

Statewide Homeless Coordination Office ESG Procedure Manual

Arizona Department of Economic Security
Division of Community Assistance & Development

The Department of Economic Security makes Arizona stronger by helping Arizonans reach their potential through temporary assistance for those in need, and care for the vulnerable.

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Division of Aging and Adult Services
Statewide Homeless Coordination Office
Policy and Procedure Manual

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SECTION 1 OVERVIEW

The State of Arizona receives formula grants; Emergency Solutions Grant (ESG), Community Development Block Grant (CDBG), Housing for Persons with Aids (HOPWA), and HOME Investment Partnerships (HOME) from HUD on an annual basis. In order to receive such funds, the State is required to prepare and submit a five-year Consolidated Plan (Con Plan) and a yearly Annual Action Plan. The State, via the Arizona Department of Housing (ADOH), must submit the Con Plan or Annual Action Plan to the local HUD office no later than 45 days before the start of the State's program year which is July 1. After the State submits the appropriate plan to HUD, HUD approves (or disapproves) the plan. Once the plan is approved, HUD and the State execute a grant agreement.

At the end of every program year, the State submits a Consolidated Annual Performance and Evaluation Report (CAPER), which is also required by HUD. The Con Plan includes analyses, needs, priorities, goals, and other information around community development, affordable housing, homelessness, and additional community conditions. It specifies the State's plans for non-federal and federal resources, including ESG.

The Con Plan is carried out through the yearly Annual Action Plan, which summarizes actions, activities, and resources to be used that year to address the Con Plan's priorities and goals. Both Con Plan and Annual Action Plan preparation, including ESG plans, must include public participation and consultation.

The State reports on accomplishments and progress toward the Con Plan in the CAPER. ESG is a component of the Con Plan, Annual Action Plan, and CAPER. For example, the plans and/or CAPER describe ESG program activities and projects, people assisted through ESG, homelessness and housing needs, available resources, program consultation and participation (e.g., with local CoCs and people experiencing homelessness), program performance standards, Homeless Management Information System (HMIS) policies and procedures, processes for the Recipient's awards to Subrecipients, monitoring standards, program expenditures, and other related information.

The Department of Economic Security Statewide Homeless Coordination Office is the Emergency Services Administration that administers both state and federal funds to support homeless crisis response systems in the State of

Arizona.

NOTE: AZ Con Plan, Action Plan and CAPER may be found at:

<https://www.hudexchange.info/programs/consolidated-plan/con-plans-aaps-capers/>

SECTION 2 INTRODUCTION

The Emergency Solutions Grants (ESG) program is a critical resource in the crisis response system. This is a policies and procedures manual for the Emergency Solutions Grants (ESG) Program and serves as a guide to sub-recipients as well as those interested in participating in the state administered program.

People living unhoused become stably housed when the system is low barrier, trauma informed, culturally responsive and Housing First oriented. People living unstably housed become stably housed when the system is oriented toward problem solving conversations and personal advocacy to help people identify practical solutions based on their own available resources.

We expect DES grantees, including county governments and nonprofits, to be leaders in their crisis response systems, facilitating partnerships among service organizations and promoting evidence-based, anti-racist practices.

Grantees must respond to the disproportionality in access to services, service provision and outcomes and cannot simply rely on delivering a standardization of services to address inequity. Grantees have the responsibility to examine their data to ensure all eligible persons receive equitable services, support and are served with dignity, respect and compassion regardless of circumstance, ability or identity.

This includes marginalized populations, Black, Native and Indigenous, People of Color, immigrants, people with criminal records, people with disabilities, people with mental health and substance use vulnerabilities, people with limited English proficiency, people who identify as transgender, people who identify as LGBTQ+, and other individuals that may not access mainstream support.

We are here to support your efforts. The Homeless Coordination Office provides access to continuous learning on trauma informed services, racial equity, LGBTQ+ competency and more. We can help you strategize outreach, coordinate entry and help you analyze and understand your data so we can meet Arizona's vision that no person is left living outside.

The purpose of the manual is to assist subrecipients to implement efficient and compliant ESG programs. This manual is not intended to cover all of the intricacies of administering ESG projects. Sub-recipients are expected to avail

themselves of resources offered on the U.S. Department of Housing and Urban Development (HUD) Exchange website, including webinars, training, brochures, and manuals. This manual does not replace the regulations contained in 24 CFR Part 576, and subsequent amendment, or any other applicable Federal, State and local laws, ordinance and regulations pertaining to the Emergency Solutions Grant. It is the responsibility of the sub-recipient to read and refer to the regulations and the grant agreement in determining what is allowable under 24 CFR Part 576.

All ESG funding organizations are expected to have written policies and procedures of their own as well as be familiar with these ESG policies and procedures. An organization may adopt these policies and procedures as their organization's policies and procedures. In addition ESG funded organizations must review and adhere to their DES/ESG Grant Agreement, as the grant agreement includes specific, grant by grant requirements.

DES may revise the guidelines at any time. All sub-recipients will be notified of updates to this guide and will receive via email the latest version and/or an electronic link.

ESG funds are awarded by HUD under the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act). This Act amended the McKinney-Vento Homeless Assistance Act of 1987. It revised the Emergency Shelter Grants Program in significant ways and renamed it the Emergency Solutions Grant (ESG) program. The ESG Interim Rule took effect on January 4, 2012. In addition, the HEARTH Act provides grantees with the programmatic framework to maximize communitywide planning and strategic use of resources, and to improve coordination and integrate with mainstream services (24 CFR §576.400 (b) and (c)) to increase efficiency, including services funded by other programs targeted to homeless people. 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 Arizona.

These funds must exclusively be used for eligible ESG components. DES may at its discretion increase funds for these activities by using other funding sources. However, all funds will be administered as if they are ESG.

DES allocates these funds through a competitive application process. This method of distribution is described in the Consolidated Plan. It includes releasing an application, hosting and recording a webinar for disseminating information and putting together a review committee whereby individual members score each eligible application.

This process is reviewed and analyzed each year and any changes are written into the Annual Action Plan which requires public comment prior to submission.

ELIGIBLE APPLICANTS ARE:

1. Local governments
2. Homeless service providers
3. Other non-profit organizations

ELIGIBLE ESG COMPONENTS ARE:

1. Street Outreach
2. Emergency Shelter
3. Homelessness Prevention
4. Rapid Rehousing
5. Homeless Management Information System (HMIS) or Comparable Database for Victim Service Providers
6. Administration

Effective January 10, 2022 through March 31, 2022 the following waivers are available for FY 2021 Emergency Solutions Grant funds only:

1. Homeless Definition – Temporary Stays in Institutions of 90 Days or Less

Prior to the waiver, 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 is considered homeless per 24 CFR 576.2, definition of “homeless.”

With the Waiver someone who was residing in an emergency shelter or place not meant for human habitation prior to entering the institution maintains their homeless status while residing in an institution for longer than 90 days. This is necessary to decrease the risk of COVID-19 infection by expanding housing options for people who were experiencing homelessness and institutionalized for longer than traditionally required due to COVID-19.

Applicability: An individual may qualify as homeless under paragraph (1)(iii) of the homeless definition in 24 CFR 576.2 so long as he or she is exiting an institution where they resided for 120 days or less and resided in an emergency shelter or place not meant for human habitation immediately before entering that institution. This waiver is in effect for individuals whose homeless status is determined between the date of this memorandum and March 31, 2022.

2. Assisting Program Participants with Subleases

Prior to the Waiver with respect to rental assistance and certain housing relocations and stabilization services, the references to “owner” and “lease” in 24

CFR 576.105 and 576.106 restrict program participants from receiving assistance in units they sublease from a person other than the owner or the owner's agent.

With the Waiver a program is able to offer ESG assistance to holders of a sublease under certain conditions;

Applicability: To the extent that the references to "owner" and "lease" in 24 CFR 576.105 and 576.106 restrict program participants from receiving assistance in units they sublease from the primary leaseholder, that restriction is waived under the following conditions:

1. The recipient documents that it meets the conditions for applying this waiver to FY21 grants funds, consistent with the justification in the CPD memo dated December 30, 2021. (See link below)
2. A program participant chooses to rent a unit through a legally valid sublease with the primary leaseholder for the unit; and
3. The recipient has developed written policies to apply the requirements of 24 CFR 576.105, 24 CFR 576.106, 24 CFR 576.409, and 576.500(h) with respect to that program participant by reading the references to "owner" and "housing owner" to apply to the primary leaseholder and reading the references to "lease" to apply to the program participant's sublease or lease with the primary leaseholder.

This waiver is only made available with respect to leases and subleases entered into between the date of this memorandum and March 31, 2022. However, unless HUD notifies the recipient otherwise, the recipient may continue to use its FY2021 ESG grant funds to assist program participants housed under this waiver through the end of their otherwise allowable term of assistance.

3. Helping Current Program Participants Maintain Housing – Housing Relocation and Stabilization Services.

Prior to the Waiver there is a 24-month limit on housing relocation and stabilization services.

With the Waiver there is flexibility to provide housing relocation and stabilization services to program participants for more than 24-months during any 3-year period for the following reasons:

- (1) Those residing in congregate settings, where many people who lose their housing reside after losing their housing, are at increased risk of COVID-19 infection;

- (2) Helping program participants maintain housing will therefore continue to decrease the risk of people experiencing and at risk of homelessness from contracting COVID-19; and
- (3) Although this waiver flexibility can already be used with respect to ESG-CV and FY2020 and earlier FY funds, making this waiver flexibility applicable to the newer FY2021 ESG grant funds will minimize the chances that service providers will run out of usable ESG funds to help their existing program participants remain stably housed during these critical winter months when people are spending most of their time indoors and the risk of spread is at its highest.

Applicability: For recipients that can document they meet the conditions for applying this waiver to FY21 grants funds, consistent with the justification in the CPD memo dated December 30, 2021. (See link below), the 24-month limits on housing relocation and stabilization services under 24 CFR 576.105(a)(5), (b)(2) and (c) are waived for program participants receiving rapid re-housing and homelessness prevention assistance who will have reached these 24-month limits between the date of this memorandum and March 31, 2022, as long as the assistance provided under this waiver does not extend beyond March 31, 2022 and is limited to program participants who will not be able to obtain or maintain housing without the benefit of this waiver.

4. Helping Current Program Participants Maintain Housing – Rental Assistance

Prior to the Waiver there is a restriction of rental assistance to 24-months during any 3-year period.

With the Waiver there is flexibility to provide rental assistance to program participants for more than 24-months during any 3-year period for the following reasons:

- (1) Those residing in congregate settings, where many people reside after losing their housing, are at increased risk of COVID-19 infection;
- (2) Helping program participants maintain housing will therefore continue to decrease the risk of people experiencing and at risk of homelessness from contracting COVID-19; and
- (3) Although this waiver flexibility can already be used with respect to ESG-CV and FY2020 and earlier FY funds, making this waiver flexibility applicable to the newer FY2021 ESG grant funds will minimize the chances that service providers will run out of usable ESG funds to help their existing program

participants remain stably housed during these critical winter months when people are spending most of their time indoors and the risk of spread is at its highest.

Applicability: For recipients that can document they meet the conditions for applying this waiver to FY21 grants funds, consistent with the justification in the CPD memo dated December 30, 2021. (See link below) the 24-month in a 3-year period restriction on rental assistance is waived for program participants receiving rapid re-housing and homelessness prevention assistance who will have reached their 24-month limit between the date of this memorandum and March 31, 2022, as long as the assistance provided under this waiver does not extend beyond March 31, 2022 and is limited to program participants who will not be able to obtain or maintain housing without the benefit of this waiver.

5. Restriction of Rental Assistance to Units with Rent at or Below FMR

Prior to the Waiver there is a restriction of rental assistance to units with rent at or below FMR.

With the Waiver FMR may be exceeded for Rapid Rehousing and Homeless Prevention provided it meets rent reasonableness standard.

Applicability: For recipients that can document they meet the conditions for applying this waiver to FY21 grants funds, consistent with the justification in the CPD memo dated December 30, 2021. (See link below), the FMR restriction is waived for any individual or family receiving Rapid Re-housing or Homelessness Prevention assistance who executes a lease for a unit during the period beginning on the date of this memorandum and ending on March 31, 2022. The ESG recipient or subrecipient must still ensure that the units in which ESG assistance is provided to these individuals and families meet the rent reasonableness standard.

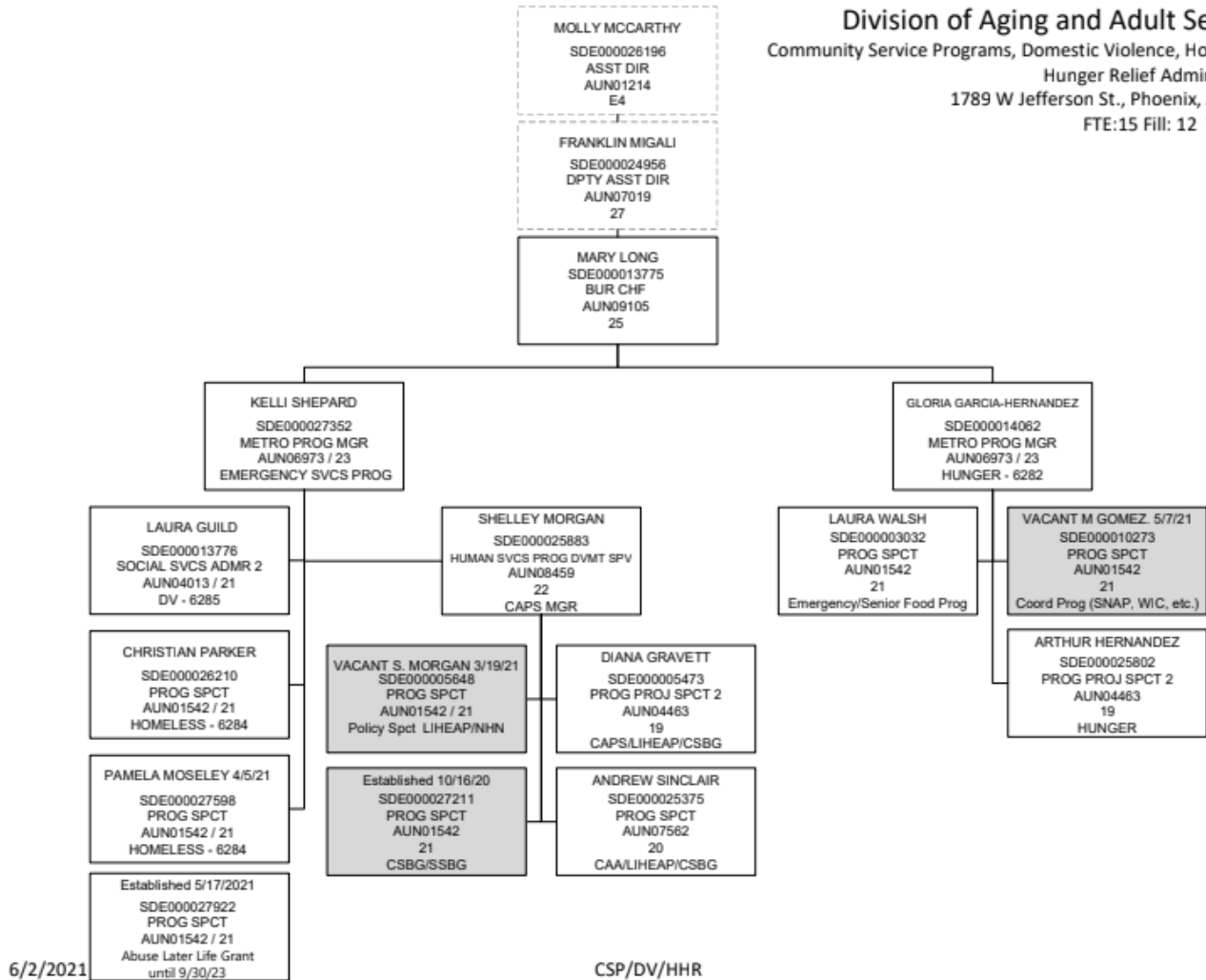
This waiver is only made available with respect to leases and subleases entered into between the date of this memorandum and March 31, 2022. However, unless HUD notifies the recipient otherwise, the recipient may continue to use its FY2021 ESG grant funds to assist program participants housed under this waiver through the end of their otherwise allowable term of assistance.

LINK FOR FULL CPD MEMO DATED 12-31-2021

https://www.hud.gov/sites/dfiles/CPD/documents/Additional_Waivers_CPD_COVID19_December_2021.pdf

Department of Economic Security's DAAS Organization Chart

Division of Aging and Adult Services
 Community Service Programs, Domestic Violence, Homeless &
 Hunger Relief Administration
 1789 W Jefferson St., Phoenix, AZ 85007
 FTE:15 Fill: 12 Vacant: 3



SECTION 3 PROGRAM GUIDELINES

The Department of Economic Security's (DES) approach to implementing ESG is rooted in various evidence-based philosophies and guidelines, such as:

- (a) adhering to a Housing First philosophy and housing-focused models,
- (b) encouraging real-time, quality data,
- (c) advancing equity and inclusion, and,
- (d) encouraging community-wide collaboration, including Continuum of Care (CoC) partnerships and Coordinated Entry collaboration.

The following is an explanation of these guidelines.

a) Housing First is an approach to quickly and successfully connect individuals and families experiencing homelessness to permanent housing without preconditions and barriers to entry, such as sobriety, treatment or service participation requirements. Supportive services are offered to maximize housing stability and prevent returns to homelessness as opposed to addressing predetermined treatment goals prior to permanent housing entry.

Housing First is premised on the following principles:

- Homelessness is first and foremost a housing crisis and can be addressed through the provision of safe and affordable housing.
- All people experiencing homelessness, regardless of their housing history and duration of homelessness, can achieve housing stability in permanent housing. Some may need very little support for a brief period of time, while others may need more intensive and long-term support.
- Everyone is "housing ready." Sobriety, compliance in treatment, or even criminal histories are not necessary to succeed in housing. Rather, homelessness programs and housing providers must be "consumer ready."
- Many people experience improvements in quality of life, in the areas of health, mental health, substance use, and employment, as a result of achieving housing.
- People experiencing homelessness have the right to self-determination and should be treated with dignity and respect.
- The exact configuration of housing and services depends upon the needs and preferences of the population.

For ESG Subrecipients, Housing First should be reflected in practices AND policies and procedures.

b) Real-time, quality data allows organizations and communities to understand the scale of homelessness, determine whether strategies are effective and improve programs, policies and systems.

Real-time, quality data can:

- Capture information around racial, ethnic, geographic, and other inequities and disparities.
- Improve accountability and transparency.
- Create a complete picture of homelessness to understand whether strategies are driving down the number of people experiencing homelessness.
- Create a shared understanding of individual housing needs, available housing options, and strategic resource allocation (e.g., using a real-time, by-name list).
- Equip organizations with shared information so that they can coordinate resources, develop strategic plans, and build adequate systems.
- Allow agencies to understand exactly how their services interact with each other and with other systems.
- Prevent inefficiencies such as retroactive data entry.
- Promote informed policy, program and funding decision-making.

ESG Subrecipients must adhere to HUD regulations that require Subrecipients to track ESG client and program data in HMIS for non-Victim Service Providers or a Comparable Database for Victim Service Providers.

c) To advance equity and inclusion, DES is committed to undoing systemic racism and disparate outcomes that are evident among those experiencing homelessness in Arizona. DES is using data to quantify ESG outcomes based on racial and ethnic demographics for those served, housed and still unhoused. DES continues to work with other Arizona agencies focused on racial justice to ensure ESG aligns with those efforts, hopefully avoiding duplication or undermining previous efforts.

d) Collaboration is essential to ending homelessness. For that reason, DES is committed to working alongside all ESG Recipients, subrecipients, other nonprofits and local governments, COC's and any internal and external stakeholders. DES encourages collaboration among ESG Subrecipients and will work to provide a platform/s for said collaboration. ESG subrecipients must participate in the local Coordinated Entry system and contribute data to the HMIS in the geographical COC, as required by HUD.

SECTION 4 ELIGIBLE ACTIVITIES AND PROGRAM COMPONENTS

ESG grant funding can be used for five categories; Street Outreach (SO), Emergency Shelter (ES), Homeless Prevention (HP), Rapid Rehousing (RRH), Homeless Management Information System (HMIS), and eligible Administration Costs.

STREET OUTREACH (24 CFR §576.101)

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

Eligible Costs are limited to those necessary to provide emergency care on the street and generally fall under the following categories:

- 1) Engagement: The costs of activities to locate, identify and build relationships with unsheltered people and engage them for the purpose of providing immediate support, intervention, and connections with homeless assistance programs and/or mainstream social services and housing programs. This includes initial assessment, providing crisis counseling; addressing urgent physical needs, i.e. meals, blankets, clothes, toiletries; and actively connecting and providing information and referrals to programs targeted to connect homeless people with mainstream social services and housing programs including emergency shelter, rapid rehousing, permanent supportive housing and community based services. See 24 CFR §576.400 (b) and (c)

Case Management: The cost of assessing housing and service needs, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant. Eligible services and activities are as follows: using the centralized or coordinated assessment system as required under 576.400(d); conducting the initial evaluation required under 24 CFR 576.401(a), including verifying and documenting eligibility; counseling; developing, securing and coordinating services; obtaining Federal, State, and local benefits; monitoring participant progress; providing information and referrals to other providers; and developing an individualized housing and service plan, including planning a path to permanent housing stability.

- 3) Emergency health services: Eligible costs are for the direct outpatient treatment of medical conditions and are provided by licensed medical professionals operating in community-based settings, including streets, parks, and other places where unsheltered homeless people are living. ESG funds may be used only for these services to the extent that other appropriate health services are inaccessible or unavailable within the area.

Street
Outreach

Eligible treatment consists of assessing a program participant's health problems and developing a treatment plan; assisting program participants to understand their health needs; providing directly or assisting program participants to obtain appropriate emergency medical treatment; and providing medication and follow-up services.

- 4) Emergency mental health services: Eligible costs are the direct outpatient treatment by licensed professionals of mental health conditions operating in community-based settings, including streets, parks, and other places where unsheltered people are living. ESG funds may be used only for these services to the extent that other appropriate mental health services are inaccessible or unavailable within the community. Eligible treatment consists of crisis interventions, the prescription of psychotropic medications, explanation about the use and management of medications, and combinations of therapeutic approaches to address multiple problems.
- 5) Transportation: The costs of travel by outreach workers, social workers, medical professionals, or other service providers are eligible, provided that this travel takes place during the provision of services eligible under this section. The costs of transporting unsheltered people to emergency shelters or other service facilities are also eligible.

These costs include the following:

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

Eligible Program Participants are those individuals and families who are literally homeless in areas not meant for human habitation as defined under paragraph (1)(i) of the homeless definition under 24 CFR 576.2.

EMERGENCY SHELTER (24 CFR §576.102) Shelter funding includes shelter operations and providing essential services to those residing in emergency shelter.

Eligible Costs are

1) Case management as it relates to assessing, arranging, coordinating and monitoring the delivery of services to meet the needs of the program participant. These consist of:

- a) Using the coordinated entry system as required under 24CFR 576.400 (d);
- b) Conducting the initial evaluation, including verifying and documenting eligibility;
- c) Counseling;
- d) Providing information and referrals to employment, healthcare, substance abuse and related services within the community. **(Note:** that referrals can be provided, however, direct case management for employment, health, substance abuse and other related services cannot be provided with these funds);
- e) Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking;
- f) Developing an individualized housing and service plan, including planning a path to permanent housing stability, including coordination of obtaining benefits.
- g) Monitoring and evaluating program participant progress.

2) **Childcare.** The costs of childcare for program participants, including providing meals and snacks, and comprehensive and coordinated sets of appropriate developmental activities, are eligible. The children must be under the age of 13, unless they are disabled. Disabled children must be under the age of 18. The childcare center must be licensed by the jurisdiction in which it operates in order for its costs to be eligible.

3) **Education services.** When necessary for the program participant to obtain and maintain housing, the costs of improving knowledge and basic educational skills are eligible. Services include instruction or training in consumer education, health education, substance abuse prevention, literacy, English as a Second Language, and General Educational Development (GED).

4) **Employment assistance and job training.** The costs of employment assistance and job training programs are eligible, including classroom, online, and/or computer instruction; on-the-job instruction; and services that assist individuals in securing employment, acquiring learning skills and/or increasing earning potential. The cost of providing reasonable stipends to program participants in employment assistance and job training programs is an eligible cost. Learning skills include those skills that can be used to secure and retain a job, including the acquisition of vocational licenses and/or certificates.

**Emergency
Shelter**

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 consists of assessing a program participant's health problems and developing a treatment plan; assisting program participants to understand their health needs; providing directly or assisting program participants to obtain appropriate medical treatment, preventive medical care, and health maintenance services, including emergency medical services; providing medication and follow-up services; and providing preventive and non cosmetic dental care.

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 the State in which the services are provided, and by person(s) under the supervision of the licensed attorney, regarding matters that interfere with the program participant's ability to obtain and retain housing. ESG funds may be used only for these services to the extent that other appropriate legal services are unavailable or inaccessible within the community. Eligible subject matters are child support, guardianship, paternity, emancipation, 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. Filing fees and other necessary court costs are also eligible.

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

8) **Mental health services.** 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. 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.

9) **Substance abuse treatment services.** 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 substance abuse treatment services are unavailable or inaccessible within the community. Eligible treatment consists of client intake and assessment, and outpatient treatment for up to 30 days. Group and individual counseling and drug testing are eligible costs. Inpatient detoxification and other inpatient drug or alcohol treatment are not eligible costs.

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

- i) The cost of a program participant's travel on public transportation;
- ii) Mileage allowance for service workers to visit program participants if they use their own vehicles;
- iii) The cost of leasing a vehicle for the Subrecipient in which staff transports program participants and/or staff serving program participants, and the cost of gas, insurance, taxes, and maintenance for the vehicle;
- iv) The travel costs of Subrecipient staff to accompany or assist program participants to use public transportation.

11) **Services for special populations.** ESG funds may be used to provide services for homeless youth, victim services, and services for people living with HIV/AIDS, so long as the costs of providing these services are eligible under CFR 576. The term victim services means services that assist program participants who are victims of domestic violence, dating violence, sexual assault, or stalking, including services offered by rape crisis centers and domestic violence shelters, and other organizations with a documented history of effective work concerning domestic violence, dating violence, sexual assault, or stalking.

12) **Shelter Operations,** including maintenance, rent, repair, security, fuel, insurance, and utilities. If major shelter repairs are being undertaken, ESG programs must comply with the requirements of 24 CFR §576.408 concerning displacement, relocation and acquisition in compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

13) **Additional Emergency Shelter Requirements.**

- a) 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 for services and provides shelter to families with children under age 18.
- b) Minimum period of use
 - i) Any building renovated with ESG funds must be maintained as a shelter for homeless individuals and families for not less than a period of 3 or 10 years, depending on the type of renovation and the value of the building. The minimum use date period begins on the date the building is first occupied by a homeless person after the completed renovation and for 10 year use will be enforced by a recorded deed with a use restriction.
 - 1) Major rehabilitation is defined as the costs exceeding 75% of the value of the building prior to rehabilitation. The minimum period of use is 10 years.
 - 2) Conversion is if the costs to convert a building into shelter exceed 75% of the value of the building after conversion. The minimum period of use is 10 years.
- c) Habitability Standards for Emergency Shelter
 - i) Whenever ESG funds are used under the Emergency Shelter component for shelter operations or shelter renovations, the building must meet the minimum standards for safety, sanitation, and privacy provided in 576.403 (a) &(b). The same standards apply regardless of the amount of ESG funds involved. This includes:
 - 1) Lead-based paint remediation and disclosure standards.
 - 2) Accessibility 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; where applicable.
 - 3) Adequate space and security must be provided for each program participant in the shelter that provides overnight accommodations. Each participant will have an acceptable place to sleep and security for themselves and their belongings.
 - 4) The Interior air quality within the shelter must be free of pollutants at a level that might threaten or harm the health of residents. Each room/space within the shelter must have a natural or mechanical means of ventilation.
 - 5) The water supply must be free of contamination.

- 6) Sanitary facilities that are in proper operating condition, are private and are adequate for personal cleanliness and the disposal of human waste will be provided for all shelter participants.
- 7) The shelter must have any necessary heating/cooling in proper operating condition.
- 8) The shelter must have adequate natural or artificial illumination to permit normal indoor activities and there must be sufficient electrical sources to permit the safe use of electrical appliances in the shelter.
- 9) Food preparation areas, if there are any, must contain suitable space and equipment to store, prepare and serve food in a safe and sanitary manner.
- 10) For fire safety there must be at least one working smoke detector in each occupied unit of the shelter. The fire alarm system must be designed for hearing-impaired residents.
- 11) The ESG program must ensure that the shelter meets any Arizona state or local codes that add to or exceed HUD's minimum standards.
- 12) The shelter must meet all standards for the entire period during which ESG funds are provided for operating the emergency shelter.
- 13) If the shelter fails to meet the minimum standards, ESG funds may be used to bring it up to the minimum standards, if available and approved by DES.

Eligible Program Participants are those individuals and families who are literally homeless residing in an emergency shelter.

HOMELESS PREVENTION (24 CFR §576.103) ESG funds may be used for housing relocation and stabilization services (case management): Funds must be used to create and implement a comprehensive, easily accessible service and housing response system that addresses the needs of those who are homeless or at serious risk of homelessness.

a)Eligible Costs are:

1. Short-term rental assistance (3 months)
2. Medium-term rental assistance (3-24 months)
3. Housing search and placement
4. Housing stability case management
5. Rental arrearages (up to 6 months)
6. Security and Utility deposits (for new units only)

7. Utility deposits or arrearages
8. Other related one-time or short-term expenses to assist in maintaining housing
9. Leasing assistance, as necessary, to prevent the household from becoming homeless when the assistance is necessary to help the household regain stability in their current permanent housing or move into other permanent housing and achieve stability in that housing.

b) ESG programs must comply with Fair Market Rent (FMR) standards set by HUD, as applicable. Rental assistance as part of the Homelessness Prevention program component must not exceed the FMR standards as set by HUD for an area, as provided under 24 CFR part 888, and complies with HUD's standard of rent reasonableness, as established under 24 CFR 982.507. FMR set by HUD can be found here: <https://www.huduser.gov/portal/datasets/fmr.html>.

c) Habitability Standards for Rapid Rehousing.

i) The Subrecipient cannot use ESG funds to help a program participant remain in or move into housing that does not meet the minimum habitability standards under 24 CFR 576.403(c). This restriction applies to all activities under HP.

In addition 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 housing occupied by program participants under an ESG funded program.

ii) The subrecipient must document compliance with habitability standards as listed and as outlined in 24 CFR 576:

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 have an acceptable place to sleep.

3) *Interior air quality.* The interior air must be free of pollutants at a level that might threaten or harm the health of residents and there need to be a natural or mechanical means of ventilation.

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

5) *Sanitary facilities.* Residents 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.

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

7) *Illumination and electricity.* The housing must have adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There must be sufficient electrical outlets 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.* There must be a second means of exiting the building in the event of fire or other emergency. Each unit must include at least one battery operated or hardwired 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. 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.

f) *Housing stability case management.*

i) While providing homeless prevention assistance to a program participant, the Recipient or Subrecipient must:

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

(2) Develop a plan to assist the program participant to retain permanent housing after the ESG assistance ends, taking into account all relevant considerations, such as the program participant's current or expected income and expenses; other public or private assistance for which the program participant will be eligible and likely to receive; and the relative affordability of available housing in the area

Eligible Program Participants are households who meet the criteria under the “at risk of homelessness” definition, or who meet the criteria in paragraph (2), (3), or (4) of the “homeless” definition in 24 CFR 576.2 and have an annual income below 30 percent of median family income for the area, as determined by HUD.

Risk factors that make finding and maintaining housing more challenging should be used to screen people into assistance rather than screening them out.

RAPID REHOUSING (24 CFR §576.104) Actions taken to assist homeless persons to obtain permanent housing in properties not operated by the grantee; or payment of security deposits, utility deposits or first month’s rent. It includes housing relocation and stabilization services along with financial rental assistance to help a homeless household move as quickly as possible into permanent housing and achieve stability in that housing.

Eligible Costs are:

- 1) Housing Relocation and Stabilization Services:
 - a) *Financial Assistance costs:* Subject to the general conditions under 24CFR 576.103-104.
 - i) Rental application fees for the rental housing application that is charged by the owner to all applicants.
 - ii) A security deposit that is equal to no more than 1.5 months' rent as is written in the Arizona Landlord Tenant Act.
 - iii) The last month's rent may be paid if necessary to obtain housing for a program participant to the owner of that housing at the time the owner is paid the security deposit and the first month's rent. This assistance must not exceed one month's rent and must be included in calculating the program participant's total rental assistance, which cannot exceed 24 months during any 3-year period.
 - iv) Utility deposits required by the utility company for all customers for the utilities listed in paragraph (5) of this section.
 - v) Utility payments up to 24 months per program participant, per service, including up to 6 months of utility payments in arrears, per service. A partial payment of a utility bill counts as one month. This assistance may only be provided if the program participant or a member of the same household has an account in his or her name with a utility company or proof of responsibility to make utility payments. Eligible utility services are gas, electric, water,

Rapid Re-
housing
Eligible
activities

- and sewage. No program participant shall receive more than 24 months of utility assistance within any 3-year period.
- vi) Moving costs. such as truck rental or hiring a moving company. This assistance may include payment of temporary storage fees for up to 3 months, provided that the fees are accrued after the date the program participant begins receiving assistance under paragraph (b) of this section and before the program participant moves into permanent housing. Payment of temporary storage fees in arrears is not eligible.
 - vii) If a program participant receiving short- or medium-term rental assistance under 24 CFR 576.106 meets the conditions for an emergency transfer under 24 CFR 5.2005(e), ESG funds may be used to pay amounts owed for breaking a lease to effect an emergency transfer. These costs are not subject to the 24-month limit on rental assistance under 24 CFR 576.106.
- b) *Services Cost*. Subject to the general restrictions under 24 CFR 576.103-104.
- i) Housing search and placement which is the services or activities necessary to assist program participants in locating, obtaining, and retaining suitable permanent housing, include the following:
 - (1) Assessment of housing barriers, needs, and preferences;
 - (2) Development of an action plan for locating housing;
 - (3) Housing search;
 - (4) Outreach to and negotiation with owners;
 - (5) Assistance with submitting rental applications and understanding leases;
 - (6) Assessment of housing for compliance with ESG requirements for habitability, lead-based paint, and rent reasonableness;
 - (7) Assistance with obtaining utilities and making moving arrangements; and
 - (8) Tenant counseling.
 - ii) Housing stability case management to assess, arrange, coordinate, and monitor the delivery of individualized services to facilitate housing stability for a household who resides in permanent housing or to assist a household in overcoming immediate barriers to obtaining housing. This assistance cannot exceed 30 days during the period the program participant is seeking permanent housing and cannot exceed 24 months during the period the program participant is living in permanent housing. Component services and activities consist of:

- (1) Using the centralized or coordinated assessment system as required under 24 CFR 576.400(d), to evaluate households applying for or receiving rapid re-housing assistance;
 - (2) Conducting the initial evaluation required under 24 CFR 576.401(a), including verifying and documenting eligibility, for households applying for rapid re-housing assistance;
 - (3) Counseling;
 - (4) Developing, securing, and coordinating services and obtaining Federal, State, and local benefits;
 - (5) Monitoring and evaluating program participant progress;
 - (6) Providing information and referrals to other providers;
 - (7) Developing an individualized housing and service plan, including planning a path to permanent housing stability; and
 - (8) Conducting re-evaluations required under 24 CFR 576.401(b).
- iii) Mediation between the program participant and the owner or person(s) with whom the program participant is living, provided that the mediation is necessary to prevent the program participant from losing permanent housing in which the program participant currently resides.
- iv) Legal services as set forth in 24 CFR 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.
- v) Credit repair in terms of credit counseling and other services necessary to assist program participants with critical skills related to household budgeting, managing money, accessing a free personal credit report and resolving personal credit problems. This assistance does not include the payment or modification of a debt.
- c) *Use with other subsidies* is prohibited. Financial assistance under paragraph (a) of this section cannot be provided to a program participant who is receiving the same type of assistance through other public sources or to a program participant who has been provided with replacement housing payments under the URA, during the period of time covered by the URA payments.
- d) *Housing counseling*, as defined in 24 CFR 5.100, that is funded with or provided in connection with ESG funds must be carried out in accordance with 24 CFR 5.111. When housing services that are incidental to a larger set of holistic case management services, are provided, these services do

not meet the definition of housing counseling, as defined in 24 CFR 5.100, and therefore are not required to be carried out in accordance with the certification requirements of 24 CFR 5.111 nor are they an eligible cost.

2) *Short and medium term rental assistance*

- a) General provisions. Subject to the general conditions under 24 CFR 576.103-104, the Subrecipient may provide a program participant with up to 24 months of rental assistance during any 3-year period. This assistance may be short-term rental assistance, medium-term rental assistance, payment of rental arrears, or any combination of this assistance:
 - i) Short-term rental assistance is for up to 3 months of rent.
 - ii) Medium-term rental assistance for more than 3 but not more than 24 months of rent.
 - iii) Payment of rental arrears consists of a one-time payment for up to 6 months of rent in arrears, including any late fees on those arrears.
 - iv) Rental assistance may be tenant-based or project-based, as set forth in paragraphs (h) and (i) of this section.
- b) When there are *other subsidies*, except for a one time payment of rental arrears on the tenant's portion of the rental payment, rental assistance cannot be provided to a program participant who is receiving tenant-based rental assistance, or living in a housing unit receiving project-based rental assistance or operating assistance, through other public sources. Rental assistance may not be provided to a program participant who has been provided with replacement housing payments under the URA during the period of time covered by the URA payments.
- c) *Rent restrictions.*
 - i) Rental assistance cannot be provided unless the rent does not exceed the Fair Market Rent established by HUD, as provided under 24 CFR part 888, and complies with HUD's standard of rent reasonableness, as established under 24 CFR 982.507.
 - ii) For purposes of calculating rent under this section, the rent shall equal the sum of the total monthly rent for the unit, any fees required for occupancy under the lease (other than late fees and pet fees) and, if the tenant pays separately for utilities, the monthly allowance for utilities (excluding telephone) established by the public housing authority for the area in which the housing is located.
- d) A *rental assistance agreement* with the owner must be in place in order for the Subrecipient to make rental assistance payments. The rental assistance agreement must set forth the terms under which rental assistance will be provided, including the requirements that apply under this section. The rental assistance agreement must provide that, during the term of the agreement, the owner must give the Subrecipient a copy of any notice to the program participant to vacate the housing unit or any complaint used under State or local law to commence an eviction action against the program participant. Each rental assistance agreement that is

executed or renewed on or after December 16, 2016 must include all protections that apply to tenants and applicants under 24 CFR part 5, subpart L, as supplemented by 24 CFR 576.409, except for the emergency transfer plan requirements under 24 CFR 5.2005(e) and 576.409(d). If the housing is not assisted under another “covered housing program”, as defined in 24 CFR 5.2003, the agreement may provide that the owner's obligations under 24 CFR part 5, subpart L (Protection for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking), expire at the end of the rental assistance period.

- e) 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.
- f) A *legally binding, written lease* for the rental unit is required for each program participant receiving rental assistance unless the assistance is solely for rental arrears. The lease must be between the owner and the program participant. Where the assistance is solely for rental arrears, an oral agreement may be accepted in place of a written lease, if the agreement gives the program participant an enforceable leasehold interest under state law and the agreement and rent owed are sufficiently documented by the owner's financial records, rent ledgers, or canceled checks. For program participants living in housing with project-based rental assistance under paragraph (i) of this section, the lease must have an initial term of 1 year. Each lease executed on or after December 16, 2016 must include a lease provision or incorporate a lease addendum that includes all requirements that apply to tenants, the owner or lease under 24 CFR part 5, subpart L (Protection for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking), as supplemented by 24 CFR 576.409, including the prohibited bases for eviction and restrictions on construing lease terms under 24 CFR 5.2005(b) and (c). If the housing is not assisted under another “covered housing program,” as defined in 24 CFR 5.2003, the lease provision or lease addendum may be written to expire at the end of the rental assistance period.
- g) *Tenant-based rental assistance.*
 - i) A program participant who receives tenant-based rental assistance may select a housing unit in which to live and may move to another unit or building and continue to receive rental assistance, as long as the program participant continues to meet the program requirements.
 - ii) The Recipient may require that all program participants live within a particular area for the period in which the rental assistance is provided.
 - iii) The rental assistance agreement with the owner must terminate and no further rental assistance payments under that agreement may be made if:

- (1) The program participant moves out of the housing unit for which the program participant has a lease;
 - (2) The lease terminates and is not renewed; or
 - (3) The program participant becomes ineligible to receive ESG rental assistance.
- h) *Project-based rental assistance.* If the Subrecipient identifies a permanent housing unit that meets ESG requirements and becomes available before a program participant is identified to lease the unit, the Subrecipient may enter into a rental assistance agreement with the owner to reserve the unit and subsidize its rent in accordance with the following requirements:
- i) The rental assistance agreement may cover one or more permanent housing units in the same building. Each unit covered by the rental assistance agreement (“assisted unit”) may only be occupied by program participants, except as provided under paragraph (i)(4) of this section.
 - ii) The Subrecipient may pay up to 100 percent of the first month's rent, provided that a program participant signs a lease and moves into the unit before the end of the month for which the first month's rent is paid. The rent paid before a program participant moves into the unit must not exceed the rent to be charged under the program participant's lease and must be included when determining that program participant's total rental assistance.
 - iii) The Subrecipient may make monthly rental assistance payments only for each whole or partial month an assisted unit is leased to a program participant. When a program participant moves out of an assisted unit, the Subrecipient may pay the next month's rent, i.e., the first month's rent for a new program participant, as provided in paragraph (i)(2) of this section.
 - iv) The program participant's lease must not condition the term of occupancy to the provision of rental assistance payments. If the program participant is determined ineligible or reaches the maximum number of months over which rental assistance can be provided, the Subrecipient must suspend or terminate the rental assistance payments for the unit. If the payments are suspended, the household may remain in the assisted unit as permitted under the lease, and the Subrecipient may resume payments if the individual or family again becomes eligible and needs further rental assistance. If the payments are terminated, the rental assistance may be transferred to another available unit in the same building, provided that the other unit meets all ESG requirements.
 - v) The rental assistance agreement must have an initial term of one year. When a new program participant moves into an assisted unit, the term of the rental assistance agreement may be extended to cover the initial term of the program participant's lease. If the program participant's lease is renewed, the rental assistance agreement may be renewed or extended, as needed, up to the maximum number of months for which the

program participant remains eligible. However, under no circumstances may the Recipient or Subrecipient commit ESG funds to be expended beyond the expenditure deadline in 24 CFR 576.203 or commit funds for a future ESG grant before the grant is awarded.

- i) Regardless of *changes in household composition*, the limits on the assistance under this section apply to the total assistance an individual receives, either as an individual or as part of a family.

3) **Additional Requirements for Rapid Re-Housing.**

a) Evaluation of program participant eligibility and needs.

- i) The Subrecipient must conduct an *initial evaluation* to determine the eligibility of each household's eligibility for ESG assistance and the amount and types of assistance the household needs to regain stability in permanent housing. These evaluations must be conducted in accordance with the centralized or coordinated assessment requirements set forth under 24 CFR 576.400(d) and the written standards established under 24 CFR 576.400(e).

b) Re-evaluations for rapid re-housing assistance.

- i) The Subrecipient must re-evaluate the program participant's eligibility and the types and amounts of assistance the program participant needs not less than once annually for program participants receiving rapid re-housing assistance. At a minimum, each re-evaluation of eligibility must establish that:

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

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

- ii) 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.

c) Annual income documentation for Rapid Re-Housing. [CPD Income Eligibility Calculator and Income Limits](#)

- i) For each program participant who receives rapid re-housing assistance for longer than one year, the following documentation of annual income must be maintained (24 CFR 24 CFR 576.500(f)):

- ii) Income evaluation form containing the minimum requirements specified by HUD and completed by the Subrecipient

iii) Source documents for the assets held by the program participant and income received over the most recent period for which representative data is available before the date of the evaluation (i.e.; wage statement, public benefits statement)

iv) To the extent that source documents are unobtainable, a written statement by the relevant third party (e.g., employer, government benefits administrator) or written certification by the subrecipients intake staff of the oral verification by the relevant third party of the income the program participant received over the most recent period for which representative data is available.

v) To the extent that source documents and third party verification are unobtainable, the written certification by the program participant of the amount of income the program participant received for the most recent period representative of the income that the program participant is reasonably expected to receive over the three-month period following the evaluation.

vi) When determining the annual income of an individual or family, the Subrecipient must use the standard for calculating annual income under 24 CFR 5.609.

d) *Fair Market Rent.*

i) ESG programs must comply with habitability and Fair Market Rent (FMR) standards set by HUD, as applicable based on program type. These standards help to ensure that permanent housing and emergency shelters are safe for participants to stay in, and also ensure that costs for rental assistance are reasonable so that the highest number of participants can be served with available funding. Rental assistance as part of the Rapid Re-Housing program must not exceed the FMR standards as set by HUD for an area, as provided under 24 CFR part 888, and complies with HUD's standard of rent reasonableness, as established under 24 CFR 982.507. FMR set by HUD can be found here: <https://www.huduser.gov/portal/datasets/fmr.html> For purposes of calculating rent under this section, the rent shall equal the sum of the total monthly rent for the unit, any fees required for occupancy under the lease (other than late fees and pet fees) and, if the tenant pays separately for utilities, the monthly allowance for utilities (excluding telephone) established by the public housing authority for the area in which the housing is located.

e) Habitability Standards for Rapid Rehousing.

i) The Subrecipient cannot use ESG funds to help a program participant remain in or move into housing that does not meet the

minimum habitability standards under 24 CFR 576.403(c). This restriction applies to all activities under RRH.

In addition 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 housing occupied by program participants under an ESG funded program.

ii) The subrecipient must document compliance with habitability standards as listed and as outlined in 24 CFR 576:

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 have an acceptable place to sleep.

3) *Interior air quality.* The interior air must be free of pollutants at a level that might threaten or harm the health of residents and there need to be a natural or mechanical means of ventilation.

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

5) *Sanitary facilities.* Residents 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.

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

7) *Illumination and electricity.* The housing must have adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There must be sufficient electrical outlets 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.* There must be a second means of exiting the building in the event of fire or other emergency. Each unit must include at least one battery operated or hardwired 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. 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.

f) *Housing stability case management.*

i) While providing rapid re-housing assistance to a program participant, the Recipient or Subrecipient must:

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

Eligible Program Participants: Individuals and families who meet the criteria under paragraph (1) of the “homeless” definition in 24 CFR 576.2 or who meet the criteria under paragraph (4) of the “homeless” definition and live in an emergency shelter or other place described in paragraph (1) of the “homeless” definition.

Program participants do not require an income assessment at initial evaluation. At re-evaluation - which must take place not less than once annually, 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.

HOMELESS MANAGEMENT INFORMATION SYSTEM (HMIS) or Comparable Database. (24 CFR 576. 107(a)(1) and (a)(3)).

ESG Funds may be used for the costs of contributing to the required databases. Subrecipients who are not serving victims of domestic violence must use the CoC

HMIS. Victim Services Providers (VSP) that are recipients or subrecipients under Emergency Solutions Grant (ESG) Programs are required to collect client-level data consistent with [Homeless Management Information Systems \(HMIS\)](#) data collection requirements. Activities funded under this section must comply with HUD's standards on participation, data collection, and reporting under a local HMIS, including activities funded for victims service providers. The Subrecipient may use ESG funds to pay the costs of contributing data to the HMIS designated by the CoC for the area, or the comparable database. Eligible activities include:

- 1) Purchasing or leasing computer hardware;
- 2) Purchasing software or software licenses;
- 3) Purchasing or leasing equipment, including telephones, fax machines, and furniture;
- 4) Obtaining technical support;
- 5) Leasing office space;
- 6) Paying charges for electricity, gas, water, phone service, and high-speed data transmission necessary to operate or contribute data to the HMIS;
- 7) Paying salaries for operating HMIS, including:
 - a) Completing data entry;
 - b) Monitoring and reviewing data quality;
 - c) Completing data analysis;
 - d) Training staff on using the HMIS or comparable database; and
 - e) Implementing and complying with HMIS requirements;
 - f) Paying costs of staff to travel to and attend HUD-sponsored and HUD-approved training on HMIS and programs authorized by Title IV of the McKinney-Vento Homeless Assistance Act;
 - g) Paying participation fees charged by the HMIS Lead, if the Recipient or Subrecipient is not the HMIS Lead. The HMIS Lead is the entity designated by the CoC to operate the area's HMIS.

ADMINISTRATION: (24 CFR 576.108) ESG funds may be used to cover the cost of overall program management, coordination, monitoring and evaluation. This does not include staff and overhead costs directly related to carrying out eligible activities described because those costs are eligible as part of those activities.

*Please note: this may not be an eligible activity.

Eligible administrative costs include:

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

a) Salaries, wages, and related costs of the Recipient's staff, the staff of Subrecipients, or other staff engaged in program administration. In charging costs to this category, the Recipient may either include the entire salary, wages, and related costs allocable to the program of each person whose primary responsibilities with regard to the program involve program administration assignments, or the pro rata share of the salary, wages, and related costs of each person whose job includes any program administration assignments. The Recipient may use only one of these methods for each fiscal year grant. Program administration assignments include the following:

i) Preparing program budgets and schedules, and amendments to those budgets and schedules;

ii) Developing systems for assuring compliance with program requirements;

iii) Developing interagency agreements and agreements with Subrecipients and contractors to carry out program activities;

iv) Monitoring program activities for progress and compliance with program requirements;

v) Preparing reports and other documents directly related to the program for submission to HUD;

vi) Coordinating the resolution of audit and monitoring findings;

vii) Evaluating program results against stated objectives; and

viii) Managing or supervising persons whose primary responsibilities with regard to the program include such assignments as those described in paragraph (a)(1)(i)(A) through (G) of this section.

b) *Travel costs* incurred for monitoring of Subrecipients;

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

d) *Other costs* for goods and services required for administration of the program, including rental or purchase of equipment, insurance, utilities,

office supplies, and rental and maintenance (but not purchase) of office space.

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

3) *Environmental review.* Costs of carrying out the environmental review responsibilities under 24 CFR 576.407.

Indirect Costs: ESG grant funds may be used to pay indirect costs in accordance with 2 CFR part 200, subpart E. Indirect costs may be allocated to each eligible activity under 24 CFR 576.101 through 24 CFR 576.108, so long as that allocation is consistent with 2 CFR part 200, subpart E. The indirect costs charged to an activity subject to an expenditure limit under 24 CFR 576.100 must be added to the direct costs charged for that activity when determining the total costs subject to the expenditure limit.

If using your federally contracted rate, you shall provide a copy of the letter to DES. If an agency does not have a federally contracted rate, the ten percent (10%) de minimum allocation shall be used.

Ineligible Costs ESG funds cannot be used for:

- Continuum of Care Coordinating Expenses;
- Foreclosure prevention;
- Rental assistance for rent to own/lease to purchase;
- Prevention Assistance to help those on Section 8;
- Assistance (pay security deposits and/or utility deposits etc.) to those living in subsidized housing with the exception for a new voucher holder;
- Assisting a household with their rent if they have a project-based voucher;
- Assisting individual(s)/households in transitional housing;
- Set aside of money for individual(s) who may be at risk of losing their job;
- Assisting the homeless or those at risk of becoming homeless to expunge and/or pardon their criminal records or for re-entry advocacy to help ex-offenders get jobs;
- Pay rent bills from a previous address;
- Pay utilities and/or rent for tenants renting a unit owned by a family member;
- Shelter-focused case management;

- Mortgage payments or mortgage refinancing costs to make housing affordable;
- Rental assistance payments cannot be made on behalf of eligible individuals or families for the same period and for the same cost types that are being provided through another federal, state or local housing subsidy program;
- Pet Care;
- Acquisition, Construction or rehabilitation;
- Credit card bills or other consumer debt;
- Car repair for program participants;
- Medical or dental care and medicines;
- Clothing and grooming;
- Entertainment activities;
- Cash assistance to program participants;
- Development of discharge planning programs in mainstream institutions such as hospitals, nursing homes, jails, or prisons. However, persons who are being imminently discharged into homelessness from such public funded institutions are eligible to receive financial assistance through ESG;
- Payment of ESG programs licenses, certifications, and general classes (classes not specifically related to these funds); or
- Utility assistance for homeowners.

Additional Grant Administration Requirements

1) Federal Grant Administration Requirements

a) Time and Activity Reporting. 2 CFR Part 200 requires that Subrecipients keep detailed documentation on how ESG-funded staff track activities. This includes keeping both:

i) Time sheets, or tracking how ESG-funded staff spend each hour of their work day which are signed by the employee's direct supervisor at least monthly, and

ii) Activity records, or documentation for what the ESG-funded staff did during their ESG-allocated time as represented in their time sheets.

There are a variety of methods for carrying out the documentation requirements listed above. Parts of this documentation will be required for pay request reimbursements and other parts will be required to be maintained by

the Subrecipients and used for monitoring purposes. See the Pay Request Documentation (Section 6E: Pay Requests and Documentation Requirements) below.

b) Core Financial Controls. 2 CFR Part 200 requires that DES's Subrecipients utilize appropriate internal financial controls to track and document ESG expenditures. This requires Subrecipients to have written:

i) Separation and segregation of duties, which ensures that no one staff person has the responsibility for every financial component.

ii) Budget controls for tracking all ESG-funded budget expenditures. This includes strategies to track expenditures over time to ensure the timeliness of grant spend down, reconciliation for projected budgets and actual expenditures,

iii) Accounting Controls that track ESG funds by sources and uses by fund type by program year. This includes accounting for sources and uses of all funds, including but not limited to ESG funds and activities.

iv) If a Subrecipient uses cash, they must have cash controls in place that align with 2 CFR Part 200 Cash Control expectations.

c) Cost Principles. In alignment with 2 CFR Part 200, Subrecipients should have written policies and procedures in place to ensure that all costs are Reasonable, Allowable, Documented, and Allocable before they can be reimbursed.

i) Reasonable: All costs must be reasonable, meaning there is connection to the costs and the program management, a prudent person would incur the costs, or other reasonableness thresholds established by the Subrecipient are met before they are paid out of DES's ESG fund.

ii) Allowable: All costs must be eligible per 24 CFR 576 before they are paid from DES.

iii) Documented: All costs must be documented in two ways before they are paid by DES. They must be shown to:

(1) Be incurred and paid out by the Subrecipient, and

(2) Have occurred within the ESG grant agreement timeline and on ESG-eligible expenses.

iv) Allocable: All costs must be chargeable or assignable to the Subrecipient's ESG grant agreement before they are paid by DES.

d) *Audits*. If a Subrecipient receives an audit within the timeframe of an ESG grant agreement, they must submit a copy of that audit to DES within thirty days of receipt.

e) *Pay Requests and Backup Documentation Requirements*.

i) Reimbursement requests. ESG funds awarded through DES will be paid out with a reimbursement model. This means that Subrecipients expend ESG funds and then submit a request to DES for reimbursement. Costs eligible for reimbursement may only include eligible activities incurred within the timeframe of the ESG grant agreement. Costs that are not eligible per the ESG grant agreement or those incurred outside of the ESG grant agreement timeframe will not be reimbursed.

(1) Frequency: Reimbursement requests per contract are to be submitted to DES monthly.

(2) Method of Requesting Reimbursement: Pay requests must be submitted to the Grants Management assigned staff person, and must include the following:

(a) Draw request identifying the amount requested from each line item

(b) Supporting documentation for items requested for reimbursement (described in more detail below)

DES staff will review the reimbursement request and submitted documentation to ensure all costs are eligible for reimbursement through ESG, and that supportive documentation matches all costs accrued. If any errors or discrepancies are found, DES staff will return the payment to the Subrecipient with specific instructions for any corrective issues or additional documentation as needed. Reimbursement payments will be made to the Subrecipient within 30 days of receipt of the approved payment request.

AzDES Homeless Coordinator Invoice Approval Process	Department	Processing time
<p>Contracts receive an invoice with attached back-up electronically by email and upload it into DAARS (or provider can upload invoice and back-up directly in DAARS).</p> <p>*invoices are due to DES by the 25th of each month</p> <p>*Invoices are sent by email</p>	Contracts	See below
<p>Reviews invoices and back-up for compliance.</p> <ul style="list-style-type: none"> • If information is incorrect or missing, staff contacts the provider to address the issue. • If the information is correct, contract staff will send program notification email to review and approve the invoice. 	Contracts	5 days
<p>Programs compare invoice information in DAARS (data entered by contract staff/provider and any documents uploaded into DAARS), along with contract SOW and reviews for accuracy.</p>	Programs	See below
<ul style="list-style-type: none"> • If information is incorrect, programs will suspend the invoice; noting the issue in the comment box in DAARS. Programs will reach out to the provider, via email, copy contracts, and advise what the issue is. The provider will then submit a revised invoice or backup. • If the information is correct, programs then approve the invoice in DAARS and send an email notifying contracts and fiscal that the invoice has been approved and is ready to be paid. 	Programs	48-72 hours
<p>Invoice is paid by Fiscal</p>	Fiscal	48-72 hours

Supportive Documentation

<ul style="list-style-type: none"> ● RRH and HP Only 	<p>In addition to completed invoice, attach:</p> <ol style="list-style-type: none"> 1) tracking sheet, 2) cancelled checks or check register or general ledger. Do not include names, only HMIS #'s. 3) eligibility forms for each new participant each month. 4) participant surveys 5) monthly, quarterly, annual report(s) respectively
<ul style="list-style-type: none"> ● ES and SO 	<p>In addition to completed invoice, attach:</p> <ol style="list-style-type: none"> 1) participant surveys 2) monthly, quarterly, annual report(s) respectively
<p>DO NOT INCLUDE</p>	<p>Payroll info Timesheets Other employee information Shelter expenses</p>

f) *Drug Free Workplace* Recipients and subrecipients receiving funds from HUD are subject to [2 CFR part 2429](#), which implements the Drug-Free Workplace Act of 1988 (41 U.S.C. 701, et seq.), as amended, and required to provide a drug-free workplace. Compliance with this requirement means that the applicant will:

a. Publish a statement notifying employees that it is unlawful to manufacture, distribute, dispense, possess, or use a controlled substance in the applicant's workplace and such activities are prohibited. The statement must specify the actions that will be taken against employees for violation of this prohibition. The statement must also notify employees that, as a condition of employment under the federal award, they are required to abide by the terms of the statement and that each employee must agree to notify the employer in writing if the employee is convicted for a violation of a criminal drug statute occurring in the workplace, no later than 5 calendar days after such conviction.

b. Establish an ongoing drug-free awareness program to inform employees about:

- 1) The dangers of drug abuse in the workplace;
- 2) The applicant's policy of maintaining a drug-free workplace;
- 3) Available drug counseling, rehabilitation, or employee assistance programs; and
- 4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

c. Notify HUD and other federal agencies providing funding in writing within 10 calendar days after receiving notice from an employee of a drug abuse conviction or otherwise receiving actual notice of a drug abuse conviction. The notification must be provided in writing to HUD's Office of Strategic Planning and Management, Grants Management Division, Department of Housing and Urban Development, 451 7th Street, SW, Room 3156, Washington DC 20410-3000, along with the following information:

- 1) The program title and award number for each HUD award covered;
- 2) The HUD staff contact name, telephone and fax numbers;
- 3) A grantee contact name, telephone and fax numbers; and
- 4) The convicted employee's position and title.

d. Require that each employee engaged in the performance of the federally funded award be given a copy of the drug-free workplace statement required in item (a) above and notify the employee that one of the following actions will be taken against the employee within 30 calendar days of receiving notice of any drug abuse conviction:

- 1) Institution of a personnel action against the employee, up to and including termination consistent with requirements of the Rehabilitation Act of 1973 (29 U.S.C. 794), as amended; or
- 2) Imposition of a requirement that the employee participates satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state, or local health, law enforcement, or other appropriate agency.

e. Identify to the agency making the award all known workplaces under the award. The workplace identification must include the actual address of buildings or other sites where work under the award will take place. The applicant must also inform the agency of any workplace changes during the performance of the award. The identification of the workplaces must occur either:

- 1) At the time of application or upon award; or
- 2) In documents the applicant keeps on file in its offices during performance of the award, in which case the applicant must make the information available for inspection upon request by the agency.

SECTION 5 GRANTEE EXPECTATIONS

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).

The recipient or its ESG programs must conduct an initial evaluation to determine the eligibility of each individual or family's eligibility for ESG assistance and the amount and types of assistance the individual or family needs to regain stability in permanent housing. These evaluations must be conducted in accordance with the centralized or coordinated assessment requirements set forth under § 576.400(d) and the written standards established under § 576.400(e). REMEMBER: Participants have the right to refuse to answer questions on an intake/discharge form or refuse to have their data entered into HMIS and/or comparable database.

Termination of Participation, Denial and Grievance Procedures

i. Subrecipients **must** have written termination, denial, and grievance policies and/or procedures. The policies and/or procedures should be readily available to households either in written information or by posting the policy in a public place. It is important to effectively communicate these policies and/or procedures to households and ensure that they are fully understood.

a) Causes for termination may include, but are not limited to, failure to abide by any agreed upon requirements and fraud. A grievance procedure must include:

- A. Written notice to the household containing a clear statement of the reasons for termination;
- B. A review of the decision, in which the household is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision. This may include the household's right to question or confront staff involved; and
- C. Prompt written notice of the final decision.

b) Denial and Grievance

- A. Causes of denial of assistance include, but are not limited to, the household's ineligibility or failure to provide verifiable evidence of eligibility, etc. Established procedures should describe:

1. Circumstances in which a household may not qualify or would be denied;
2. Notification of denial; and
3. A household's right to review a grantee's decision.

Record Keeping Requirements are per 24 CFR 576.500. These include:

- 1) establishing written policies and procedures to ensure the requirements are met and
- 2) maintaining sufficient records that demonstrate the policies and procedures are in place and executed. Minimum expectations of content to be covered in the sub recipients written policies and procedures is:

a) Documentation of Homeless Status. The Subrecipient must document the eligibility of all ESG program participants and those who are ineligible. The Subrecipient must maintain and follow written intake procedures to ensure compliance with the homeless definition found in 24 CFR576.2. The written procedures must require documentation at intake. The required and acceptable types of documentation depend on the circumstance, found in 24 CFR 576.500(b) and 24 CFR 576.500(c). To obtain evidence of homeless status, Subrecipients must follow the order of priority below. This priority must be established in written procedures.

Order of Priority to Obtain Evidence of Homeless Status

1	Third-party documentation, which can include HMIS or comparable database records and written referrals
2	Intake worker observations
3	Certification from persons seeking assistance

i) Lack of third-party documentation must not prevent an individual or family from being immediately admitted to emergency shelter, receiving street outreach services, or being immediately admitted to shelter or receiving services provided by a victim service provider. Records contained in an HMIS or comparable database used by victim service or legal service providers are acceptable evidence of third-party documentation and intake worker observations if the HMIS retains an auditable history of all entries, including the person who entered the data, the date of entry, and the

change made; and if the HMIS prevents overrides or changes of the dates on which entries are made.

ii) Subrecipients are required to document eligibility at program entry, including emergency shelters. However, HUD recognizes that third-party documentation at the emergency shelter level is not feasible in all cases. For shelters where program participants may stay only one night and must leave in the morning, documentation must be obtained each night. If program participants may stay more than one night, then documentation must be obtained on the first night the household stays in the shelter.

iii) Subrecipients operating emergency shelters can document homeless status through a certification by the individual or head of household as the primary method of establishing homeless eligibility. In these instances, one method of meeting this standard would be to require households to complete a sign-in sheet, with a statement at the top informing the individual or head of household that by signing, they certify that they are homeless.

iv) Determinations of ineligibility. For each individual and family determined ineligible to receive ESG assistance, the Subrecipient's record must include documentation of the reason for that determination.

Documentation Requirement for the Categories of Homelessness and At-Risk of Homelessness:

a) Category 1 Documentation.

i) If the individual or family qualifies as homeless under Category 1 (i) or (ii) of this document (which corresponds with paragraph (1)(i) or (ii) of the homeless definition in 24 CFR 576.2), acceptable evidence includes a written observation by an outreach worker of the conditions where the individual or family was living, a written referral by another housing or service provider, or a certification by the individual or head of household seeking assistance.

ii) If the individual qualifies as homeless under Category 1(iii) meaning they are existing an institution (which corresponds to paragraph (1)(iii) of the homeless definition in 24 CFR 576.2), because he or she resided in an emergency shelter or place not meant for human habitation and is exiting an institution where he or she resided for 90 days or less, acceptable evidence includes the evidence described in section (e)(i)

(1) above and one of the following: (1) 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

(2) Where that is not obtainable, a written record of the intake worker's due diligence in attempting to obtain the evidence described in section (e)(i)(1) of this document and a certification by the individual seeking assistance that states he or she is exiting or has just exited an institution where he or she resided for 90 days or less.

b) Category 2 Documentation.

i) If the individual or family qualifies as homeless under Category 2 (which corresponds to paragraph (2) of the homeless definition in 24 CFR 576.2), because the individual or family will imminently lose their housing, the evidence must include:

(1) Either:

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

(b) For individuals and families whose primary nighttime residence is a hotel or motel room not paid for by charitable organizations or federal, state, or local government programs for low-income individuals, evidence that the individual or family lacks the resources necessary to reside there for more than 14 days after the date of application for homeless assistance; or 14 days after the date of application for homeless assistance. The intake worker must record the statement and certify that it was found credible. To be found credible, the oral statement must either: (I) be verified by the owner or renter of the housing in which the individual or family resides at the time of application for homeless assistance and documented by a written certification by the owner or renter or by the intake worker's recording of the owner or renter's oral statement; or (II) if the intake worker is unable to contact the owner or renter, be documented by a written certification by the intake worker of his or her due diligence in attempting to obtain the owner or renter's verification and the written certification by the individual or head of household seeking assistance that his or her statement was true and complete;

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

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

(c) Category 3 Documentation.

i) If the individual or family qualifies as homeless under Category 3 (which corresponds to paragraph (3) of the homeless definition in 24 CFR 576.2), because the individual or family does not otherwise qualify as homeless under the homeless definition but is an unaccompanied youth under 25 years of age, or homeless family with one or more children or youth, and is defined as homeless under another Federal statute or section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)), the evidence must include:

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

(2) For Category 3 (ii), 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;

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

then the intake worker may alternatively obtain a written certification from the individual or head of household seeking assistance that they were fleeing that situation and that they resided at that address; and

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

d) Category 4 Documentation.

i) If the individual or family qualifies under Category 4 (which corresponds to paragraph (4) of the homeless definition in 24 CFR 576.2), because the individual or family is fleeing domestic violence, dating violence, sexual assault, stalking, or other dangerous or lifethreatening conditions related to violence, then acceptable evidence includes an oral statement by the individual or head of household seeking assistance that they are fleeing that situation, that no subsequent residence has been identified and that they lack the resources or support networks (e.g., family, friends, faith-based or other social networks) needed to obtain other housing. If the individual or family is receiving shelter or services provided by a victim service provider, the oral statement must be documented by either a certification by the individual or head of household; or a certification by the intake worker. Otherwise, the oral statement that the individual or head of household seeking assistance has not identified a subsequent residence and lacks the resources or support networks (e.g., family, friends, faithbased or other social networks), needed to obtain housing must be documented by a certification by the individual or head of household that the oral statement is true and complete, and, where the safety of the individual or family would not be jeopardized, the domestic violence, dating violence, sexual assault, stalking, or other dangerous or lifethreatening condition must be verified by a written observation by the intake worker or a written referral by a housing or service provider, social worker, legal assistance provider, health-care provider, law enforcement agency, legal assistance provider, pastoral counselor, or any other organization from whom the individual or head of household has sought assistance for domestic violence, dating violence, sexual assault, or stalking. The written referral or observation need only include the

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

e) At-Risk of Homelessness Documentation.

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

ii) If the program participant meets the criteria under the ESG Eligible Participants header, section (a)(i) of this document (which corresponds to paragraph (1) of the "at risk of homelessness" definition in 24 CFR 576.2):

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

(2) The program participant's certification on a form specified by HUD that the program participant has insufficient financial resources and support networks; e.g., family, friends, faith-based or other social networks, immediately available to attain housing stability and meets one or more of the conditions under the ESG Eligible Participants header, section (a)(i)(3) of this document (which corresponds to paragraph (1)(iii) of the "at risk of homelessness" definition in 24 CFR 576.2)

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

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

(b) To the extent that source documents are unobtainable, a written statement by the relevant third party (e.g., former employer, public administrator, relative) or the written certification by the Recipient's or Subrecipient's

intake staff of the oral verification by the relevant third party that the applicant meets one or both of the criteria under the ESG Eligible Participants header, section (a)(ii) of this document (which corresponds to paragraph (1)(ii) of the “at risk of homelessness” definition in 24 CFR 576.2)

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

(4) The most reliable evidence available to show that the program participant meets one or more of the conditions under the ESG Eligible Participants header, section (a)(i)(3) of this document (which corresponds to paragraph (1)(iii) of the “at risk of homelessness” definition in 24 CFR 576.2) Acceptable evidence includes:

(a) Source documents that evidence one or more of the conditions under paragraph (1)(iii) of the definition (e.g., eviction notice, notice of termination from employment, bank statement);

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

(c) To the extent that source documents and third-party verification are unobtainable, a written statement by the Recipient's or Subrecipient's intake staff that the staff person has visited the applicant's residence and determined that the applicant meets one or more of the criteria under paragraph (1)(iii) of the definition or, if a visit is not practicable or relevant to the determination, a written statement by the Recipient's or Subrecipient's intake staff describing the efforts taken to obtain the required evidence; or

iii) If the program participant meets the criteria under the ESG Eligible Participants header, section (a)(ii) or (a)(iii) of this document

(which corresponds to paragraph (2) and (3) of the “at risk of homelessness” definition in 24 CFR 576.2), certification of the child or youth's homeless status by the agency or organization responsible for administering assistance under the Runaway and Homeless Youth Act (42 U.S.C. 5701 et seq.), the Head Start Act (42 U.S.C. 9831 et seq.), subtitle N of the Violence Against Women Act of 1994 (42 U.S.C. 14043e et seq.), section 330 of the Public Health Service Act (42 U.S.C. 254b), the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.), section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) or subtitle B of title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.), as applicable.

- 5) *Program Participant Records.* (24 CFR 24 CFR 576.500(f)). Subrecipients must maintain records for each program participant that document (1) the services and assistance provided to the program participants, such as rental assistance or utility payments, (2) compliance with the applicable 5) Program Participant Records. (24 CFR 24 CFR 576.500(f)). Subrecipients must maintain records for each program participant that document (1) the services and assistance provided to the program participants, such as rental assistance or utility payments, (2) compliance with the applicable requirements for providing services and assistance to the program participant under the program components and eligible activities provisions at 24 CFR 576.101 through 24 CFR 576.106, the provision on determining eligibility and amount and type of assistance at 24 CFR 576.401(a) and (b), and the provision on using appropriate assistance and services at 24 CFR 576.401(d) and (e), and (3) where applicable, compliance with the termination of assistance requirement in 24 CFR 576.402.
- 6) *Centralized or coordinated assessment systems and procedures* (24 CFR 24 CFR 576.500(g)). The Recipient and its Subrecipients must keep documentation evidencing the use of, and written intake procedures for, the centralized or coordinated assessment system(s) developed by the CoC in accordance with the requirements established by HUD.
- 7) *Rental assistance agreements and payments* (24 CFR 24 CFR 576.500(h)). The Subrecipient's records must include copies of all leases and rental assistance agreements for the provision of rental assistance, documentation of payments made to owners for the provision of rental assistance, and supporting documentation for these payments, including dates of occupancy by program participants.

- 8) *Utility allowance* (24 CFR 24 CFR 576.500(i)). The records must document the monthly allowance for utilities (excluding telephone) used to determine compliance with the rent restriction.
- 9) *Shelter and housing standards* (24 CFR 24 CFR 576.500(j)). The records must include documentation of compliance with the shelter and housing standards in 24 CFR 576.403, including inspection reports.
- 10) *Emergency shelter facilities* (24 CFR 24 CFR 576.500(k)). The Recipient must keep records of the emergency shelters assisted under the ESG program, including the amount and type of assistance and, as applicable, documentation of the value of the building before rehabilitation or after conversion and copies of the recorded deed or use restrictions.
- 11) *Services and assistance provided* (24 CFR 24 CFR 576.500(l)). The Recipient must keep records of the types of essential services, rental assistance, and housing stabilization and relocation services provided under the Recipient's program and the amounts spent. The Recipient and its Subrecipients that are units of general purpose local government must keep records to demonstrate compliance with the maintenance of effort requirement (e.g., records of their annual budgets and street outreach and emergency shelter services sources of funding).
- 12) *Coordination with Continuum(s) of Care and other programs* (24 CFR 24 CFR 576.500(m)). The Recipient and its Subrecipients must document their compliance with the requirements of 24 CFR 576.400 for consulting with the Continuum(s) of Care and coordinating and integrating ESG assistance with programs targeted toward homeless people and mainstream service and assistance programs.
- 13) *HMIS* (24 CFR 24 CFR 576.500(n)). The Recipient must keep records of the participation in HMIS or a comparable database by all projects of the Subrecipients.
- 14) *Homeless participation* (24 CFR 24 CFR 576.500(q)). The Subrecipient must document compliance with the following requirement (24 CFR 576.405): To the maximum extent practicable, the Subrecipient must involve individuals and families experiencing homelessness 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.
- 15) *Conflicts of interest* (24 CFR 24 CFR 576.500(p)). The Subrecipients must keep records to show compliance with the organizational conflicts-of-interest requirements in 24 CFR 576.404(a), a copy of the personal

conflicts of interest policy or codes of conduct developed and implemented to comply with the requirements in 24 CFR 576.404(b), and records supporting exceptions to the

- 16) *Other Federal requirements* (24 CFR 24 CFR 576.500(s)). The Recipient and its Subrecipients must document their compliance with the Federal requirements in 24 CFR 576.407 and 24 CFR 576.409, as applicable, including record that demonstrate:
 - a) Compliance with the nondiscrimination and equal opportunity and affirmative outreach requirements
 - b) Compliance with the uniform administrative requirements in 2 CFR part 200
 - c) Compliance with the environmental review requirements
 - d) Certifications and disclosure forms required under the lobbying and disclosure requirements in 24 CFR part 87
 - e) Data on emergency transfers requested under 24 CFR 576.409, pertaining to victims of domestic violence, dating violence, sexual assault, or stalking, including data on the outcomes of such requests
- 17) *Financial records* (24 CFR 24 CFR 576.500(u)). The Recipient and Subrecipient must retain supporting documentation for all costs charged to the ESG grant. Documentation and records must show (a) that ESG grant funds were spent on allowable costs in accordance with eligible activities (24 CFR 576.101 through 24 CFR 576.109, financial management in 2 CFR 200.302, and the cost principles in 2 CFR part 200, subpart E), (b) the receipt and use of program income, and (c) compliance with the expenditure limits in 24 CFR 576.100 and expenditure deadline in 24 CFR 576.203.
- 18) *Subrecipients and contractors* (24 CFR 24 CFR 576.500(v)). The Recipient must retain copies of solicitations of and agreements with Subrecipients, records of payment requests and dates of payments to Subrecipients, and documentation of all monitoring and sanctions of Subrecipients. As a state, the Recipient must keep records of each recapture and distribution of recaptured funds (24 CFR 576.501). The Recipient and its Subrecipients must retain copies of procurement contracts and documentation of compliance with the procurement requirements in 2 CFR part 200, subpart D.

- 19) *Confidentiality* (24 CFR 24 CFR576.500(x)). The Recipient and its Subrecipients must develop, implement, and maintain written procedures to ensure:
- a) All records containing personally identifying information of any individual or family who applies for and/or receives ESG assistance will be kept secure and confidential
 - b) The address or location of any domestic violence, dating violence, sexual assault, or stalking shelter project assisted under the ESG will not be made public, except with written authorization of the person responsible for the operation of the shelter
 - c) The address or location of any housing of a program participant will not be made public, except as provided under a preexisting privacy policy of the Recipient or Subrecipient and consistent with state and local laws regarding privacy and obligations of confidentiality.
- 20) *Period of record retention* ((24 CFR 24 CFR576.500(y)). All records pertaining to each fiscal year of ESG funds must be retained for the greater of five years or the period specified below. Copies made by microfilming, photocopying, or similar methods may be substituted for the original records.
- a) Documentation of each program participant's qualification must be retained for 5 years after the expenditure of all funds from the corresponding grant
 - b) Where ESG funds that are used for emergency shelter renovation involves costs charged to the ESG grant that exceed 75% of the building value before renovation, records must be retained until 10 years after the date that ESG funds are first obligated for the renovation
 - c) Where ESG funds are used to convert a building into an emergency shelter and the costs charged to the ESG grant for the conversion exceed 75% of the value of the building after conversion, records must be retained until 10 years after the date that ESG funds are first obligated for the conversion
- 21) *Access to records* (24 CFR 24 CFR 576.500(z)). Regarding federal government rights, the Recipient and its Subrecipients must comply with the requirements for access to records in 2 CFR 200.336. Regarding public rights, the Recipient must provide citizens, public agencies, and other

interested parties with reasonable access to records regarding any uses of ESG funds.

22) *Additionally*, the Recipient and Subrecipients must adhere to recordkeeping requirements and document compliance around the following:

- a) Centralized or coordinated assessment systems and procedures (24 CFR 24 CFR576.500(g))
- b) Rental assistance agreements and payments (24 CFR 24 CFR576.500(h))
- c) Utility allowance (24 CFR 24 CFR576.500(i))
- d) Shelter and housing standards (24 CFR 24 CFR576.500(j)), including 24 CFR 576.403, including inspection reports
- e) Coordination with CoC and other programs (24 CFR 24 CFR576.500(m)) and 24 CFR 576.400
- f) HMIS (24 CFR 24 CFR576.500(m))
- g) Conflicts of interest (24 CFR 24 CFR576.500(p)), including 24 CFR 576.404(a), 24 CFR 576.404(b), and records supporting exceptions to the personal conflicts of interest prohibitions
- h) Faith-based activities (24 CFR 24 CFR576.500(r)) and 24 CFR 576.406
- i) Relocation (24 CFR 24 CFR576.500(t)) and 24 CFR 576.408

Data Quality. To ensure HUD compliance and maximize use of data and data-driven strategies DES will monitor for data quality among its Subrecipients. Data quality refers to data accuracy and consistency, timeliness, and completeness. Accurate and consistent data ensure that data capture correct information on service engagement and community resources, such as a participant's assessment or the number of a community's shelter beds. Timely data enable the Grantee, Subrecipients, and CoCs to produce real-time data that reflect the current situation. Complete data provide a full understanding of a participant's circumstances and service engagement and a Subrecipient's performance.

Continuum of Care (CoC) Involvement. Consultation between the State, CoC, other ESG Recipients (i.e., entitlement communities), and additional service providers is critical to align ESG planning and implement a strategic

and coordinated continuum of homeless services. DES consults with each CoC in determining the following:

- a) How to allocate ESG funds each program year;
- b) Developing the performance standards for, and evaluating the outcomes of, projects and activities assisted by ESG funds;
- c) The State reserves the right to establish the type of consultation used to gather feedback from CoCs, which may include but is not limited to: stakeholder meetings, feedback on draft documents, stakeholder survey, focus or work groups, and CoC involvement in direct funding decisions. The State will also work to coordinate and integrate, to the maximum extent practicable, ESG-funded activities with other programs targeted to homeless people in the area covered by the CoC or area over which the services are coordinated to provide a strategic, community-wide system to prevent and end homelessness for that area.

Coordinated Entry System Involvement. All ESG-funded programs must participate in the Coordinated Entry System (CES) established by their CoC within their geographic location. As mandated by HUD, CoCs and ESG subrecipients must work together to ensure the CoC's CES allows for coordinated screening, assessment, and referrals for ESG-funded projects. The CES allows for collaboration between homeless services providers and housing programs, and allows for a formal prioritization process for referrals to ensure the most vulnerable persons are matched quickly and efficiently to programs that best fit their needs. All Subrecipients funded through ESG are required to keep documentation evidencing the use of, and written intake procedures for, the centralized or coordinated assessment system(s) developed by the CoCs for their geographic area in accordance with the requirements established by HUD.

a) Coordinated Entry for Victim Service Providers. Participants that are fleeing domestic violence must be allowed to access programs through the CES for which they qualify, with appropriate measures established to keep the safety and confidentiality of participants at the forefront of all communications. ESG providers, including Victim Service Providers and non-Victim Service Providers,, must establish policies and procedures in line with the CES that outlines how to safely and securely make and accept referrals to programs within the CES. This includes following any guidelines and regulations set forth by the Violence Against Women Act (VAWA) for programs serving victims of domestic violence and sexual assault.

b) Emergency Transfer Policies (VAWA requirement). As required by HUD and VAWA, ESG providers must establish policies and procedures that

outline the emergency transfer process for a program participant who experiences domestic violence that compromises the safety of that participant's current housing placement. A tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking, is eligible for an emergency transfer as provided in HUD's regulations at 24 CFR part 5, subpart L.

Section 6: ADES MONITORING PROCEDURES. As HUD's Grantee, DES is responsible for ensuring that its ESG Subrecipients are in compliance with ESG requirements and expectations. As part of that responsibility, DES monitors its Subrecipients (and, if applicable, the organizations with which those Subrecipients subcontract) for compliance with 24 CFR part 576, including the Uniform Administrative Requirements at 2 CFR part 200, and related DES standards. DES's approach to monitoring is two-fold:

1. Monitoring is an ongoing process through which DES and the Subrecipient maintain ongoing communication around Subrecipient projects and activities, expenses, documentation, and other ESG-related efforts. For example, Contract Management process Subrecipients' requests for payment while also rigorously assessing use of funds and back-up documentation. Addressing questions, feedback, and/or potential concerns continuously (e.g., via pay request review) can prevent future compliance issues, mitigate future inefficiencies, and improve performance and processes.

2. Monitoring is also a scheduled formal monitoring session, through which Homeless Coordinators and Contract Management staff meet and communicate with their Subrecipients on predetermined topics, as well as topics that may arise during the session. For the remainder of this section, "monitoring" refers to this formal monitoring session, rather than the ongoing process and communication.

a. Risk-Based Monitoring. DES monitors ESG-funded organizations based on perceived risk. Those risks include, but are not limited to:

i. Not having been monitored at least once during a three-year period;

ii. Evidence from payment requests that the agency is not obligating or spending funds in a timely manner;

iii. Being a new grantee or performing a new ESG component;

iv. Evidence based on complaints, visual inspection that grantee is not providing shelter that conforms with the requirements or is not performing the funded activities in an appropriate manner; or

v. Consistent staff turnover, organizational restructuring, or other changes in the ESG program

b. Types of Monitoring. DES conducts monitoring in two primary ways, both of which assess the ESG-funded organization's grants management and oversight, financial management, services, programming and eligibility, coordination (e.g., Coordinated Entry involvement) and data requirements, facilities, and/or other requirements. Each of these monitoring types requires written notification and advanced notice from DES, including a list of items or topics to be reviewed and other instructions or guidelines on the monitoring process

i. Full Monitoring. On-site review of documentation and other programmatic and administrative materials to ensure compliance with written standards and DES and HUD requirements. DES will conduct Full Monitors virtually, as needed.

1. The review will be scheduled in advance on a date that is mutually agreed upon and the DES Homeless Coordinator shall send confirmation in writing.
2. The review may result in more than one visit depending on the outcome of the initial report.
3. A copy of the monitoring tool/s will be provided.
4. Client files are chosen at random.

ii. Partial Monitoring. Virtual examination of documents requested to be sent to DES on an as needed basis.

3. Outcomes of Monitoring. After a monitoring session and thorough review of materials, there will be an exit interview with a summary of the monitoring discussed. Within thirty days of the monitoring review, DES sends the ESG-funded organization a written monitoring report. The report may include findings and/or concerns. Findings are based on noncompliance with a statutory, regulatory or program requirement. Findings are accompanied by and require corrective action. Concerns are based on deficiencies or areas of improvement and are not based on a statutory, regulatory or other program requirement. Although DES does not issue corrective actions with concerns, DES staff may make note of and offer guidance, recommendations, or support around the concern.

a) Performance Improvement Planning. If a Subrecipient's ESG program is found to have programmatic or administrative deficiencies during any monitoring mentioned above, DES will develop a Performance Improvement Plan (PIP) in collaboration with the Subrecipient. The PIPs are designed to provide a formal and collaborative process for agencies to access technical assistance from DES, ensure programs are aligned with

all ESG requirements, and improve the overall performance of ESG-funded programs.

1) To create a PIP, DES staff will schedule one-on-one meetings to discuss outcomes from the monitoring and create measurable goals with agency staff.

2) Progress will be reported through quarterly reports and will provide an opportunity for agencies to discuss with DES staff what challenges or successes a program has faced, including an opportunity for agencies to request technical assistance from DES staff to assist with meeting goals.

SECTION 7: DEFINITIONS

AMI – Area Median Income - is the midpoint in the income distribution within a specific geographic area. By definition, fifty percent (50%) of households earn less than the median income, and fifty percent (50%) earn more. HUD calculates AMI levels for different communities annually, with adjustments for family size. AMI is used to determine the eligibility of applicants for both federally and locally funded housing programs.

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 20th 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 – Consists of three (3) Categories as follows:

(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;

(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).

BNL – By Name List - A single list of all identified persons experiencing homelessness in a given community. The list may be maintained and created in HMIS. List is used by local case conferencing and work groups to prioritize persons and families experiencing homelessness and to match persons with available housing and services based on identified need/acuity.

CAPER – Consolidated Annual Performance and Evaluation Report – Provides annual performance reporting on client outputs and outcomes that enables an assessment of grantee performance in achieving the housing stability outcome measures.

Case Conferencing – is a meeting at which local stakeholders meet to coordinate housing placement and services for individuals prioritized in the local by name list of homeless persons. Case conferencing may also be used to coordinate outreach efforts, complete document readiness, coordinate housing searches and coordinate follow up care between participating agencies.

CH - Chronic Homeless - A homeless individual with a disability who lives either in a place not meant for human habitation, a safe haven, or in an emergency shelter, or in an institutional care facility if the individual has been living in the facility for fewer than 90 days and had been living in a place not meant for human habitation, a safe haven, or in an emergency shelter immediately before entering the institutional care facility. In order to meet the “chronically homeless” definition, the individual also must have been living as described above continuously for at least 12 months, or on at least four separate occasions in the last 3 years, where the combined occasions total a length of time of at least 12 months. Each period separating the occasions must include at least 7 nights of living in a situation other than a place not meant for human habitation, in an emergency shelter, or in a safe haven.

Chronically homeless families are families with adult heads of household who meet the definition of a chronically homeless individual. If there is no adult in the family, the family would still be considered chronically homeless if a minor head of household meets all the criteria of a chronically homeless individual. A chronically homeless family includes those whose composition has

fluctuated while the head of household has been homeless. Recipients and subrecipients of Continuum of Care Program funds are required to maintain and follow written intake procedures to ensure compliance with the “chronically homeless” definition. The procedures must establish the order of priority for obtaining evidence as third-party documentation first, intake worker observations second, and certification from the individual seeking assistance third.

Con Plan – Consolidated Plan – Arizona’s current plan is 2020-2024 and may be found @ azhousing.gov. Developed by local and state governments with input from citizens and community groups, the Consolidated Plan serves four (4) functions: 1) it is a planning document for each state and entitlement community, built upon public participation and input; 2) it is the application for funds under HUD's formula grant programs (CDBG, HOME, ESG and HOPWA); 3) it spells out local priorities; and 4) it spells out a three (3)– five (5) year strategy the jurisdiction will follow in implementing HUD programs. The housing plan must also address the needs of people with disabilities.

CoC – Continuum of Care - A program to help those experiencing homelessness obtain housing, job training, child care and other services. The Continuum of Care, which is the centerpiece of the federal policy on homelessness, stresses permanent solutions to homelessness through comprehensive and collaborative community planning. It is composed of representatives of relevant organizations, which generally includes non-profit providers of those experiencing homelessness, victim service providers, faith based organizations, governments, businesses, advocates, public housing agencies, school districts, mental health agencies, hospitals, institutions of higher learning, affordable housing developers, law enforcement, veteran organizations and those who are experiencing homelessness or have formerly had this experience, all come together to provide a system of outreach, engagement and assessment to provide shelter and a home.

CE – Coordinated Entry - Each CoC must develop a coordinated system of Access, Assessment, Prioritization, Referral and Housing Placement to quickly identify, prioritize and connect homeless persons with appropriate housing and supportive services to end their homelessness. This is a nationally recognized best practice and was adopted by HUD and is required by the HEARTH Act as well as 24 CFR 578.7(1)(8) and HUD Notice CPD-17-01.

DES – Arizona Department of Economic Security

ES – Emergency Shelter - Any facility, the primary purpose of which is to provide a temporary shelter for people experiencing homelessness in general or for specific populations of persons experiencing homelessness and which does not require occupants to sign leases or occupancy agreements. Stays should generally not exceed 90 days.

ESG – Emergency Solutions Grant - is block granted funds to entitlement communities (state governments, metropolitan cities, urban counties and U.S. territories). ESG funds are available for five (5) program components: street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, and data collection through the Homeless Management Information System (HMIS).

Eviction - A legal procedure to remove a resident from their living environment.

FMR – Fair Market Rents - Rent Schedules published in the Federal Register, which establish maximum eligible rent levels allowed under the Housing Choice Voucher Program/Section 8 by geographic area. Also used by other rent subsidy programs.

Grantee – is the legal entity to which HUD awards a grant such as ESG and the Grantee is held accountable for the use of the funds provided per rules and regulations.

HDX – The Homelessness Data Exchange - The Homelessness Data Exchange is an on-line tool designed to allow Homeless Continuums of Care to submit data to HUD for:

- The Annual Housing Inventory Count (HIC);
- Homeless Point-in-Time Counts (PIT);
- The Longitudinal System Analysis (LSA) fka as the Annual Homeless Assessment Report (AHAR/LSA); and
- HUD System Performance Measures (SPM)

These reports are based primarily on data collected and maintained in Homeless Management Information Systems (HMIS).

HEARTH – Homeless Emergency and Rapid Transition to Housing

Signed into Law May of 2009, amends and reauthorizes the McKinney-Vento Homeless Assistance Act with substantial changes, including:

- a consolidation of HUD’s competitive grant programs;
- a change in HUD’s definition of homelessness and chronic homelessness;
- a simplified match requirement;
- an increase in prevention resources; and,
- an increase in the emphasis on performance.

HMIS – Homeless Management Information System

In 2001, Congress directed HUD to provide data and analysis on the extent and nature of homelessness and on the effectiveness of McKinney-Vento Act programs. In response, HUD began providing technical assistance and funding for communities to collect data systematically through local HMIS electronic databases that capture information on the characteristics and service needs of homeless persons. HMIS is designed to aggregate client-level data to generate an unduplicated count of clients served within a community's system of homeless services, often referred to as the Continuum of Care (CoC). The successful HMIS Initiative has changed the way that HUD and CoCs do business, moving from using often anecdotal or inconsistent evidence to using quality data for policy decisions.

Homeless - HUD has issued the final regulation to implement changes to the definition of homelessness contained in the Homeless Emergency Assistance and Rapid Transition to Housing Act(HEARTH). The definition affects who is eligible for various HUD-funded homeless assistance programs. The new definition includes four (4) broad categories of homelessness. [HUD Definitions and Recordkeeping requirements](#)

Housing First - Is an approach to quickly and successfully connect individuals and families experiencing homelessness to permanent housing without preconditions and barriers to entry, such as sobriety, treatment or service participation requirements. Supportive services are offered to maximize housing stability and prevent returns to homelessness as opposed to addressing predetermined treatment goals prior to permanent housing entry.

Habitability Standards – Less stringent than HQS and does not require a certified inspector.

[ESG Emergency Shelter and Permanent Housing Standards](#)

HQS – Housing Quality Standards - Refers to the rules used when inspecting a rental unit to determine if the housing is safe, decent and sanitary.

HUD – Housing and Urban Development

A federal agency established by the Housing and Urban Development Act of 1965, the purpose of which is the implementation and administration of government housing and urban development programs.

Income - The gain that proceeds from property, labor or business. For purposes of figuring rent in subsidy programs, income includes but is not limited to: annual gross income including welfare assistance; unemployment and disability compensation, interest, dividends and child support payments.

Low Income - Income that does not exceed eighty percent (80%) of area median income.

Outreach - Street outreach involves moving outside the walls of the agency to engage with people experiencing homelessness who may be disconnected and alienated not only from mainstream services and supports, but from the services targeting homeless persons as well.

PH – Permanent Housing – Refers to Permanent Supportive Housing for people with disabilities as well as Rapid Rehousing (RRH).

RRH – Rapid Re-Housing - Rapid re-housing provides short-term rental assistance and services. The goals are to help people obtain housing quickly, increase self- sufficiency, and stay housed. It is offered without preconditions (such as employment, income, absence of criminal record, or sobriety) and the resources and services provided are typically tailored to the needs of the person.

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 a grant such as Emergency Solutions Grant (ESG). Replaces the existing terminology or entities that received grants.

Subrecipient - any unit of general-purpose local government or private nonprofit organization to which a grantee awards grant funds, i.e. ESG. State recipients must subgrant all of their ESG funds (except for funds for

administrative costs and under certain conditions, HMIS costs) to units of general purpose local government and/or private nonprofit organizations.

Termination of Tenancy - Termination of tenancy occurs when a tenant violates specific provisions of the lease agreement and the owner notifies the tenant that he/she no longer has the right to occupy the unit as a result of lease violations. The HUD model leases have very specific conditions under which tenancy may be terminated and procedures that must be followed during the termination process.

Utility Reimbursement - The amount, if any, by which the utility allowance for a unit exceeds the total tenant payment for the family occupying the unit.

Very Low Income - Income that does not exceed fifty percent (50%) of AMI.

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, domestic violence shelter or 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.

SECTION 8: RESOURCES

HUD ESG Regulations:

<https://www.hudexchange.info/programs/esg/esg-requirements/>

[Emergency Solutions Grants \(ESG\) Program Components Quick Reference](#)

[Emergency Solutions Grants \(ESG\) Program Fact Sheet](#)

HMIS Regulations: <https://www.hudexchange.info/programs/hmis/>

[HMIS Comparable Database manual](#)