- Minority Business Enterprises
- Nondiscrimination in Federally Assisted Programs
- Age Discrimination
- Women's Business Enterprise
- Drug Free Workplace Act
- Debarred Suspended
- Section 504 of the Rehabilitation Act
- Americans with Debarred, Suspended, Ineligible Contractors
- Affirmative Outreach Disabilities Act
- Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act

### *Affirmative Outreach*

The subrecipient must communicate and make known that use of ESG funded facilities, assistance and services are available to all on a nondiscriminatory basis. Subrecipient must develop and implement affirmative outreach written procedures and communication tools and materials to inform persons without regard to race, color, creed, ethnicity, religion, sex, age, national origin, familial status, or disability, how to obtain access to facilities and services.

The subrecipient must be committed to an affirmative action program as well as to comply with all "Equal Opportunity" laws and regulations which provide that no person in the United States shall on the grounds of race, color, creed, religion, sex, familial status, sexual orientation or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with ESG funds.

### **VIOLENCE AGAINST WOMEN ACT REQUIREMENTS**

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The Violence Against Women Act (VAWA) provides protections and remedies for program applicants and beneficiaries who are survivors of domestic violence, dating violence, sexual assault, or stalking. Includes the use or attempted use of physical abuse or sexual abuse, or a pattern of any other coercive behavior committed, enabled, or solicited to gain or maintain power and control over a victim, including verbal, psychological, economic, or technological abuse that may or may not constitute criminal behavior. Despite the name of this law, VAWA protections and remedies are available regardless of sex,



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gender identity, sexual orientation race, color, national origin, religion, familial status, disability, or age. Per 24 CFR §5, Subpart L, VAWA applies to all HUD programs, including ESG. Specifically, an applicant or beneficiary of the ESG Program may not be denied admission to, denied assistance under, terminated from participation in, or evicted from the unit on the basis or as a direct result of the fact that the applicant or beneficiary is or has been a survivor of domestic violence, dating violence, sexual assault, or stalking, if the applicant or beneficiary otherwise qualifies for admission, assistance, participation, or occupancy. An ESG -assisted tenant may not be denied tenancy or occupancy rights solely due to criminal activity related to one of the four crimes or VAWA abuses if: the criminal activity is committed by a member of the tenant's household or any guest or other person under the control of the tenant, and the tenant or an affiliated individual of the tenant is the victim or threatened victim.

Victims and Survivors have the right to these VAWA protections:

- Emergency transfers
- Lease bifurcation
- Right to report
- Self-certification (may use Form HUD-5382)

Subrecipients must have an emergency transfer plan for carrying out ESG housing activities. The plan shall be based on HUD's model emergency transfer plan (Form HUD-5381) and must be consistent with 24 CFR 5.2005(e). Emergency Transfer Plans must indicate how ESG-assisted tenants can request an emergency transfer. Verbal self-certification is sufficient, or grantees may require a written request for an emergency transfer.

Each Emergency Transfer Plan must:

- Define tenants eligible for an emergency transfer
- List documentation needed to request an emergency transfer
- Detail the measure of any priority given to tenants who qualify for an emergency transfer under VAWA
- Incorporate strict confidentiality measures
- Describe how an emergency transfer may occur

The emergency transfer plan must allow for an emergency transfer by tenants who are victims of one of the four VAWA abuses/violence that expressly request a transfer and:

- Reasonably believe that there is a threat of imminent harm from further violence if the tenant remains within the same unit; or
- In the case of sexual assault, either the tenant reasonably believes there is a threat of imminent harm from further violence if the tenant remains within the same unit, or the sexual assault occurred on the premise during the 90-day period preceding the date of the request for transfer.

Internal emergency transfer refers to an emergency relocation of a tenant to another unit where the tenant would not be categorized as a new applicant. Internal Emergency Transfer policies must include:

- Plan to allow an ESG-assisted tenant to make an internal emergency transfer under VAWA when a safe unit is immediately available
- Plan for assisting a tenant in making an internal emergency transfer when a safe unit is not immediately available



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- Requests for internal emergency transfers under VAWA receive, at a minimum, any applicable additional priority that may already be provided by the grantee to other types of emergency transfer requests

External emergency transfer refers to an emergency relocation of a tenant to another unit where the tenant would be categorized as a new applicant. External Emergency Transfer policies must include:

- Plan must describe reasonable efforts the sponsor will take to assist a tenant who wishes to make an external emergency transfer when a safe unit is not immediately available
- Plan must include policies for assisting a tenant seeking an external emergency transfer under VAWA out of the ESG grantee's program or project, and a tenant who is seeking an external emergency transfer under VAWA into the grantee's program or project from another HUD-covered program. These policies may include:
  - o Arrangements, including memoranda of understanding, with other covered housing providers (PHAs, CoCs, etc.) to facilitate moves; and
  - o Outreach activities to organizations that assist or provide resources to victims of the four VAWA abuses/violence. requests for internal emergency transfers under VAWA receive, at a minimum, any applicable additional priority that may already be provided by the grantee to other types of emergency transfer requests.

### Recordkeeping and Reporting

Project sponsors must keep confidential records of all emergency transfers requested under Emergency Transfer Plans, and the outcomes of such requests, and retain these records for a period of four years. Information on the requests and their outcomes must now be reported to HUD annually. Fields have been added to ESG annual reports to collect data from formula and competitive grantees on emergency transfer requests and outcomes. Project sponsors should collect and report the data related to emergency transfer in their APR/CAPER as required. Additional VAWA questions in APR/CAPER must be completed if households requested VAWA protections from your organization in the reporting year:

- How many internal emergency transfers were requested?
- How many internal emergency transfers were granted?
- How many external emergency transfers were requested?
- How many external emergency transfers were granted?
- How many emergency transfers were denied?

### HOMELESS PARTICIPATION

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Unless the grantee is a State, the grantee 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 grantee, 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).

If the grantee 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.



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To the maximum extent practicable, the grantee 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.

### **WRITTEN STANDARDS FOR PROVIDING ESG ASSISTANCE**

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The DPHHS has provided this statewide policy and procedure manual. The subrecipient must consider how they will administer their program and develop appropriate guidelines specific to the activities that are being provided. Written standards should be established and applied consistently within the subrecipients program.

At a minimum, written standards must include:

- Standards for targeting and providing essential services related to street outreach;
- Policies and procedures for admission, diversion, referral, and discharge by emergency shelters assisted under ESG, including standards regarding length of stay, if any, and safeguards to meet the safety and shelter needs of special populations, e.g., victims of domestic violence, dating violence, sexual assault, and stalking; and individuals and families who have the highest barriers to housing and are likely to be homeless the longest;
- Policies and procedures for assessing, prioritizing, and reassessing individuals' and families' needs for essential services related to emergency shelter;
- Policies and procedures for coordination among emergency shelter providers, essential services providers, homelessness prevention, and rapid re-housing assistance providers; other homeless assistance providers; and mainstream service and housing providers (see above for a list of programs with which ESG-funded activities must be coordinated and integrated to the maximum extent practicable);
- Policies and procedures for determining and prioritizing which eligible families and individuals will receive homelessness prevention assistance and which eligible families and individuals will receive rapid re-housing assistance;
- 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;
- 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
- 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.



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### Section 6: GLOSSARY OF TERMS

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**Agency:** means any private non-profit organization or unit of general local government to which a grantee provides funds to carry out the eligible activities under the grant and which is accountable to the grantee for the use of the funds provided. See also **Subrecipient**.

**APR:** Annual Performance Report

**Arrears:** The definition of arrears is an overdue payment, pursuant to the terms of the lease. Therefore, if the rent was due on May 10 any payment made after that date due for the month of May would be considered rental arrears, not current rent, even if that payment was made in the same month. For example, a payment made on May 20<sup>th</sup> would be arrears. ESG funds may be used to pay for rental arrears assistance (which may include late fees on those arrears) through a one-time payment of up to 6 months of rent. ESG funds may be used to pay for fees that are sometimes associated with utility arrears (such as late fees) and regaining utility service (such as reconnect fees). Keep in mind that an arrears payment is only an eligible cost if a tenant would actually be evicted for non-payment of their portion of the rent or utilities (Homelessness Prevention) or the arrears are preventing the household from obtaining permanent housing and achieving stability in that housing (Rapid Re-Housing).

**Assessment:** is a deeper level of inquiry into the actual problem and the client's strengths and needs related to solving the problem. Assessment helps with service-matching and provides the information needed to determine the expected type, intensity, and duration of assistance a client or household might receive.

**At Risk of Homelessness:**

(1) An individual or family who: (i) Has an annual income below 30 percent of median family income for the area, as determined by HUD; (ii) Does not have sufficient resources or support networks, e.g., family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place (per 576.2 Paragraph 1) and (iii) meets one of the following conditions:

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

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

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

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

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



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

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

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

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

### **Chronically Homeless:**

(1) Is an individual or family who (i) is homeless and lives or resides in a placement not meant for human habitation, a safe haven, or in an emergency shelter; (ii) has been homeless and living or residing in a place not meant for human habitation, a safe haven, or in an emergency shelter continuously for at least one (1) year or on at least 4 separate occasions in the last 3 years, where each occasion was at least 15 days; and (iii) Can be diagnosed with one or more of the following conditions: substance use disorder, serious mental illness, developmental disability (as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000), post-traumatic stress disorder, cognitive impairments resulting from a brain injury, or chronic physical illness or disability; .

(2) An individual who has been residing in an institutional care facility, including a jail, substance abuse or mental health treatment facility, hospital or other similar facility and has resided there for fewer than 90 days if such person met all the criteria in paragraph (1) of this definition, prior to entering that facility; or

(3) The family with an adult head of household (or if there is no adult in the family, a minor head of household) who meets all the requirements in paragraph (1) of this definition, including a family's whose composition has fluctuated while the head of household has been homeless.

**CoC:** See Continuums of Care.

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

**Continuums of Care (CoC).** The group composed of representatives of relevant organizations, which generally includes nonprofit homeless providers, victim service providers, faith-based organizations, governments, businesses, advocates, public housing subrecipients, school districts, social service providers, mental health subrecipients, hospitals, universities, affordable housing developers, law enforcement., organizations that server homeless and formerly homeless veterans, and homeless and





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formerly homeless persons that are organized to plan for and provide, as necessary, a system of outreach, engagement, and assessment; emergency shelter; rapid re-housing; transitional housing; permanent housing; and prevention strategies to address the various needs of homeless persons and persons at risk of homelessness for a specific geographic area.

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

**Coordinated Entry:** A nationally recognized best practice for homeless housing and services for which established front doors/access points use a standardized assessment process to gather information on people's needs, preferences, and the barriers they face to regaining housing. Once the assessment has identified the most vulnerable people with the highest needs, the CoC follows established policies and procedures to prioritize households for referrals to appropriate and available housing and supportive services resources. It has been adopted by HUD and is required by the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act as well as 24 CFR 578.7(a)(8) and HUD Notice CPD-17-01. Visit the [Montana CoC](#) website for more information on how Montana has implemented Coordinated Entry.

**Current Income:** is the income that the household is currently receiving at the time of application for ESG assistance. Income recently terminated should not be included.

**De minimus:** is a Latin expression that, in the risk assessment world, refers to a level of risk that is too minimal to cause concern.

**Department:** means the legal entity to which HUD awards an ESG grant and which is accountable for the use of the funds provided. In this case the State of Montana, Department of Public Health and Human Services (DPHHS). See also Grantee.

**Emergency Shelter:** Any facility, the primary purpose of which is to provide a temporary shelter for the homeless in general or for specific populations of the homeless, and which does not require occupants to sign leases or occupancy agreements. Any project funded as an emergency shelter under FY 2010 Emergency Solutions grant may continue to be funded under ESG. (Including any project (transitional housing) that received funding in FY 2010 as an emergency shelter may continue to be funded under the ESG program, regardless of whether the project meets the revised definition.)

**Frequent Moves:** is defined as two. For example, when a client moves 2 or more times.

**Grantee (Department):** means the legal entity to which HUD awards an ESG grant and which is accountable for the use of the funds provided. (See Recipient)

**Gross Income** is the amount of income earned before any deductions (such as taxes and health insurance premiums) are made.

**Homeless:** is defined in the [24 CFR 582.5](#) "Defining Homeless rule" published 12/5/2011.

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





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- a. 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;
  - b. An individual or family living in a supervised publicly or privately-operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low income individuals); or
  - c. An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution (meets all the requirements described in #1 above prior to entering that facility).
2. An individual or family who will imminently lose their primary nighttime residence, provided that:
- a. The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
  - b. No subsequent residence has been identified; and
  - c. The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks needed to obtain other permanent housing;
3. Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:
- a. Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 .S.C. 2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)), or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);
  - b. Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;
  - c. Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and
  - d. Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment,



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which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; or

4. Any individual or family who:
  - a. Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
  - b. Has no other residence; and
  - c. Lacks the resources, e.g., family, friends, faith-based or other social networks, to obtain other permanent housing.

**Homeless Management Information System (HMIS)** The information system designated by the Continuum of Care to comply with 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.

**Income Inclusions:** Types of income to be counted

**Income Exclusions:** Types of income that are not to be counted as income

**Intake** the general process between the client's first point of contact and the decision whether or not to admit the client to a program. The intake process can include screening, assessment, referral, and verification. Intake may or may not result in program admission;

**Integrated Disbursement and Information System (IDIS)** is the financial management system through which ESG grantees must draw down funds. ESG grantees will not be entering any performance or beneficiary data into IDIS.

**IPR:** Initial Performance Report

**LEP:** Limited English Proficiency persons include anyone "who does not speak English as their primary language and who have a limited ability to read, write, speak, or understand English . . ." (HUD LEP Guidance, 72 Fed. Reg. 2732) (Jan. 22, 2007)).

**Long Term Period:** is defined to mean 60 days.

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



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**Minimum Use of an Emergency Shelter converted using ESG funds.** If the conversion cost of an emergency shelter exceeds 75% of the value of the building before conversion, the minimum period of use is 10 years; otherwise, the minimum period of use is 3 years.

**Minimum Use of an Emergency Shelter rehabilitated using ESG funds.** If the rehabilitation cost of an emergency shelter exceeds 75% of the value of the building before rehabilitation, the minimum period of use is 10 years; otherwise, the minimum period of use is 3 years.

**PASS:** Plan to Attain Self-Sufficiency- This is excluded income.

**QPR:** Quarterly Performance Report.

**Rapid Re-Housing Assistance:** The provision of housing relocation and stabilization services and short- and/or medium-term rental assistance as necessary to help a literally homeless individual or family move as quickly as possible into permanent housing and achieve stability in that housing.

**Recipient:** means any state, territory, metropolitan city, or urban county, or in the case of reallocation, any unit of general-purpose local government, approved by HUD to assume financial responsibility and which enters into a grant agreement with HUD to administer Emergency Solutions Grant (ESG). Replaces the existing terminology or entities that received grants. For the purpose of this manual the Recipient is the Department of Health and Human Services and is used interchangeably with Grantee.

**Referral:** referring a client to a particular program for possible help, without any obligation on the part of the receiving program to actually offer or provide the help;

**Reparations:** Payments paid by a foreign government pursuant to claims filed under the laws of the government by persons who were persecuted during the Nazi era.

**Screening:** a first-level decision about whether the client is eligible for a program and/or would have a priority for those services. Screening determines who receives assistance;

**Subrecipient:** a private nonprofit organization to which a grantee awards ESG grant funds. This replaces the existing terminology for entities that receive subgrants. Governmental organizations, such as public housing subrecipients or state or local housing finance subrecipients are not eligible subrecipients under the ESG program. For the purpose of this document, the subrecipient is the Agency contracting with the Department of Public Health and Human Services.

**Targeting:** process of determining the population to whom assistance will be directed. That is, the target population. The targeting process can occur at both the system and the program levels.

**Transitional Housing:** A project that has as its purpose facilitating the movement of homeless individuals and families to permanent housing within a reasonable amount of time (usually 24 months). Transitional housing includes housing primarily designed to serve deinstitutionalized homeless individuals and other homeless individuals with mental or physical disabilities and homeless families with children.

**Verification:** the gathering and review of information to substantiate the crisis situation and support program eligibility and priority determinations



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

**Victim Services:** Services offered by rape crisis centers and domestic violence shelters and other organizations with a documented history of effective work concerning domestic violence, dating violence, sexual assault or stalking.

**Youth:** is defined as less than 25 years of age. This was set at 25 years of age to adequately and appropriately address the unique needs of transition-aged youth, including youth exiting foster care systems to become stable in permanent housing.



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### Section 7: APPENDIX

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#### CLIENT FILE DOCUMENTATION / RECORD KEEPING REQUIREMENTS BY CATEGORY

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*Documentation is different for each category; the first consideration is the type of assistance that the individual/family will receive. The following describes the information that is necessary for minimum record keeping requirements.*

Regardless of the type of assistance provided, there must be a client file containing documentation that details the reason for the assistance. The documentation should include:

- Verification of Homelessness or At-Risk of Homelessness (Homeless Certification, or Self Declaration of Housing Status)
- Verification of U.S. Citizenship or Lawful Resident (Declaration of Section 214 or U.S. Identification)
- Initial Consultation Form and Case Notes
- Intake and Certification Form
- Follow-up Case Manager/Client Meetings and at least monthly case notes.
- Documented Individualized Housing and Service Plan, including planning a path to permanent housing stability
- Documentation of Financial Assistance payment (Documentation of payment must include the Type of Assistance, Payee Name, Client Name, Check Number and Amount paid using ESG funds).
- Documentation of services and assistance provided to that program participant, including, as applicable, the security deposit, rental assistance, and utility payments made on behalf of the program participant.
- As applicable, determinations of Ineligibility – For each individual and family determined ineligible to receive ESG, the client file must include documentation of the reason for that determination.
- Documentation of the HMIS Household number or a documented reason why the number is not available.

It is also required to keep a record of all clients that are screened and classified as ineligible. The ESG recordkeeping and reporting requirements state that for each individual and family determined ineligible to receive ESG assistance, the record must include documentation of the reason for that determination.



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### *Street Outreach Clients Category 1 Literally Homeless Clients*

1. For applicants who lack a fixed, regular, and adequate nighttime residence, meaning: car; park; abandoned building; bus or train station; airport; camping ground; or hotel and motels paid for by charitable organizations or federal, state or local government programs
  - Written observation by the outreach worker; or
  - Written referral by another housing or service provider; or
  - Certification by the individual or head of household seeking assistance stating that (s)he was living on the streets or in a shelter
2. For an individual who is exiting an institution where he/she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution –
  - Written observation by the outreach worker; or
  - Written referral by another housing or service provider; or
  - Certification by the individual or head of household seeking assistance stating that (s)he was living on the streets or in a shelterand:
  - 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
  - Written record of intake worker's due diligence in attempting to obtain the evidence described above evidence and certification by the applicant that states he/she is exiting or has just exited an institution where he/she resided for 90 days or less.
3. Written documentation that individuals and families are living on the streets (or other places not meant for human habitation) and are unwilling or unable to access services in an emergency shelter.
4. Documentation of compliance with the applicable requirements for providing service and assistance (576.101) includes:
  - Engagement Documentation: Initial assessment of needs and eligibility; providing crisis counseling; addressing urgent physical needs, such as providing meals, blankets, clothes, or toiletries; and actively connecting and providing information and referrals to programs targeted to homeless people and mainstream social services and housing programs, including emergency shelter, transitional housing, community-based services, permanent supportive housing, and rapid-re-housing programs
  - Case Management Documentation: Document 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 and individualized housing and service plan, including planning a path to permanent housing stability.
  - Emergency Health Services: Documentation of direct outpatient services provided.
  - Emergency Mental Health Services: Documentation of direct outpatient services provided.



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- Transportation Documentation:
  - Cost of transporting unsheltered people to emergency shelters or other service facilities.
  - Cost of Program participant's travel on public transportation





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### *Street Outreach Clients Category 4 Fleeing/Attempting to Flee Domestic Violence*

For Victim Service Providers:

1. An oral statement by the individual or head of household seeking assistance which states: they are fleeing; they have no subsequent residence; and they lack resources. Statement must be documented by a self-certification or a certification by the intake worker.

For non-Victim Service Providers:

1. An oral statement by the individual or head of household seeking assistance that they are fleeing. This statement is documented by a self-certification or by the care worker. Where the safety of the individual or family is not jeopardized, the oral statement must be verified; and
2. Certification by the individual or head of household that no subsequent residence has been identified; and
3. Self-certification or other written documentation, that the individual or family lacks the financial resources and support networks to obtain other permanent housing.
4. Documentation of compliance with the applicable requirements for providing service and assistance (576.101) includes:
  - Engagement Documentation: Initial assessment of needs and eligibility; providing crisis counseling; addressing urgent physical needs, such as providing meals, blankets, clothes, or toiletries; and actively connecting and providing information and referrals to programs targeted to homeless people and mainstream social services and housing programs, including emergency shelter, transitional housing, community-based services, permanent supportive housing, and rapid-re-housing programs
  - Case Management Documentation: Document 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 and individualized housing and service plan, including planning a path to permanent housing stability.
  - Emergency Health Services: Documentation of direct outpatient services provided.
  - Emergency Mental Health Services: Documentation of direct outpatient services provided.
  - Transportation Documentation:
    - Cost of transporting unsheltered people to emergency shelters or other service facilities.
    - Cost of Program participant's travel on public transportation



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### *Emergency Shelter Category 1 Literally Homeless Clients*

1. For applicants who lack a fixed, regular, and adequate nighttime residence, meaning: car; park; abandoned building; bus or train station; airport; camping ground; or hotel and motels paid for by charitable organizations or federal, state or local government programs
  - Written observation by the outreach worker; or
  - Written referral by another housing or service provider; or
  - Certification by the individual or head of household seeking assistance stating that (s)he was living on the streets or in a shelter
  
2. For an individual who is exiting an institution where he/she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution –
  - Written observation by the outreach worker; or
  - Written referral by another housing or service provider; or
  - Certification by the individual or head of household seeking assistance stating that (s)he was living on the streets or in a shelterand:
  - 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
  - Written record of intake worker's due diligence in attempting to obtain the evidence described above evidence and certification by the applicant that states he/she is exiting or has just exited an institution where he/she resided for 90 days or less.
  
3. Documentation of compliance with the applicable requirements for providing service and assistance (576.102) includes:
  - Case Management Documentation: Assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant is eligible.
    - Initial Evaluation
    - Documenting eligibility
    - Document Counseling
    - Document securing, coordinating services and obtaining Federal, State, and local benefits;
    - Document program participant progress;
    - Document information and referrals to other providers;
    - Document ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking; and
    - Document an individualized housing and service plan, including planning a path to permanent housing stability.
  - Child Care Documentation: Child care provided for program participants
    - Document meals and snacks provided
    - Document appropriate developmental activities provided



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- Documentation verifying the child-care center is licensed
- Education Services Documentation: Document the costs of improving knowledge and basic educational skills
  - Document instruction or training in consumer education
  - Document instruction or training in health education
  - Document substance abuse prevention instruction or training,
  - Document instruction or training in Literacy
  - Document English as a second language instruction or training
  - Document General Education Development (GED) instruction or training
  - Document component services or activities such as screening, assessment and testing; individual or group instruction; tutoring; provision of books, supplies and instructional material; counseling; and referral to community resources.
- Employment Assistance and Job Training Documentation:
  - Document employment assistance and job training programs, 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.
  - Document stipends provided to program participants in employment assistance and job training programs.
  - Document learning skills include those skills that can be used to secure and retain a job, including the acquisition of vocational licenses and/or certificates.
  - Document 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;
  - Document referrals to community resources.
- Outpatient Health Services Documentation: Document direct outpatient treatment of medical conditions provided by licensed medical professionals.
- Legal services Documentation:
  - Document legal advice provided
  - Document the attorney is licensed and in good standing with the bar association
  - Document the matters that interfere with the program participant's ability to obtain and retain housing. Eligible subject matters are child support, guardianship, paternity, emancipation, and legal separation, orders of protection and other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking, appeal of veterans and public benefit claim denials, and the resolution of outstanding criminal warrants.
- Life skills training Documentation:
  - Document life skills training necessary to assist the program participant to function independently in the community. (i.e., budgeting resources, managing money, managing a household, resolving conflict, shopping for food and needed items, improving nutrition, using public transportation, and parenting.)
- Mental health services Documentation:
  - Document direct outpatient treatment by licensed professionals of mental health conditions.



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- Substance abuse treatment services Documentation.
  - Document substance abuse treatment services designed to prevent, reduce, eliminate, or deter relapse of substance abuse or addictive behaviors
  - Document the treatment providers are licensed or certified professionals.
  - Document duration of outpatient treatment (up to 30 days)
  - Document group and individual counseling sessions
  - Document drug testing
- Transportation Documentation:
  - Document transportation of a program participant's travel to and from medical care, employment, child care, or other eligible essential services facilities.
  - Document program participant's travel on public transportation;
  - Document program participant's use of public transportation.



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### *Emergency Shelter Homeless Category 2 Imminent Risk of Homeless Clients*

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

and

2. Certification that no subsequent residence has been identified;

and

3. Self-certification or other written documentation that the individual lacks the financial resources and support necessary to reside there for more than 14 days after the date of application for homeless prevention.
4. Documentation of compliance with the applicable requirements for providing service and assistance (576.102) includes:
  - Case Management Documentation: Assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant is eligible.
    - Initial Evaluation
    - Documenting eligibility
    - Document Counseling
    - Document securing, coordinating services and obtaining Federal, State, and local benefits;
    - Document program participant progress;
    - Document information and referrals to other providers;
    - Document ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking; and
    - Document an individualized housing and service plan, including planning a path to permanent housing stability.



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- Child Care Documentation: Child care provided for program participants
  - Document meals and snacks provided
  - Document appropriate developmental activities provided
  - Documentation verifying the child-care center is licensed
- Education Services Documentation: Document the costs of improving knowledge and basic educational skills
  - Document instruction or training in consumer education
  - Document instruction or training in health education
  - Document substance abuse prevention instruction or training,
  - Document instruction or training in Literacy
  - Document English as a second language instruction or training
  - Document General Education Development (GED) instruction or training
  - Document component services or activities such as screening, assessment and testing; individual or group instruction; tutoring; provision of books, supplies and instructional material; counseling; and referral to community resources.
- Employment Assistance and Job Training Documentation:
  - Document employment assistance and job training programs, 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.
  - Document stipends provided to program participants in employment assistance and job training programs.
  - Document learning skills include those skills that can be used to secure and retain a job, including the acquisition of vocational licenses and/or certificates.
  - Document 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;
  - Document referrals to community resources.
- Outpatient Health Services Documentation: Document direct outpatient treatment of medical conditions provided by licensed medical professionals.
- Legal services Documentation:
  - Document legal advice provided
  - Document the attorney is licensed and in good standing with the bar association
  - Document the matters that interfere with the program participant's ability to obtain and retain housing. Eligible subject matters are child support, guardianship, paternity, emancipation, and legal separation, orders of protection and other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking, appeal of veterans and public benefit claim denials, and the resolution of outstanding criminal warrants.
- Life skills training Documentation:
  - Document life skills training necessary to assist the program participant to function independently in the community. (i.e., budgeting resources, managing money, managing a household, resolving conflict, shopping for food and needed items, improving nutrition, using public transportation, and parenting.)



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- Mental health services Documentation:
  - Document direct outpatient treatment by licensed professionals of mental health conditions.
- Substance abuse treatment services Documentation.
  - Document substance abuse treatment services designed to prevent, reduce, eliminate, or deter relapse of substance abuse or addictive behaviors
  - Document the treatment providers are licensed or certified professionals.
  - Document duration of outpatient treatment (up to 30 days)
  - Document group and individual counseling sessions
  - Document drug testing
- Transportation Documentation:
  - Document transportation of a program participant's travel to and from medical care, employment, child care, or other eligible essential services facilities.
  - Document program participant's travel on public transportation;
  - Document program participant's use of public transportation.





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### *Emergency Shelter Homeless Category 3 Homeless Under Other Federal Statutes Clients*

1. Certification by the subrecipient that the individual or family does not qualify as homeless under the homeless definition but is an unaccompanied youth under 25 years of age, or homeless family with one or more children or youth, and is defined as homeless under another Federal statute:
  - Certification of homeless status by the local private nonprofit organization or state or local governmental entity responsible for administering assistance under
    - Runaway and Homeless Youth Act (42 U.S.C. 5701 et seq.),
    - Head Start Act (42 U.S.C. 9831 et seq.),
    - Subtitle N of the Violence Against Women Act of 1994 (42 U.S.C. 14043e et seq.),
    - Section 330 of the Public Health Service Act (42 U.S.C. 254b),
    - Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.),
    - Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), or
    - Subtitle B of title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.),

and

2. Certification of no permanent housing in last 60 days;
  - Referral by a housing or service provider,
  - Written observation by an outreach worker, or
  - Certification by the homeless individual or head of household seeking assistance;

and

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

and

4. Documentation of special needs or two or more barriers to employment:
  - Obtain of a written diagnosis from a professional who is licensed by the state to diagnose and treat that condition (or intake staff-recorded observation of disability that within 45 days of date of the application for assistance is confirmed by a professional who is licensed by the state to diagnose and treat that condition).
  - Two or more barriers to employment which include: employment records; department of corrections records; literacy, English proficiency tests; lack of a high school degree or General Education Development (GED); a history of unstable employment; or document the applicant is expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction,



## Montana Department of Public Health and Human Services Emergency Solutions Grant Program

histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability,

5. Documentation of compliance with the applicable requirements for providing service and assistance (576.102) includes:
  - Case Management Documentation: Assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant is eligible.
    - Initial Evaluation
    - Documenting eligibility
    - Document Counseling
    - Document securing, coordinating services and obtaining Federal, State, and local benefits;
    - Document program participant progress;
    - Document information and referrals to other providers;
    - Document ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking; and
    - Document an individualized housing and service plan, including planning a path to permanent housing stability.
  - Child Care Documentation: Child care provided for program participants
    - Document meals and snacks provided
    - Document appropriate developmental activities provided
    - Documentation verifying the child-care center is licensed
  - Education Services Documentation: Document the costs of improving knowledge and basic educational skills
    - Document instruction or training in consumer education
    - Document instruction or training in health education
    - Document substance abuse prevention instruction or training,
    - Document instruction or training in Literacy
    - Document English as a second language instruction or training
    - Document General Education Development (GED) instruction or training
    - Document component services or activities such as screening, assessment and testing; individual or group instruction; tutoring; provision of books, supplies and instructional material; counseling; and referral to community resources.
  - Employment Assistance and Job Training Documentation:
    - Document employment assistance and job training programs, 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.
    - Document stipends provided to program participants in employment assistance and job training programs.
    - Document learning skills include those skills that can be used to secure and retain a job, including the acquisition of vocational licenses and/or certificates.
    - Document 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;
    - Document referrals to community resources.



## Montana Department of Public Health and Human Services Emergency Solutions Grant Program

- Outpatient Health Services Documentation:
  - Document direct outpatient treatment of medical conditions provided by licensed medical professionals.
- Legal services Documentation:
  - Document legal advice provided
  - Document the attorney is licensed and in good standing with the bar association
  - Document the matters that interfere with the program participant's ability to obtain and retain housing. Eligible subject matters are child support, guardianship, paternity, emancipation, and legal separation, orders of protection and other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking, appeal of veterans and public benefit claim denials, and the resolution of outstanding criminal warrants.
- Life skills training Documentation:
  - Document life skills training necessary to assist the program participant to function independently in the community. (i.e., budgeting resources, managing money, managing a household, resolving conflict, shopping for food and needed items, improving nutrition, using public transportation, and parenting.)
- Mental health services Documentation:
  - Document direct outpatient treatment by licensed professionals of mental health conditions.
- Substance abuse treatment services Documentation.
  - Document substance abuse treatment services designed to prevent, reduce, eliminate, or deter relapse of substance abuse or addictive behaviors
  - Document the treatment providers are licensed or certified professionals.
  - Document duration of outpatient treatment (up to 30 days)
  - Document group and individual counseling sessions
  - Document drug testing
- Transportation Documentation:
  - Document transportation of a program participant's travel to and from medical care, employment, child care, or other eligible essential services facilities.
  - Document program participant's travel on public transportation;
  - Document program participant's use of public transportation.



## Montana Department of Public Health and Human Services Emergency Solutions Grant Program

### *Emergency Shelter Homeless Category 4 Fleeing/Attempting to Flee Domestic Violence*

For Victim Service Providers:

1. An oral statement by the individual or head of household seeking assistance which states: they are fleeing; they have no subsequent residence; and they lack resources. Statement must be documented by a self-certification or a certification by the intake worker.

For non-Victim Service Providers:

1. An oral statement by the individual or head of household seeking assistance that they are fleeing. This statement is documented by a self-certification or by the care worker. Where the safety of the individual or family is not jeopardized, the oral statement must be verified; and
2. Certification by the individual or head of household that no subsequent residence has been identified; and
3. Self-certification or other written documentation, that the individual or family lacks the financial resources and support networks to obtain other permanent housing.
4. Documentation of compliance with the applicable requirements for providing service and assistance (576.102) includes:

- Case Management Documentation: Assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant is eligible.
  - Initial Evaluation
  - Documenting eligibility
  - Document Counseling
  - Document securing, coordinating services and obtaining Federal, State, and local benefits;
  - Document program participant progress;
  - Document information and referrals to other providers;
  - Document ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking; and
  - Document an individualized housing and service plan, including planning a path to permanent housing stability.
- Child Care Documentation: Child care provided for program participants.
  - Document meals and snacks provided
  - Document appropriate developmental activities provided
  - Documentation verifying the child-care center is licensed
- Education Services Documentation: Document the costs of improving knowledge and basic educational skills
  - Document instruction or training in consumer education
  - Document instruction or training in health education
  - Document substance abuse prevention instruction or training,
  - Document instruction or training in Literacy
  - Document English as a second language instruction or training
  - Document General Education Development (GED) instruction or training



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- Document component services or activities such as screening, assessment and testing; individual or group instruction; tutoring; provision of books, supplies and instructional material; counseling; and referral to community resources.
- Employment Assistance and Job Training Documentation:
  - Document employment assistance and job training programs, 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.
  - Document stipends provided to program participants in employment assistance and job training programs.
  - Document learning skills include those skills that can be used to secure and retain a job, including the acquisition of vocational licenses and/or certificates.
  - Document 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;
  - Document referrals to community resources.
- Outpatient Health Services Documentation:
  - Document direct outpatient treatment of medical conditions provided by licensed medical professionals.
- Legal services Documentation:
  - Document legal advice provided
  - Document the attorney is licensed and in good standing with the bar association
  - Document the matters that interfere with the program participant's ability to obtain and retain housing. Eligible subject matters are child support, guardianship, paternity, emancipation, and legal separation, orders of protection and other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking, appeal of veterans and public benefit claim denials, and the resolution of outstanding criminal warrants.
- Life skills training Documentation:
  - Document life skills training necessary to assist the program participant to function independently in the community. (i.e., budgeting resources, managing money, managing a household, resolving conflict, shopping for food and needed items, improving nutrition, using public transportation, and parenting.)
- Mental health services Documentation:
  - Document direct outpatient treatment by licensed professionals of mental health conditions.
- Substance abuse treatment services Documentation.
  - Document substance abuse treatment services designed to prevent, reduce, eliminate, or deter relapse of substance abuse or addictive behaviors
  - Document the treatment providers are licensed or certified professionals.



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- Document duration of outpatient treatment (up to 30 days)
- Document group and individual counseling sessions
- Document drug testing
- Transportation Documentation:
  - Document transportation of a program participant's travel to and from medical care, employment, child care, or other eligible essential services facilities.
  - Document program participant's travel on public transportation;
  - Document program participant's use of public transportation.



## Montana Department of Public Health and Human Services Emergency Solutions Grant Program

### *Rapid Re-Housing Category 1 Literally Homeless Clients*

1. For applicants who lack a fixed, regular, and adequate nighttime residence, meaning: car; park; abandoned building; bus or train station; airport; camping ground; or hotel and motels paid for by charitable organizations or federal, state or local government programs
  - Written observation by the outreach worker; or
  - Written referral by another housing or service provider; or
  - Certification by the individual or head of household seeking assistance stating that (s)he was living on the streets or in a shelter
2. For an individual who is exiting an institution where he/she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution –
  - Written observation by the outreach worker; or
  - Written referral by another housing or service provider; or
  - Certification by the individual or head of household seeking assistance stating that (s)he was living on the streets or in a shelterand:
  - 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
  - Written record of intake worker's due diligence in attempting to obtain the evidence described above evidence and certification by the applicant that states he/she is exiting or has just exited an institution where he/she resided for 90 days or less.
3. Monthly case manager meeting case notes
4. Documented individualized plan to help retain permanent housing after the ESG assistance ends.
5. Verification of Income – Not required for Rapid Re-Housing until recertification at 1-year mark.

#### Rental Assistance Agreements and Payments

- Copies of all leases and rental assistance agreements for the provision of rental assistance,
- Documentation of payments made to owners for the provision of rental assistance
- Supporting Documentation for these payments, including dates of occupancy by program participants

#### Utility Allowance:

- Document the monthly allowance for utilities (excluding phone) used to determine compliance with the rent restriction.

#### Shelter and Housing Standards: Documentation of compliance with the shelter and housing standards:

- Lead-Based Paint documentation
- NSPIRE Habitability Standards
- Environmental review documentation (24 CFR Part 50)

#### Reassessment at one year requires:

- Annualized Income AT OR BELOW 30% AMI
- Documentation as to whether persons lack sufficient resources and support networks necessary to retain the housing without assistance.





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### *Rapid Re-Housing Category 4 Fleeing/Attempting to Flee Domestic Violence*

For Victim Service Providers:

1. An oral statement by the individual or head of household seeking assistance which states: they are fleeing; they have no subsequent residence; and they lack resources. Statement must be documented by a self-certification or a certification by the intake worker.

For non-Victim Service Providers:

2. An oral statement by the individual or head of household seeking assistance that they are fleeing. This statement is documented by a self-certification or by the care worker. Where the safety of the individual or family is not jeopardized, the oral statement must be verified; and
3. Certification by the individual or head of household that no subsequent residence has been identified; and
4. Self-certification or other written documentation, that the individual or family lacks the financial resources and support networks to obtain other permanent housing.

Documentation of compliance with the applicable requirements for providing service and assistance (576.104) includes:

- Monthly case manager meeting case notes
- Documented individualized plan to help retain permanent housing after the ESG assistance ends.
- Verification of Income – Not required for Rapid Re-Housing until recertification at 1-year mark.

Rental Assistance Agreements and Payments

- Copy of a written lease from the landlord with the client for the of rental assistance.
- Copy of rental assistance agreement between subrecipient and the home owner/landlord.
- Copy of Eviction Notice; Notice to Quit (pay rent or quit); Demand for Possession or Summons & Complaint.
- Housing Plan
- Documentation of Rent Reasonableness
- Documentation of Fair Market Rent
- Documentation of payments made to owners for the provision of rental assistance
- Supporting Documentation for these payments, including dates of occupancy by program participants

Utility Allowance:

- Document the monthly allowance for utilities (excluding phone) used to determine compliance with the rent restriction.

Shelter and Housing Standards: Documentation of compliance with the shelter and housing standards

- Lead-Based Paint documentation
- NSPIRE Habitability Standards
- Environmental review documentation (24 CFR Part 50)

Reassessment at one year requires:

- Annualized Income AT OR BELOW 30% AMI
- Documentation as to whether persons lack sufficient resources necessary to retain the housing without assistance.



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### *Homelessness Prevention Category 2 – Imminent Risk of Homelessness*

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

and

2. Certification that no subsequent residence has been identified; and
3. Self-certification or other written documentation that the individual lacks the financial resources and support necessary to reside there for more than 14 days after the date of application for homeless prevention. Acceptable evidence includes:
  - Source documents (e.g., notice of termination from employment, unemployment compensation statement, bank statement, health-care bill showing arrears, utility bill showing arrears);
  - To the extent that source documents are unobtainable, a written statement by the relevant third party (e.g., former employer, public administrator, relative) or the written certification by the intake staff of the oral verification by the relevant third party that the applicant meets the criteria under paragraph (1)(ii) of the definition of “at risk of homelessness” in §576.2; or
  - To the extent that source documents and third-party verification are unobtainable, a written statement by the intake staff describing the efforts taken to obtain the required evidence; and
4. Documentation of one of the following conditions: To the extent that source documents and third-party verification are unobtainable, a written statement by the intake staff that the staff person has visited the applicant's residence and determined that the applicant meets one or more of the following criteria. If a visit is not practicable or relevant to the determination, a



## Montana Department of Public Health and Human Services Emergency Solutions Grant Program

written statement by the intake staff describing the efforts taken to obtain the required evidence.

- Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;
  - Is living in the home of another because of economic hardship;
  - Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;
  - Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organization or by federal, State, or local government programs for low income individuals;
  - Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 people per room, as defined by the U.S. Census Bureau;
  - Is exiting a publicly funded institution or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or
  - Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the grantee's approved consolidated plan;
5. Documentation of compliance with the applicable requirements for providing service and assistance (576.103) includes:
  6. Monthly case manager meeting case notes
  7. Documented individualized plan to help retain permanent housing after the ESG assistance ends.
  8. Verification of Income (Has an annual income below 30 percent of median family income for the area, as determined by HUD at initial eligibility determination)

### Rental Assistance Agreements and Payments

- Copy of a written lease from the landlord with the client for the provision of rental assistance.
- Copy of rental assistance agreement between subrecipient and the home owner/landlord.
- Copy of Eviction Notice; Notice to Quit (pay rent or quit); Demand for Possession or Summons & Complaint.
- Housing Plan
- Documentation of Rent Reasonableness
- Documentation of Fair Market Rent
- Documentation of payments made to owners for the provision of rental assistance
- Supporting Documentation for these payments, including dates of occupancy by program participants

### Utility Arrearages

- Copy of Shut-Off Notice that is in a household member's name.

### Utility Allowance:

- Document the monthly allowance for utilities (excluding phone) used to determine compliance with the rent restriction.

### Shelter and Housing Standards: Documentation of compliance with housing standards

- Lead-Based Paint documentation
- NSPIRE Habitability Standards



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- Environmental review documentation (24 CFR Part 50)

Reassessment every 3 months requires:

- Annualized Income AT OR BELOW 30% AMI
- Documentation as to whether persons lack sufficient resources and support networks necessary to retain the housing without assistance.



## Montana Department of Public Health and Human Services Emergency Solutions Grant Program

### *Homelessness Prevention Category 3 – Homeless Under Other Federal Statutes*

1. Certification by the subrecipient that the individual or family does not qualify as homeless under the homeless definition but is an unaccompanied youth under 25 years of age, or homeless family with one or more children or youth, and is defined as homeless under another Federal statute:
  - Certification of homeless status by the local private nonprofit organization or state or local governmental entity responsible for administering assistance under
    - Runaway and Homeless Youth Act (42 U.S.C. 5701 et seq.),
    - Head Start Act (42 U.S.C. 9831 et seq.),
    - Subtitle N of the Violence Against Women Act of 1994 (42 U.S.C. 14043e et seq.),
    - Section 330 of the Public Health Service Act (42 U.S.C. 254b),
    - Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.),
    - Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), or
    - Subtitle B of title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.), and
2. Certification of no permanent housing in last 60 days;
  - Referral by a housing or service provider,
  - Written observation by an outreach worker, or
  - Certification by the homeless individual or head of household seeking assistance; and
3. Certification by the individual or head of household, and any available supporting documentation, that (s)he has moved two or more times in the past 60 days immediately preceding the date of application for homeless assistance, including
  - Recorded statements or records obtained from each owner or renter of housing, provider of shelter or housing, or social worker, case worker, or other appropriate official of a hospital or institution in which the individual or family resided; or,
  - Where these statements or records are unobtainable, a written record of the intake worker's due diligence in attempting to obtain these statements or records.
  - Where a move was due to the individual or family fleeing domestic violence, dating violence, sexual assault, or stalking, then the intake worker may alternatively obtain a written certification from the individual or head of household seeking assistance that they were fleeing that situation and that they resided at that address; and
4. Documentation of special needs or two or more barriers to employment:
  - Obtain of a written diagnosis from a professional who is licensed by the state to diagnose and treat that condition (or intake staff-recorded observation of disability that within 45 days of date of the application for assistance is confirmed by a professional who is licensed by the state to diagnose and treat that condition).
  - Two or more barriers to employment which include: employment records; department of corrections records; literacy, English proficiency tests; lack of a high school degree or General Education Development (GED); a history of unstable employment; or document the applicant is expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability,
5. Documentation of compliance with the applicable requirements for providing service and assistance (576.103) includes:



## Montana Department of Public Health and Human Services Emergency Solutions Grant Program

- Monthly case manager meeting case notes
  - Documented individualized plan to help retain permanent housing after the ESG assistance ends.
6. Verification of Income (Has an annual income below 30 percent of median family income for the area, as determined by HUD at initial eligibility determination)
  7. Documentation of one or more "At Risk of Homelessness" conditions found on page 30 of the ESG Policy Manual.

### Rental Assistance Agreements and Payments

- Copy of a written lease from the landlord with the client for the provision of rental assistance.
- Copy of rental assistance agreement between subrecipient and the home owner/landlord.
- Copy of Eviction Notice; Notice to Quit (pay rent or quit); Demand for Possession or Summons & Complaint.
- Housing Plan
- Documentation of Rent Reasonableness
- Documentation of Fair Market Rent
- Documentation of payments made to owners for the provision of rental assistance
- Supporting Documentation for these payments, including dates of occupancy by program participants

### Utility Arrearages

- Copy of Shut-Off Notice that is in a household member's name.

### Utility Allowance:

- Document the monthly allowance for utilities (excluding phone) used to determine compliance with the rent restriction.

### Shelter and Housing Standards:

- Documentation of compliance with housing standards
- Lead-Based Paint documentation
- NSPIRE Habitability Standards
- Environmental review documentation (24 CFR Part 50)

### Reassessment every 3 months requires:

- Annualized Income AT OR BELOW 30% AMI
- Documentation as to whether persons lack sufficient resources and support networks necessary to retain the housing without assistance.



## Montana Department of Public Health and Human Services Emergency Solutions Grant Program

### *Homelessness Prevention Category 4 Fleeing/Attempting to Flee Domestic Violence*

For Victim Service Providers:

1. An oral statement by the individual or head of household seeking assistance which states: they are fleeing; they have no subsequent residence; and they lack resources. Statement must be documented by a self-certification or a certification by the intake worker. (Skip to #4 below)

For non-Victim Service Providers:

2. An oral statement by the individual or head of household seeking assistance that they are fleeing. This statement is documented by a self-certification or by the care worker. Where the safety of the individual or family is not jeopardized, the oral statement must be verified; and
3. Certification by the individual or head of household that no subsequent residence has been identified; and
4. Self-certification or other written documentation, that the individual or family lacks the financial resources and support networks to obtain other permanent housing.
5. Monthly case manager meeting case notes
6. Documented individualized plan to help retain permanent housing after the ESG assistance ends.
7. Verification of Income (Has an annual income below 30 percent of median family income for the area) as determined by HUD at initial eligibility determination
8. Documentation of one or more "At Risk of Homelessness" conditions found on page 30 of the ESG Policy Manual.
9. Documentation of compliance with the applicable requirements for providing service and assistance (576.104) includes:

Rental Assistance Agreements and Payments

- Copy of a written lease from the landlord with the client for the provision of rental assistance.
- Copy of rental assistance agreement between subrecipient and the home owner/landlord.
- Copy of Eviction Notice; Notice to Quit (pay rent or quit); Demand for Possession or Summons & Complaint.
- Housing Plan
- Documentation of Rent Reasonableness
- Documentation of Fair Market Rent
- Documentation of payments made to owners for the provision of rental assistance
- Supporting Documentation for these payments, including dates of occupancy by program participants

Utility Arrearages

- Copy of Shut-Off Notice that is in a household member's name.

Utility Allowance:

- Document the monthly allowance for utilities (excluding phone) used to determine compliance with the rent restriction.

Shelter and Housing Standards: Documentation of compliance with housing standards

- Lead-Based Paint documentation
- NSPIRE Habitability Standards
- Environmental review documentation (24 CFR Part 50)

Reassessment every 3 months requires:

- Annualized Income AT OR BELOW 30% AMI





## Montana Department of Public Health and Human Services Emergency Solutions Grant Program

- Documentation as to whether persons lack sufficient resources necessary to retain the housing without assistance.



## Montana Department of Public Health and Human Services Emergency Solutions Grant Program

### FORMS

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Forms available upon request:

- Administrative Review Request Form
- Household Budget Sheet Template
- Declaration of income
- Declaration of Section 214 Status
- Client File Check List
- Disclosure of Information on LBP and its Hazards Form
- Environmental Review Template
- HP Homeless Certification
- Notice of LBP (Lead Based Paint) Risk Assessment
- Lead Screening Worksheet
- Rental Assistance Agreement
- RRH Homeless Certification
- Self-Declaration of Housing Status
- Termination of Assistance and Grievance Policy Acknowledgement Form
- Notice of Termination Template
- Housing NSPIRE Habitability Standards Inspection Checklist
- Rent Reasonableness and FMR Form
- Montana Statewide CoC CES HMIS Release of Information

### HUD 'Ask a Question'

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The attachment includes a list of questions submitted to HUD by DPHHS and HUD's response. Available upon request.