



EMERGENCY
SOLUTIONS
GRANT
DESK GUIDE
2023



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INTRODUCTION

Purpose

The Emergency Solutions Grant (ESG) is intended to: (1) engage homeless individuals and families living on the street; (2) improve the number and quality of emergency shelters for homeless individuals and families; (3) help operate these shelters; (4) provide essential services to shelter residents, (5) rapidly re-house homeless individuals and families, and (6) prevent families and individuals from becoming homeless. ESG funds are intended to be used as part of a crisis response system using a low barrier, housing-focused approach to ensure that homelessness is rare, brief, and non-recurring.

Establishment of Funds

These funds are established by Subtitle B of Title IV of the Stewart B. McKinney-Vento Homeless Assistance Act (Public Law 100-77, Public Law 100-628) as amended by the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act)¹ which authorized the Emergency Solutions Grant (ESG) Program for the purpose of providing assistance to persons who are homeless or at-risk of homelessness. The Missouri Housing Development Commission (MHDC) is responsible for administering the Missouri State Allocation of the Department of Housing and Urban Development (HUD) Emergency Solutions Grant (ESG) Program funds granted to MHDC by the Missouri Department of Social Services (DSS) and the Missouri Department of Economic Development (DED).

Regulations and Authority

The Missouri ESG Program is administered under the provisions of the HUD regulations within Title 24 Code of Federal Regulations (CFR) [Part 576](#), as well as the agency's executed grant agreement, and the 2023 ESG Desk Guide. Grantees are encouraged to review all HUD ESG program requirements². MHDC has flexibility in certain areas of administering the ESG Program and may establish more detailed requirements than those required by HUD. Where there are differences, grantees should comply with MHDC's requirements reflected in the grant agreement and 2023 Desk Guide.

¹ Full text for the McKinney-Vento Homeless Assistance Act as amended by the HEARTH Act of 2009 [here](#).

² Resources and links to ESG law, regulations, and notices can be found in [Appendix E](#).

Eligible Program Components

Street Outreach (SO)

Intended to meet the immediate needs of unsheltered homeless individuals and families by connecting them with emergency shelter, housing, and/or critical health services.

Emergency Shelter (SES)

Intended to increase the quantity and quality of temporary shelter provided to homeless individuals and families by paying for operating and essential services expenses.

Homelessness Prevention (HP)

Intended to prevent households from becoming homeless through rental assistance and housing relocation and stabilization services.

Rapid Rehousing (RRH)

Intended to quickly move homeless individuals and families to permanent housing through rental assistance and housing relocation and stabilization services.

Homeless Management Information System (HMIS)

Intended to support ESG recipients' participation in the HMIS collection and data analysis of households that are homeless or at risk of homelessness.

GRANT ADMINISTRATION

General Information

Contacts

Below are the Missouri Housing Development Commission ESG contacts. Please direct all questions, concerns, updates and submission of documents to the HUD Programs Grant Administrator, with the exception of Payment Requests. Payment Requests shall be submitted electronically by completing and uploading the documents to your grant in the Grant Interface software.

Please direct questions, concerns, and updates to:

Drew Geer
HUD Programs Administrator
Missouri Housing Development Commission
920 Main, Suite 1400
Kansas City, MO 64105
(816) 759-6630
drew.geer@mhdc.com

Brendan Irving
HUD Programs – Financial Coordinator
Missouri Housing Development Commission
920 Main, Suite 1400
Kansas City, MO 64105
(816) 759-2875
Brendan.Irving@mhdc.com

Please submit Payment Requests electronically:
<https://www.grantinterface.com/Home/Logon?urlkey=mhdc>

Website

All information and forms pertaining to MHDC's ESG program can be found on the following website:
<http://www.mhdc.com/ci/esg/index.htm>

Timeline

The following timeline lists the key dates for the 2023 grant year, which are also detailed in the grant agreement. Grantees are responsible for knowing these dates as well as communicating them to all applicable staff.

Grant Year Begins:	November 01, 2022
Grant Documents Submission:	January 06, 2023
Quarter 1 (Q1)	November 01, 2022 - January 31, 2023
Q1 Payment Request Deadline	January 31, 2023, 11:59 p.m.
Quarter 1 CAPER Deadline ³	February 10, 2023, 5:00 p.m.
Quarter 1 CAPER Report Date Range	August 01, 2022 – January 31, 2023
Quarter 2 (Q2)	February 01, 2023 – April 30, 2023
Q2 Payment Request Deadline	April 30, 2023, 11:59 p.m.
50% Spending Deadline	April 30, 2023, 11:59 p.m.
Mid-year Report ⁴	April 28, 2023, 5:00 p.m.
Quarter 3 (Q3)	May 01, 2023– July 31, 2023
Q3 Payment Request Deadline	July 31, 2023, 11:59 p.m.
75% Spending Deadline	July 31, 2023, 11:59 p.m.
Quarter 3 CAPER Deadline	August 10, 2023
Quarter 3 CAPER Report Date Range	April 01, 2023 - July 31, 2023
Quarter 4 (Q4)	August 01, 2023 – October 31, 2023
Q4 Payment Request Deadline	October 31, 2023, 11:59 p.m.
Final Payment Request Deadline	October 21, 2023, 11:59 p.m.
Quarter 4 CAPER Deadline	November 10, 2023, 5:00 p.m.
Quarter 4 CAPER Report Date Range	August 01, 2023 – October 31, 2023
Close Out Document Deadline	December 01, 2023 11:59 p.m.

³ HMIS Lead Agencies submit Quarterly CAPERs after each quarter for non-victim service providers to MHDC. Victim service providers submit their own Quarterly CAPERs after each quarter to MHDC. Each agency is responsible for submitting their own final Quarterly and Cumulative CAPERs into the SAGE portal.

⁴ Each agency is responsible for submitting their own Mid-year or Final CAPER into the SAGE portal for the time period of April 1, 2022 – March 31, 2023

Financial Processes

Funding Period

All ESG funding provided to grantees must be used for expenses that are incurred and paid for on or after November 1, 2022 and before October 31, 2023.

Request for Payment

ESG grants are provided on a reimbursement basis only, therefore ESG funds must be expended on eligible activities for eligible program participants before funds can be requested. Before grantees can request reimbursement for program year 2023, the following criteria must be met:

- All previous ESG and ESG-CV grants must be completely closed out:
 - All previous ESG and ESG-CV grant funds expended; and
 - Close out documentation received and approved.
- All current year grant agreement documents must be completed and received by February 28th, 2023. See [Appendix A](#) for more information.
- All previous compliance issues must be resolved, (i.e., grantee is “in compliance”).

Once all of the above criteria is met and grantee has expended funds on eligible ESG activities, grantee may request program year 2023 funds using the Payment Request process in the Grant Interface. Only expenses incurred and paid for on or prior to the date of the payment request can be reimbursed. No pre-payment or pre-billing is allowed.

Acceptable Payment Types:

- Check
- Direct Deposit
- Credit Card
- Debit Card
- ACH
- EFT

Submission Requirements

Funded agencies must submit complete Payment Request packets electronically by completing and uploading the documents to your grant in the Grant Interface software. Grant Interface logon and payment request instructions are available on MHDC’s Website.

All Payment Request submissions must include:

- ESG-212: Expense Detail Form for each funding component with requested funds.

- HMIS/Comparable Database Report for each funding component with requested funds. Note that the type of report is dependent upon the funding component, but each report must have range that covers the full date range of expenses billed on the corresponding ESG-212 submitted with that payment request.
 - Street Outreach HMIS/Comparable Database Roster Report:
 - If the attached HMIS or Comparable Database Street Outreach roster shows no clients, the organization must also include the MHDC-113 Street Outreach Engagement Tracking form.
 - Emergency Shelter HMIS/Comparable Database Roster Report:
 - Report must include client ID numbers, entry dates, exit dates, and household composition details.
 - Homelessness Prevention & Rapid Rehousing HMIS/Comparable Database Reports:
 - Only required if Payment Request includes reimbursement for Rental Assistance or Financial Assistance expenses. Note that only these subcomponent totals need to be included on the ESG-212, the line item expense details should not be included on the ESG-212.
 - Report must include client ID numbers, county of residence, amount paid, payment type, payee, pay date, and household composition details.
 - Administration and HMIS HMIS/Comparable Database Reports:
 - No report is required

All Payment Requests must be submitted on MHDC’s approved payment request form (ESG-212). All Payment Requests are submitted to DSS or DED (by MHDC) monthly and are typically paid out in 4-6 weeks. MHDC will allow a max of **two** payment requests per month, with deadlines of the 15th day of the month at 11:59 p.m. and the last day of the month at 11:59 p.m. Agencies must submit a Payment Request to MHDC no later than 11:59 p.m. on the last day of the month in order to receive reimbursement on the next invoice submitted to DSS or DED. All payment requests shall be submitted via the [grant interface](#) software.

Common Reasons for Discarded Payment Requests

- Certificate of insurance has expired
- Missing HMIS/Comparable Database Reports or ESG-212
- Not signing or having non authorized personnel sign the ESG-212
- Requesting reimbursement for expenses paid with ineligible payment types
- Request reimbursement for ineligible expenses
- The totals entered into the Grant Interface do not match the totals on the ESG-212

- Misclassifying an expense's subcomponent on the ESG-212
- Inadequate detail in expense description on ESG-212
- Blanks, typos, number duplications on the ESG-212
- Missing last 4 of SS numbers for payroll expenses on ESG-212
- Incomplete incurred date on ESG-212

Please submit Payment Requests electronically:

<https://www.grantinterface.com/Home/Logon?urlkey=mhdc>

Quarterly Draws

Grantees must have a minimum of one disbursement of funds per quarter ([24 CFR 576.203 \(b\)](#)). Payment Requests that result in a "discard" do not fulfill the quarterly draw requirements. The timeline for ESG quarters and submission deadlines are detailed above within the [Timeline](#) section of this guide.

Spending Deadlines

Grantees are required to spend at least 50 percent of the total grant award amount on or before the end of the second quarter (May 1st, 2023). Grantees are required to spend at least 75 percent of the total grant award amount on or before the end of the third quarter (August 1st, 2023). Grantees are required to spend 100% of the total grant award on or before October 31st, 2023. MHDC has the discretion to recapture a portion or all remaining ESG funds as of these deadlines.

Budget Amendments

ESG grantees may spend ESG funds on any eligible activity within a funding component (e.g., Rapid Rehousing dollars may be spent on any eligible Rapid Rehousing activity as outlined in [24 CFR 576 Subpart B](#)). In certain instances, ESG grantees may request amendments to the original budget provided in the grant agreement in order to increase, decrease, or move funds to other components with MHDC approval. Grantees must submit an amendment request in writing via email to the MHDC HUD Programs Administrator at drew.geer@mhdc.com outlining the proposed amendment. Upon approval to move forward, an Amendment Request form (ESG-213) will be provided for completion. Amendments can only be requested and approved once per quarter. The form will detail the original budget, the proposed change, the new budget, and must explain why the amendment is needed. Once the form is completed and signed, it should be scanned and submitted electronically to the MHDC HUD Programs Administrator for final approval. If approved, a grant amendment agreement will be sent to the grantee for review and signature. The original copy must be received and executed by MHDC before the budget change is finalized. Amendments do not change the grant amount, only the component in which funding can be spent.

Fixed Assets

MHDC does not allow reimbursement for the purchase of any fixed assets that cost in excess of \$5,000.000 in total, including: equipment, computer equipment, and other real and personal property. No fixed asset

expenditure or portion of a fixed asset expenditure billed for ESG reimbursement can be greater than or equal to \$5,000.00 in total.

Homeless Management Information System

The Homeless Management Information System (HMIS) is a database that records and stores client-level data regarding the delivery of housing and services to households who are homeless and/or at-risk of homelessness. ESG grantees are required to enter data on all persons served into the HMIS recognized by their Continuum of Care (CoC). Grantees serving victims of domestic violence are required to enter data into a “comparable database” in accordance with HUD’s standards on participation, data collection, and reporting. Legal services organizations may choose to enter into a comparable database rather than an HMIS. The data must be entered into the HMIS that represents the county of service. If the grantee serves persons with ESG funds in multiple Continua, HMIS data must be entered into each appropriate HMIS of those Continua. Grantees are responsible for ensuring that all data collection within HMIS and any comparable databases are in compliance with HUD HMIS Minimum Data Standards⁵, therefore grantees should work with HMIS Lead Agencies and comparable database providers to ensure they are trained on proper data entry and are consulting with their provider regularly regarding any issues or questions.

HMIS Lead Agencies

- Greater Kansas City/Jackson County MO CoC: [Greater Kansas City Coalition to End Homelessness](#)
- St. Charles/Lincoln/Warren Counties CoC: [Community Council of St. Charles County](#)
- All other Continua of Care: [Institute for Community Alliances](#)

Consolidated Annual Performance Evaluation Report (CAPER)

Grantees are required to communicate and work with their HMIS lead agency to generate data through a CAPER CSV export from their HMIS/Comparable Database for all ESG-funded projects for which they are funded. The CAPER CSV files for the period of April 1, 2022 through March 31, 2023 are due April 28, 2023. Each agency will upload the CAPER data directly into the online HUD Sage portal via an email link sent from the Sage system, as required by HUD⁶. HMIS providers can guide users for data corrections. Each ESG-funded project must submit a CAPER CSV export⁷.

Compliance

In order to track a grantee’s program compliance, ensure accurate spending of ESG funds, prevent fraud and abuse, and to identify technical assistance needs MHDC staff will monitor grantees by either conducting a site

⁵ HUD’s webpage for HMIS Data Standards and other HMIS resources can be found [here](#)

⁶ Agencies may need to monitor junk folders to ensure link is received.

⁷ For more information, grantees may refer to the [HUD Exchange ESG CAPER Guidebook](#)

visit or desk review.

Site Visits

MHDC may opt for an on-site compliance visit which will be conducted at the location designated by the grantee. The MHDC Compliance Officer will review expenses billed to ESG that have already been reimbursed. The Compliance Officer will not review ESG expenses that have not yet been submitted for reimbursement. The information reviewed is gathered from the HMIS reports, comparable database reports, and Expense Detail Forms (ESG-212) submitted with the grantee's Payment Requests. The Compliance Officer will not provide the grantee the names of the files to be checked prior to the visit; this is to ensure that all files will be reviewed in the state in which they are normally maintained. The requested files are expected to be produced, as hard copy documents.

Announced Visit

The announced site visit is scheduled by the Compliance Officer with the grantee. If MHDC staff is unsuccessful in scheduling a site visit after three attempts have been made via telephone and/or e-mail, the Compliance Officer will notify the grantee that they have 15 days to schedule a site visit, otherwise their funding will be suspended and grantee will be considered out of compliance and no funds will be released until the visit is scheduled. Once the visit is scheduled, the grantee will be provided Compliance Guidance which details the expectations for the visit.

Unannounced Visit

MHDC staff members have the right to conduct unannounced visits at the location(s) and times listed by the grantee in the Site Contact Form⁸. It is the grantee's responsibility to notify MHDC if business hours change or if the grantee will be closed for an extended amount of time.

Electronic Files

If the grantee elects to maintain electronic files in lieu of paper files, the grantee will be required to print all required documentation for site visits, including case notes and/or housing stability plans. As with all files, the time limit to produce these files is 15 minutes during a site visit.

Exit Interview

At the conclusion of the site visit, the Compliance Officer will discuss the findings of the visit with the appropriate grantee staff member(s). The grantee will be given the opportunity to discuss the findings as well as any other questions and concerns with the Compliance Officer. The Compliance Officer will conduct a written exit interview in order to ensure that grantee representative is in agreement with the outcome of the visit, as well to documents any follow-up actions required by MHDC and/or grantee. The final compliance

⁸ MHDC will not conduct site visits on state or federal holidays

status is determined at the discretion of the HUD Programs Manager.

Desk Reviews

MHDC may opt for an electronic compliance review in lieu of a site visit once a grantee meets the minimum threshold of submitted and approved backup/invoices. The Compliance Officer will not review ESG expenses that have not yet been submitted for reimbursement. A desk review will follow this procedure:

- The Compliance Officer will first email the agency grant contact and cc both the financial contact and the executive director on file to schedule a desk review. **NOTE: All grantees are responsible for ensuring that their listed grant contacts are up to date.**
- The first email will include a proposed date in which agency staff responsible for administering the grant should be available to provide requested documentation electronically, as well as general information concerning how the electronic desk review will be conducted.
- On the scheduled date and time of the review, the Compliance Officer will send a second email to the agency grant contact, the financial contact and the executive director on file, with a detailed list of all required documentation (i.e., client file documentation, forms, and financials). The items will be randomly selected from the approved back up or invoices submitted to date.

All requested documentation should be assembled in an orderly fashion, scanned, and submitted electronically to www.mhdc.com/bigfile within 1 business week. Please review scans before sending them to MHDC. Make sure that all pages are facing the same direction and are legible. Any sensitive or confidential information must be redacted prior to scanning and sending the documents.

Monitoring Letter

After completing either a site visit or a desk review, MHDC staff will email the grant contact a post-monitoring report detailing the results of the review, including any minor or major findings, areas for improvement, corrective actions that need to be taken, and the deadline to complete these actions.

Common Compliance Errors

- Missing required forms and/or forms completed incorrectly
- Not having proof of payment and proof of need for expenses billed during the grant period
- Participants failing to disclose income information/inadequate intake application
- Missing household eligibility documentation (i.e., income and homelessness)
- Missing documentation of case management and housing stability goals
- Utilizing net vs gross income amounts and/or frequency of pay
- Not having completed ESG-205 and ESG-207 forms on file for Emergency Shelter Programs
- Fair Market Rent and Utility Allowance calculation

Compliance Violations

Out of Compliance

Reference the ESG-23 Compliance Guide for details regarding violations that will result in a grantee being out of compliance, which will require MHDC to suspend ESG funding and assess points for future applications.

If the Compliance Officer finds that the grantee is out of compliance, it will be recorded as such. Until the Compliance Officer has verified that the issue(s) has/have been resolved, ESG funding will be suspended.

If the grantee is found out of compliance they will need to, in most instances, submit a Corrective Action Plan (CAP) detailing the reason(s) for the out the of compliance status and how the findings will be corrected. Depending on the reason(s) for the out of compliance status, grantee may also be subject to a follow-up site visit conducted by MHDC staff in order to ensure that the issues have been resolved.

If the issue(s) that caused the grantee to be out of compliance are resolved after the CAP and/or follow-up site visit review, the Compliance Officer will notify the grantee that their funding is no longer suspended. If the issue(s) that caused the grantee to be out of compliance are still not resolved after the CAP and/or follow-up site visit review, the Compliance Officer will notify the grantee of their findings and funding will be suspended for all grants that the agency has been awarded through the HUD Programs Department and State Initiatives Department at MHDC.

Replacement Back-Up

If ineligible expenditures are discovered during the monitoring process, the agency will have the opportunity to replace the previously billed ineligible expenses with new, unbilled and ESG eligible expenditures. Agency will be notified of the need for replacement back-up and a deadline for which replacement back-up will need to be produced in the final audit report following a monitoring visit. Replacement back-up will be submitted into Grant Interface. Agency must provide proof of cleared payment along with the invoice and or receipt. If agency is unable to replace ineligible expenses, repayment of costs may become necessary.

Consequences for Non-Compliance

The following violations will be noted in grantee's records, and points may be assessed during future application cycles:

- Grant partially or fully recaptured (i.e., funds not fully expended by the end of the grant term)
- Being out of compliance
- Funds not drawn quarterly
- Grant not fully closed out by deadline

Environmental Review

ESG grantees are required to comply with the National Environmental Policy Act (NEPA) to limit the potential environmental impacts of a project. The only projects that require environmental review for this purpose are

construction or rehabbing of standard emergency shelters, which are not eligible under the MHDC ESG program. Therefore, all ESG activities will be either categorically excluded or exempt from an environmental review. As the “Responsible Entity” (as defined in [24 CFR 58.2](#)), MHDC is solely responsible for the environmental review, including documenting whether an activity is categorically excluded or exempt. Funded organizations are expected to comply with and provide all necessary documentation to MHDC with regard to environmental review requirements and may be held out of compliance for not doing so.

Matching Funds

Per [24 CFR 576.201](#), grantees must match their total ESG grant award consisting of documented non-McKinney resources. Matching funds must be used in accordance with all requirements that apply to ESG funds (e.g., documentation, participant eligibility, eligible costs). Match may include cash and/or non-cash contributions, including the value of any lease on a building, the actual value of professional services, any salary paid to staff to carry out the program, and the value of the time and services contributed by volunteers to carry out the program. Any cash or non-cash contribution matched to ESG grant cannot have been used and will not be used to match any other Federal program’s funds nor any other grant. Failure to provide properly documented uses and sources of match at the end of the grant term will require repayment of all unmatched reimbursements.

Area-Wide Systems Coordination

Consultation with Continuums of Care

ESG grantees are required to attend at least 75 percent of the Continuum of Care (CoC) all member meetings in the Continua in which ESG funds are spent. These meetings bring together many different agencies working toward the improvement of housing and ending homelessness in the state of Missouri. Grantees will be required to submit an attendance tracking sheet for meetings attended at the close out of the grant. It is the grantee’s responsibility to provide the CoC representative with an attendance tracking sheet provided by MHDC to complete for each meeting that is attended. MHDC acquires feedback from each CoC chair regarding the agency’s level of participation which may be assessed on future ESG applications for funding. Please note that attendance for all other meetings (i.e., CoC committee meetings, etc.) is greatly encouraged, but not included in the 75 percent attendance criteria of CoC full membership meetings. Grantees should maintain record of meetings being cancelled.

Coordination with Other Targeted Homeless Services

Grantees must coordinate and integrate ESG activities with mainstream housing, health, social services, employment, education, and youth programs, as well as programs targeted to homeless people in its service area to provide a strategic, community-wide system to prevent and end homelessness. Please refer to the ESG regulations [24 CFR 576.400\(b\)\(c\)](#), for a full list of these programs.

Coordinated Entry System

All Missouri CoC's were required to develop a coordinated entry system in accordance with requirements established by HUD. A coordinated entry system should provide easy access for households seeking housing or services. Each ESG-funded non-victim services provider within the Continuum of Care's area must use that assessment system to ensure consistent screening, assessment, prioritization and referral of program participants ([24 CFR 576.400\(d\)](#)). Each provider must also work with its CoC to ensure that the screening, assessment, and referral of program participants are consistent with the required program guidelines. Victim services providers may choose not to use the Continuum of Care's coordinated entry system.

Terminating Assistance

Per [24 CFR 576.402](#), if a program participant violates program requirements, their ESG benefits may be terminated in accordance with a formal process established by the grantee that recognizes the rights of the individuals affected and allows for due process. The grantee must exercise judgment and examine all extenuating circumstances in determining when violations warrant termination so that a participant's assistance is terminated only in the most severe cases. Termination does not bar the grantee from providing further assistance at a later date to the same family or individual. To terminate rental assistance or housing relocation and stabilization services, the grantee's formal process must include at minimum:

- Written notice to the program participant containing a clear statement of the reason(s) for termination;
- A review of the decision, in which the participant is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision; and
- Prompt written notice of the final decision to the participant.

Agencies should ensure that the Housing First approach is implemented within their organizational procedures and program policies, especially in regards to termination of assistance⁹.

Recordkeeping Requirements

Program Guidelines

Per [24 CFR 576.400](#), every ESG grantee must develop and implement program guidelines that include:

- Policies and procedures for evaluating households' eligibility for ESG assistance;
- Targeting and providing essential services related to Street Outreach;
- Policies and procedures for admission, diversion, referral, and discharge by Emergency Shelter

⁹ See [Appendix E](#) for additional Housing First resources.

Programs;

- Policies and procedures for assessing, prioritizing, and reassessing households' needs for essential services related to Emergency Shelter programs;
- Policies and procedures for coordination among Emergency Shelter providers, essential services providers, Homelessness Prevention, and Rapid Rehousing assistance providers; other homeless assistance providers; and mainstream service and housing providers;
- Policies and procedures for determining and prioritizing which eligible households will receive Homelessness Prevention and which households will receive Rapid Rehousing (policies should include emergency transfer priority required under [24 CFR 576.409](#));
- Standards for determining the share of rent and utilities costs that each program participant must pay, if any, while receiving Homelessness Prevention or Rapid Rehousing assistance;
- Standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time;
- Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide a program participant, including the limits, if any, on the Homelessness Prevention or Rapid Rehousing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the program participants receives assistance; or the maximum number of times the program participants may receive assistance and the process for ensuring confidentiality of client records ([24 CFR 576.105\(c\)](#));
- Policies and procedures for participation in the grantee's CoC coordinated entry system;
- Standards describing the formal termination process established by the agency that recognizes the rights of individuals affected;
- Standards describing the program participants formal grievance process; and
- Standards addressing the policy for participation in HMIS or comparable database.

Ineligible Clients

Grantees are required to maintain a record of all clients that are screened and classified as ineligible and reasons for the determination of ineligibility ([24 CFR 576.500\(d\)](#)).

Documenting Homeless Status

Per [24 CFR 576.500\(b\)](#), the grantee must maintain and follow written intake procedures to ensure compliance with homeless and at-risk of homelessness definitions. The procedures must require documentation at intake of the evidence relied upon to establish and verify homeless status. The procedures must establish the order of priority for obtaining evidence as:

1. Third-party documentation
2. Intake worker observation
3. Self-certification from client seeking assistance

All grantees must utilize the MHDC-114 form at intake to document homeless status.

If a lower priority certification method is utilized, the agency staff must document by a written certification of their efforts in attempting to obtain the higher priority certification method(s).

Appropriate homeless status documentation for intake files will vary depending on type of assistance provided and the circumstances of each participant. Some documentation acceptable evidence of third-party documentation and intake worker observations are already available, such as discharge paperwork and records contained in an HMIS/Comparable database if the HMIS/Comparable Database 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.

Lack of third-party documentation should not prevent a household from being immediately admitted to shelter, receiving street outreach services, or from receiving victims' services and shelter. The recordkeeping requirements for each homeless status are detailed as follows:

Literally Homeless

1. Written referral by another housing/service provider (i.e., Coordinated Entry referral, referral letter)
 - o If the individual qualifies as homeless under paragraph (1)(iii) of the homeless definition then discharge paperwork or a written or oral referral from an 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.
2. Written observation by the outreach worker of the conditions where the individual or family was living.
3. Certification by the head of household seeking assistance stating they he/she was living on the streets or in shelter.

Imminent Risk of Homelessness

1. A court order resulting from an eviction action notifying the household they must leave their residence within 14 days after the date of their application for homeless assistance
 - a. For households leaving a hotel/motel: the source documents to show the program participant does not have sufficient resources (i.e., notice of employment termination, unemployment compensation statement, bank statement);
2. A written certification by the owner/renter of the housing in which the program participant currently

resides, attained/verified by the intake worker, stating they will not allow them to stay

3. A documented and verified oral statement; and
 - a. Certification that no subsequent residence has been identified; and
 - b. Self-certification or other written documentation that the household lacks financial resources and support necessary to obtain permanent housing.

At Risk of Homelessness

- Evidence that participant's annual income does not exceed 30% AMI; and
- Source documents showing that the program participant lacks sufficient resources or support networks to prevent them from being coming homeless (i.e., notice of termination from employment, unemployment compensation statement, bank statement, health-care bill showing arrears, utility bill showing arrears). If source documents are unavailable then the following order of priority for obtaining evidence must be followed:
 1. Written verification by the relevant third party (e.g., former employer, public administrator, relative)
 2. Written certification by the outreach worker of the oral verification by the third party
 3. If third-party verification is unobtainable a written statement by intake staff describing the efforts taken to obtain the evidence is required.
- Source documents showing the program participant meets at least one condition of the "at risk of homelessness" definition in [24 CFR 576.2](#) (i.e., notice of employment termination, unemployment compensation statement, bank statement). If source documents are unavailable then the following order of priority for obtaining evidence must be followed:
 1. Written verification by relevant third-party (i.e., former employer, owner, primary leaseholder, public administrator, hotel or motel manager, etc.)
 2. Written certification by the outreach worker of the oral verification by the third party
 3. If third-party verification is unobtainable, a written statement by intake staff indicating that the staff person has visited the applicant's residence and determined that the applicant meets one or more of the criteria under At Risk of Homelessness definition or, if a visit is not practicable or relevant to the determination, a written statement by the intake staff describing the efforts taken to obtain the required evidence.

Fleeing/Attempting to Flee Domestic Violence

If the individual or family is experiencing trauma or a lack of safety related to, or fleeing or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous, traumatic, or life-threatening

conditions related to the violence against the individual or a family member in the individual's or family's current housing situation, including where the health and safety of children are jeopardized, then acceptable evidence includes an oral statement by the individual or head of household seeking assistance indicating 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.

Grant Close Out

Once all funds have been expended, grantee is required to close out their grant. The close out process consists of several components:

1. All funds expended
2. Final Payment Request submission
3. Close Out Documentation¹⁰

All complete and final close out information needs to be submitted electronically on the grantee's grant profile via MHDC's [Grant Interface](#) on or before 11:59 p.m. on December 1, 2023. Any funds that are not expended will be recaptured.

¹⁰ List of close out documentation can be found in [Appendix C](#).

PROGRAM ADMINISTRATION

Program Participant Eligibility

Determining Participation

Grantees must conduct an initial evaluation of eligibility (in accordance with the local CoC's coordinated entry process) in order to determine:

- Each individual or family's eligibility for ESG activities
- The applicant has no appropriate subsequent housing options
- The applicant lacks sufficient resources and support networks to obtain/retain housing
- The total household income is below 30 percent area median income (AMI) (Homelessness Prevention only)
- The applicant has not received more than 24 months of ESG assistance within the past three years (Homelessness Prevention and Rapid Rehousing only)
- The minimum amount and types of assistance necessary (Homelessness Prevention and Rapid Rehousing only)

Evaluations must be conducted in accordance with the local coordinated entry process and the agency's program guidelines ([24 CFR 576.400](#)) which should follow the Housing First model. Where possible, agencies should attempt to divert households from homelessness, including those seeking shelter who are currently housed but at imminent risk. However, households seeking shelter that are experiencing trauma or a lack of safety related to, or fleeing or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous, traumatic, or life-threatening conditions related to the violence against the individual or a family member in the individual's or family's current housing situation, including where the health and safety of children are jeopardized should not be diverted.

Initial Evaluation

All clients, regardless of homelessness status or component, should complete the MHDC-114, the grantee's intake paperwork, and the HMIS Lead/Comparable Database consent form.

Re-Evaluating Participation

In addition to conducting an initial evaluation and connecting program participants to other resources, eligibility for ESG Homelessness Prevention and Rapid Rehousing must be re-evaluated:

- At least once every three months for Homelessness Prevention assistance
- At least once annually for Rapid Rehousing assistance

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

- The household’s annual income is not greater than 30 percent of the AMI (ESG-201); and
- The program participant lacks sufficient resources and support networks necessary to retain housing without ESG assistance (ESG-209).

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

Homeless Definitions

Individuals and families seeking assistance must be evaluated to determine their homeless status eligibility for ESG. Each component summarizes the homeless definitions; the complete homeless definitions can be found at [24 CFR 576.2](#)¹¹.

Income

When determining the annual income of a household, the grantee must refer to the standards for calculating income per [24 CFR 5.609](#) and the [HUD Handbook 4350.3, REV-1, Chapter 5](#). Current ESG Income Limits can be found on HUD’s website and are also posted on [MHDC’s website](#).

Inclusions

- Earned income (wages, salaries, net income from operating of a business or profession)
- Interest and dividend income
- Pension/retirement income
- Unemployment and disability
- TANF/Public Assistance
- Alimony and child support income
- Regular contributions or gifts from organizations or persons not residing in the dwelling
- Armed forces income

¹¹ The Category 4 portion of the definition of “Homeless” in this Desk Guide reflects the updated definition from the Violence Against Women Act Reauthorization Act of 2022. The change to the definition is outlined in [HUD’s Proposed Rule](#).

- Any other income included in the [HUD Handbook 4350.3, REV-1, Chapter 5, Exhibit 5-1](#)

Exclusions

- Income of children under 18 (including foster care payments)
- Inheritance and insurance income
- Medical expense reimbursements
- Income of live-in aides
- Certain state payments regarding disability
- Student financial aid
- Armed forces hostile fire pay
- Temporary, non-recurring, or sporadic income
- Certain reparation payments
- Earnings in excess of \$480.00 for each full-time student who is 18 years old or older (excluding the head of household and spouse)
- Adoption assistance payments in excess of \$480.00 per adopted child
- Deferred periodic amounts from SSI or social security benefits that are received in a lump sum amount or in prospective monthly amounts
- Refunds or rebates for property taxes
- Amounts paid by the state to offset the cost to allow a developmentally disabled family member to remain in the home
- Any other exclusions related to [24 CFR 5.609](#)
- Any other exclusions included in the [HUD Handbook 4350.3, REV-1, Chapter 5, Exhibit 5-1](#)

Program Components and Eligible Activities

Street Outreach

ESG funds may be used for the costs of providing essential services to unsheltered homeless people ([24 CFR Part 576.101](#)); 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.

Income

Income requirements do not apply to program participants who are being served under the Street Outreach component.

Eligibility

Street Outreach services are provided to persons who meet HUD’s Category 1.

Literally Homeless (Category 1)	Individual or family who lacks a fixed, regular, and adequate nighttime residence: <ul style="list-style-type: none">• Has a primary nighttime residence that is a public or private place not meant for human habitation; including a car, park abandoned building, bus or train station, airport, or camping ground.
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Eligible Activities – Essential Services

The following activities are eligible under the Essential Services subcomponent of the Street Outreach component for persons who meet the homeless status eligibility criteria outlined above:

Engagement

Activities designed to locate, identify, and build relationships with unsheltered homeless people for the purpose of providing immediate support, intervention, and connections with homeless assistance programs and/or mainstream social services and housing programs, including:

- Initial assessment of needs and program eligibility
- Providing crisis counseling
- Addressing urgent physical needs
- Actively connecting and providing information and referral

Housing-Focused Case Management

Assessment of the housing and service needs of unsheltered homeless persons and the arrangement for, coordination of, and monitoring of delivery of services to those persons, including:

- Participation in the centralized or coordinated entry system of the local Continuum of Care

- Initial evaluation, verification, and documentation of eligibility
- Counseling
- Developing, securing, and coordinating services
- Helping obtain federal, state, and local benefits
- Monitoring and evaluating participant progress
- Providing information and referrals to other service providers
- Developing individualized housing and service plans

Emergency Health Services

Direct outpatient treatment of medical conditions by licensed professionals in community-based settings where unsheltered homeless people are living, including:

- Assessing participants' health problems and developing treatment plans
- Assisting participants in understanding their health needs
- Providing or helping participants obtain appropriate emergency medical treatment
- Providing medication and follow-up services for specific program participants

Emergency Mental Health Services

Direct outpatient treatment of mental health conditions by licensed professionals in community-based settings where unsheltered homeless people are living, including:

- Crisis interventions
- Prescription of psychotropic medications for specific program participants
- Explanation for the use and management of medications
- Combinations of therapeutic approaches to address multiple problems

Transportation Services

Travel by outreach workers, social workers, medical professionals, or other service providers during the provision of eligible street outreach services, including:

- Transporting unsheltered homeless individuals and families to emergency shelters or other service facilities
- Cost of a participant's travel on public transit
- Mileage allowance for outreach workers to visit participants
- Cost of staff to accompany or assist participants to use public transportation

- Costs associated with purchasing or leasing a vehicle **ARE NOT** eligible
- Employee travel to attend CoC meetings or trainings **ARE NOT** eligible expenses
- All travel must be billed based on mileage rate and the number of miles driven
- Costs for gas or vehicle fuel **ARE NOT** eligible
- Travel logs detailing the specific destinations, times travel occurred, staff involved, miles traveled, and purposed of travel must be saved for compliance

Services for Special Populations

Any of the essential services listed above that have been tailored to address the special needs of homeless youth, victims of domestic violence and related crimes/threats, and/or people living with HIV/AIDS who are literally homeless.

Record Keeping Requirements

Literally Homeless¹²

1. Written referral by another housing/service provider (i.e., Coordinated Entry referral, referral letter)
 - a. If the individual qualifies as homeless under paragraph (1)(iii) of the homeless definition then discharge paperwork or a written or oral referral from an 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.
2. Written observation by the outreach worker of the conditions where the individual or family was living.
3. Certification by the head of household seeking assistance stating they he/she was living on the streets or in shelter.

¹² For Street Outreach the client's living situation must be a place not meant for human habitation.

Records to Maintain - Program Participants

Form/Documentation	Criteria	Requirements
MHDC-114 Consent and Homeless Certification	<ul style="list-style-type: none"> • Homeless status documentation <ul style="list-style-type: none"> ○ Include description of specific housing status • Homeless status verification <ul style="list-style-type: none"> ○ Include supporting documentation if third-party verified ○ If a lower priority form of evidence is used, include explanation of why any higher priority forms of evidence were unobtainable and what reasonable attempts were made to acquire those forms of verification (See Documenting Homeless Status) ○ Signature by grantee staff completing the form • MHDC Consent Certification <ul style="list-style-type: none"> ○ Signature from the participant allowing MHDC to review their client files during compliance reviews of the grantee ○ If Category 4, initials from the participant allowing MHDC to review non-identifying information in their client files during compliance reviews of the grantee 	<u>REQUIRED</u>
HMIS/Comparable Database Consent Form	<ul style="list-style-type: none"> • If using HMIS, consent form from the HMIS lead agency to enter and share participants information via HMIS. If using Comparable Database, consent form from the Comparable Database provider to enter the participant’s information into the Comparable Database 	<u>REQUIRED</u>
Agency Intake Form	<ul style="list-style-type: none"> • Collects information used to determine: <ul style="list-style-type: none"> ○ Participant’s eligibility for ESG activities ○ That the participant has no appropriate subsequent housing options ○ That the participant lacks sufficient resources and support networks to obtain/retain housing • Must be in accordance with the local CoC’s coordinated entry process 	<u>REQUIRED</u>
Ending Assistance Letter	<ul style="list-style-type: none"> • If the participant is terminated from the program by the grantee, documentation from the agency showing compliance with 24 CFR 576.402 • If the participant exits the program willingly, documentation from the agency stating when and why the client left 	Recommended
Case Management Documentation	<ul style="list-style-type: none"> • Assessing, arranging, coordinating, and monitoring delivery of services to facilitate housing stability • Dated notes detailing housing goals, plans, and referrals 	Recommended

Records to Maintain – Financial

Activity	Acceptable Forms of Documentation (both Cost Incurred and Proof of Payment are required)	
	Cost Incurred	Proof of Cleared Payment
<ul style="list-style-type: none"> • Bills paid • Services performed • Materials purchased 	<ul style="list-style-type: none"> • Invoice • Receipt 	<ul style="list-style-type: none"> • Canceled checks or bank statement with ESG payments highlighted
<ul style="list-style-type: none"> • Travel costs 	<ul style="list-style-type: none"> • Travel logs which includes date(s) of travel, destinations with, mileage, date, staff members involved, and purpose of travel. 	<ul style="list-style-type: none"> • If reimbursing employee, need proof of payment to employee • If reimbursing agency, proof of payment is not needed
<ul style="list-style-type: none"> • Employee Compensation 	<ul style="list-style-type: none"> • Timesheets signed by supervisor and employee detailing eligible ESG activities • Pay stub or payroll report from a third party listing pay periods, employee listed, last four digits of SSN 	<ul style="list-style-type: none"> • Copy of pay stub or payroll report from third party • Bank statement with ESG payments highlighted

Street Outreach Financial Process

After incurring street outreach expenses, grantees may submit for payment using MHDC's [grant interface](#). Using the follow up forms¹³, agencies are expected to completely fill out the online form, and then attach a PDF that includes the following documents:

- ESG-212 (Completely fill out the street outreach expense detail tab)
- HMIS/Comparable Database Report (For Street Outreach, this should look like a HMIS client detail report or roster report that includes a date range and no identifying client information.)
- MHDC-113 (Only required if the HMIS Report has no clients on the roster)

Common reasons that Street Outreach payment requests are discarded:

- Requested reimbursement expenses are incurred outside of the grant period.
- Salary expenses are missing the last 4 digits of employee social security numbers in the detail description.
- The date range on the HMIS report doesn't match up with the reporting range for Street Outreach on

¹³ The ESG-212 and MHDC-113 can be found [here](#)

the ESG-212.

- Amount requested is greater than the amount remaining in the grant balance.
- The wrong subcomponent or expense type is listed on the ESG-212 for individual expenses.
- Requesting reimbursement for non-client specific medication.
- Not including mileage rate and number of miles driven in the detail description for transportation expenses (i.e., 24 miles x 0.625 = 15).
- Expenses included on the Street Outreach Expense Detail are not listed as eligible in the 2023 Desk Guide.
- HMIS roster has no clients and MHDC-113 is not included.

Program Guidelines

Standards for what should be included in Street Outreach program guidelines can be found at <https://www.endhomelessnessmo.org/gceh-policies> and MHDC's [website](#). Per [24 CFR 576 Subpart E](#), every ESG grantee must develop and implement program guidelines that include:

- Standards should be specific to your organization's Street Outreach program and adapted to include procedures used for evaluating the eligibility of individuals and families for assistance under the ESG programs as applicable.
- Standards include procedures describing the coordination among Emergency Shelter providers, essential services providers, Homelessness Prevention, and Rapid Rehousing assistance providers, other homeless assistance providers, and mainstream service and housing providers.
- Standards describe the formal termination process established by the agency that recognizes the rights of individuals affected. The grantee must exercise judgment and examine all extenuating circumstances in determining when violations warrant termination so that a program participant's assistance is terminated only in the most severe cases.
- Standards describe the program participant's formal grievance process.
- Standards address the policy for participation in HMIS or comparable database.
- Standards include procedures for ensuring that clients served and activities provided with ESG funds are entered into HMIS or comparable database, the timeframe for data to be entered, and the process for ensuring confidentiality of client records.
- Standards include procedure for targeting and providing services related to Street Outreach.

Emergency Shelter¹⁴

ESG funds may be used for the costs of operating an emergency shelter¹⁵ and providing essential services to homeless people in emergency shelters ([24 CFR Part 576.102](#)).

Income

Income requirements do not apply to program participants who are being served under Emergency Shelter component.

Eligibility

Emergency Shelter services are provided to persons who meet HUD’s Category 1, 2, or 4 status of homelessness.

Literally Homeless (Category 1)	Individual or family who lacks a fixed, regular, and adequate nighttime residence: <ul style="list-style-type: none">• Has a primary nighttime residence that is a public or private place not meant for human habitation;• Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, hotels/motels paid for by charitable organizations or federal, state, and local government programs; or• Is exiting an institution where they resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.
Imminent Risk of Homelessness (Category 2)	Individual or family who will imminently lose their primary residence, provided that: <ul style="list-style-type: none">• Residence will be lost within 14 days of the date of application for homeless assistance;• No subsequent residence has been identified; and• Lacks resources or support networks needed to obtain other permanent housing.
Fleeing/Attempting to Flee Domestic Violence (Category 4)	Individual or family who: <ul style="list-style-type: none">• is experiencing trauma or a lack of safety related to, or fleeing or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous, traumatic, or life-threatening conditions related to the violence against the individual or a family member in the individual’s or family’s current housing situation, including where the health and safety of children are jeopardized;• has no other safe residence; and• lacks the resources to obtain other safe permanent housing

Eligible Activities – Essential Services

Costs associated with providing services to individuals and families, including:

¹⁴ When the two words in the phrase “Emergency Shelter” are capitalized, it is referring to the ESG component

¹⁵ When the two words in the phrase “emergency shelter” are not capitalized, it is referring to the physical structure

Case Management

Staffing employees that assess, arrange, coordinate, and monitor the delivery of individualized services to meet the needs of the program participant. This can include wages and benefits for time spent providing case management services, including:

- Using the centralized or coordinated assessment system as required under [24 CFR 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 and obtaining federal, state, and local benefits
- Monitoring and evaluating program participant progress
- Providing information and referrals to other providers
- Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking
- Developing an individualized housing and service plan, including planning a path to permanent housing stability

Childcare

Staffing for the provision of childcare services such as providing meals, snacks, and appropriate developmental activities are eligible. Children must be under the age of 13, unless they are disabled. Children with disabilities must be under the age of 18. The child-care center must be licensed by the jurisdiction in which it operates in order for its costs to be eligible.

Education Services

Providing program participants with basic knowledge and skills so they can obtain and maintain housing is eligible. This education should be focused on instruction or training in consumer education, health education, substance abuse prevention, literacy, English as a Second Language, or General Educational Development (GED). These services or activities include:

- Screening, assessment, and testing
- Individual or group instruction
- Tutoring
- Books and instructional material
- Counseling
- Referral to community resources

Employment Assistance and Job Training

Providing employment assistance and job training for eligible participants. This can be through classroom, online, computer instruction, and/or on-the-job training. This employment assistance and job training should assist individuals in securing employment, acquiring learning skills, and/or increasing earning potential. These

services or activities include:

- Acquisition of vocational licenses and/or certificates
- Employment screening, assessment, and testing
- Special training and tutoring, including literacy training and prevocational training
- Books and instructional material
- Counseling or job coaching
- Referral to community resources

Outpatient Health Services:

Direct outpatient treatment of medical conditions provided by licensed medical professionals (to the extent that other appropriate health services are unavailable within the community) are eligible, including:

- 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
- Preventative medical care and health maintenance services, including emergency medical services
- Medication and follow-up services for specific program participants
- Preventive and non-cosmetic dental care

Legal Services

Legal services are limited to those services necessary to help program participants obtain housing or keep a program participant from losing housing where they currently reside (to the extent that other appropriate legal services are unavailable within the community). Immigration and citizenship matters and issues relating to mortgages **ARE NOT** eligible costs. Retainer fee arrangements and contingency fee arrangements **ARE NOT** eligible costs.

Life Skills Training

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 is eligible. These must be skills that are necessary to assist the program participant to function independently in the community, including:

- Budgeting resources
- Managing money
- Managing a household
- Resolving conflict
- Shopping for food and needed items
- Improving nutrition

- Using public transportation
- Parenting

Mental Health Services

Direct outpatient treatment of mental health conditions provided by licensed medical professionals (to the extent that other appropriate mental health services are unavailable within the community) are eligible, including:

- Application of therapeutic processes to personal, family, situational, or occupational problems
- Crisis interventions
- Individual, family, or group therapy sessions
- Prescription of psychotropic medications for specific program participants
- Explanations about the use and management of medications

Substance Abuse Treatment Services

Substance abuse treatment services designed to prevent, reduce, eliminate, or deter relapse of substance abuse or addictive behaviors that are provided by licensed or certified professionals (to the extent that other appropriate substance abuse treatment services are unavailable within the community) are eligible, including:

- Client intake and assessment
- Outpatient treatment for up to 30 days
- Group and individual counseling and drug testing
- Inpatient detoxification and other inpatient drug or alcohol treatment **ARE NOT** eligible costs

Transportation

Transportation costs of a program participant's travel to and from medical care, employment, child care, or other eligible essential services facilities are eligible, including:

- Public transportation for program participants to and from emergency shelters or other service facilities
- Travel costs for service workers to accompany or assist program participants to use public transportation to and from emergency shelters or other service facilities
- Travel costs for service workers to visit program participants using their own vehicle¹⁶
- All travel must be billed based on mileage rate and the number of miles driven
- Travel logs detailing the specific destinations, times travel occurred, staff involved, miles traveled, and purposed of travel must be saved for compliance

¹⁶ This can be reimbursed using the Federal mileage rate.

- Costs for gas or vehicle fuel **ARE NOT** eligible
- Costs associated with purchasing or leasing a vehicle **ARE NOT** eligible

Services for Special Populations

Any of the essential services listed above that have been tailored to address the special needs of homeless youth, victims of domestic violence and related crimes/threats, and/or people living with HIV/AIDS who are literally homeless.

Eligible Activities – Operations

Expenses to operate and maintain emergency shelters, including:

Minor or Routine Maintenance

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

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

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

If the grantee is replacing appliances or portions of the structure, they must have both written and photographic documentation on how it was unsafe, unusable, and/or more expensive to repair and continue using than to replace. Eligible costs include:

- Staffing or contracting of qualified persons for repairs
- Installation, appliances, and supplies for replacements
- Installation, appliances, and supplies for non-replacement purposes¹⁷ **ARE NOT** considered minor or routine maintenance
- Renovation, major rehab, and conversion **ARE NOT** eligible. Examples of renovation could include: replacing fixtures, such as the HVAC system or plumbing; replacing a roof; etc.¹⁸

¹⁷ Non-replacement purposes means the introduction of appliances or portions of the structure that were not present in the emergency shelter beforehand (e.g., constructing a new wall, installing a dishwasher when there was not one in the facility already, etc.).

¹⁸ Please refer to HUD notice [CPD-16-02](#) titled "Guidance for Categorizing an Activity as Maintenance for Compliance with HUD Environmental Regulations, 24 CFR Parts 50 and 58" for further guidance on what is considered maintenance.

Rent

The rent for the facility being used as an emergency shelter is eligible. If only a portion of the facility is being used as an emergency shelter, then only the rent for that portion of the facility is eligible for reimbursement under the Emergency Shelter component. Rent for administrative office spaces within the same facility are not eligible under the Emergency Shelter component if they are not used solely for the administration of the emergency shelter. The portion of rent that is allowable is proportionate to the percentage of the facility's total square footage that is being used as an emergency shelter. The calculation of the portion of the rent being billed under Emergency Shelter should be documented in a written memo.

Security

The purchase, installation, and maintaining of security-related items are eligible, including:

- Security cameras
- Security system software and subscriptions
- Locks for windows or doors
- Light fixtures and flashlights

Insurance

The insurance for the facility being used as an emergency shelter is eligible. If only a portion of the facility is being used as an emergency shelter, then only the insurance for that portion of the facility is eligible for reimbursement under the Emergency Shelter component. Insurance for administrative office spaces within the same facility are not eligible under the Emergency Shelter component if they are not used solely for the administration of the emergency shelter. The portion of insurance that is allowable is proportionate to the percentage of the facility's total square footage that is being used as an emergency shelter. The calculation of the portion of the insurance being billed under Emergency Shelter should be documented in a written memo.

Utilities

The utilities for the facility being used as an emergency shelter are eligible. If only a portion of the facility is being used as an emergency shelter, then only the utilities for that portion of the facility are eligible for reimbursement under the Emergency Shelter component. Utilities for administrative office spaces within the same facility are not eligible under the Emergency Shelter component if they are not used solely for the administration of the emergency shelter. The portion of utilities that are allowable is proportionate to the percentage of the facility's total square footage that is being used as an emergency shelter. The calculation of the portion of the utilities being billed under Emergency Shelter should be documented in a written memo. Eligible utilities include:

- Electricity
- Gas
- Water
- Sewage

- Trash
- Internet
- Phone
- Lawn service
- Pest control

Food for Shelter Residents

The purchase of food and supplies for food storage, preparation, and serving are eligible. This can only be for food that is being served to Emergency Shelter eligible clients within a standard emergency shelter.

Furniture and Furnishings

Furniture and furnishings necessary for the operation of an emergency shelter are eligible. This can only be for furniture and furnishings that are used exclusively within the emergency shelter and for Emergency Shelter services.

Equipment

Equipment necessary for the operation of an emergency shelter are eligible. This can only be for equipment that is used exclusively for Emergency Shelter services.

Supplies

Supplies necessary for the operation of an emergency shelter are eligible. This can only be for supplies that are used exclusively for Emergency Shelter services.

Hotel or Motel Vouchers

When no appropriate emergency shelter is available, the grantee may pay for a hotel or motel room directly or through a hotel or motel voucher. Additionally, funds can be used to pay for cleaning of hotel and motel rooms used by program participants as well as to repair damages caused by program participants above normal wear and tear of the room. Essential Services that are eligible under the Emergency Shelter component can be provided to program participants staying in hotels and motels that are being funded under the Emergency Shelter component.

Minimum Shelter Standards

Per [24 CFR part 576.403](#), all emergency shelters funded with ESG must meet and document basic habitability standards. Such as minimum safety, sanitation, and privacy standards related to the following topics:

- Structure and Materials
- Access
- Space and Security
- Interior Air Quality
- Water Supply
- Sanitary Facilities
- Thermal Environment
- Illumination and Electricity
- Food Preparation
- Sanitary Conditions
- Fire Safety

Records to Maintain - Program Participants

Form/Documentation	Criteria	Requirements
MHDC-114 Consent and Homeless Certification	<ul style="list-style-type: none"> • Homeless status documentation <ul style="list-style-type: none"> ○ Include description of specific housing status • Homeless status verification <ul style="list-style-type: none"> ○ Include supporting documentation if third-party verified ○ If a lower priority form of evidence is used, include explanation of why any higher priority forms of evidence were unobtainable and what reasonable attempts were made to acquire those forms of verification (See Documenting Homeless Status) ○ Signature by grantee staff completing the form ○ MHDC Consent Certification from the participant allowing MHDC to review their client files during compliance reviews of the grantee ○ If Category 4, initials from the participant allowing MHDC to review non-identifying information in their client files during compliance reviews of the grantee 	<u>REQUIRED</u>
HMIS/Comparable Database Consent Form	<ul style="list-style-type: none"> • If using HMIS, consent form from the HMIS lead agency to enter and share participants information via HMIS. If using Comparable Database, consent form from the Comparable Database provider to enter the participant's information into the Comparable Database 	<u>REQUIRED</u>
Agency Intake Form	<ul style="list-style-type: none"> • Collects information used to determine: <ul style="list-style-type: none"> ○ Participant's eligibility for ESG activities ○ That the participant has no appropriate subsequent housing options ○ That the participant lacks sufficient resources and support networks to obtain/retain housing • Must be in accordance with the local CoC's coordinated entry process 	<u>REQUIRED</u>
Ending Assistance Letter	<ul style="list-style-type: none"> • If the participant is terminated from the program by the grantee, documentation from the agency showing compliance with 24 CFR 576.402 • If the participant exits the program willingly, documentation from the agency stating when and why the client left 	Recommended
Case Management Documentation	<ul style="list-style-type: none"> • Assessing, arranging, coordinating, and monitoring delivery of services to facilitate housing stability • Dated notes detailing housing goals, plans, and referrals 	Recommended

Records to Maintain - Emergency Shelter Facility

Form/Documentation	Criteria	Requirements
ESG-205 Habitability Standards for Emergency Shelter	<ul style="list-style-type: none"> • If the building meets all standards, keep copy of form on file at building premises • If the building does not meet any standards: <ul style="list-style-type: none"> ○ Notify MHDC Grant Administrator immediately ○ Move to rectify the deficiencies in the shelter immediately ○ Complete a new ESG-205 after rectifying issues ○ Notify MHDC Grant Administrator once the building does meet all standards ○ Keep copy of all completed ESG-205 forms on file at building premises 	REQUIRED FOR for all funded Emergency Shelter facilities
ESG-207 Lead Screening Worksheet	<ul style="list-style-type: none"> • If the building either passes or does not require a visual assessment (Part 3 of the form), keep copy of form on file at building premises • If the building requires and fails a visual assessment (Part 3 of the form): <ul style="list-style-type: none"> ○ Notify MHDC Grant Administrator immediately ○ Complete remaining parts of the ESG-207 and an ESG-208 form ○ Notify MHDC Grant Administrator once the deteriorating paint is repaired ○ Keep copy of all completed ESG-207 and ESG-208 forms on file at building premises 	REQUIRED FOR all funded Emergency Shelter facilities
ESG-208 Property Owner Lead Certification Form	<ul style="list-style-type: none"> • If the building requires and fails a visual assessment (Part 3 of the ESG-207 form): <ul style="list-style-type: none"> ○ Notify MHDC Grant Administrator immediately ○ Complete remaining parts of the ESG-207 and an ESG-208 form ○ Notify MHDC Grant Administrator once the deteriorating paint is repaired • Keep copy of all completed ESG-207 and ESG-208 forms on file at building premises 	REQUIRED IF the answer to Question 2 under Part 3 of the ESG- 207 form is “Yes”

Records to Maintain – Financial

Activity	Acceptable Forms of Documentation (both Cost Incurred and Proof of Payment are required)	
	Cost Incurred	Proof of Cleared Payment
<ul style="list-style-type: none"> • Bills paid • Services performed • Materials purchased 	<ul style="list-style-type: none"> • Invoice • Receipt 	<ul style="list-style-type: none"> • Canceled checks or bank statement with ESG payments highlighted

<ul style="list-style-type: none"> • Travel costs 	<ul style="list-style-type: none"> • Travel log which includes date(s) of travel, from/to, purpose of travel, and other supporting documentation 	<ul style="list-style-type: none"> • If reimbursing employee, need proof of payment to employee • If reimbursing agency, proof of payment is not needed
<ul style="list-style-type: none"> • Employee Compensation 	<ul style="list-style-type: none"> • Timesheets- signed by supervisor and employee detailing eligible ESG activities • Pay stub or payroll report from a third party listing pay periods, employee listed, last four digits of SSN 	<ul style="list-style-type: none"> • Copy of pay stub or payroll report from third party • Bank statement with ESG payments highlighted

Compliance Process

All emergency shelters funded with ESG must meet basic habitability standards as detailed in [24 CFR 576.403](#). Emergency shelters will be inspected during on-site compliance visits to ensure compliance with the minimum habitability standards. Agencies must maintain current and completed ESG-205 and ESG-207 forms on file at the shelter. The Compliance Officer will inspect the building exterior, building systems, parking lots/driveways, playground, lawn, a random selection of sleeping rooms, and any common areas on the property. The Compliance Officer will note any deficiencies found in the post monitoring letter and the grantee will need to provide documentation/photographs indicating that the issues have been corrected. Agencies are responsible for notifying clients prior to the site visit that a MHDC staff member will be on site for an inspection of the shelter.

Emergency Shelter Financial Process

After incurring emergency shelter expenses, grantees may submit for payment using MHDC’s [grant interface](#). Using the follow up forms¹⁹, agencies are expected to completely fill out the online form, and then attach a pdf that includes the following documents:

- ESG-212 (Completely fill out the Emergency Shelter expense detail tab)
- Emergency Shelter HMIS/Comparable Database Report (either a roster or bed/nights report that includes a date range and no identifying client information)

Common reasons that emergency shelter payment requests are discarded:

- Salaries or other eligible program expenses are incurred outside of the eligible funding period.
- The last 4 digits of an employee’s social security number is not included when billing benefits/salary.

¹⁹ The ESG-212 can be accessed [here](#).

- The date range on the HMIS report doesn't match up with the date ranges of the expenses on the ESG-212 Emergency Shelter Expense Detail form.
- Requesting reimbursement for ineligible expenses (i.e., renovations, rehabilitation, bulk medication)
- Amount requested is greater than the amount remaining in the grant balance.
- The wrong subcomponent or expense type is listed on the ESG-212 for individual expenses.
- Not including mileage rate and number of miles driven in the detail description for transportation expenses (i.e., 24 miles x 0.625 = 15).
- Expenses included on the Emergency Shelter Expense Detail are not listed as eligible in the 2023 Desk Guide or HUD's Consolidated Federal Regulations (CFR).
- HMIS\Comparable Database roster has no clients

Program Guidelines

Standards for what must be included in Emergency Shelter program guidelines can be found on MHDC's [website](#). Per [24 CFR 576 Subpart E](#), every ESG grantee must develop and implement program guidelines that include:

- Policy for admission, diversion, referral, and discharge by emergency shelters assisted under ESG, including standards regarding length of stay limits, if any, and safeguards to meet the safety and shelter needs of victims of domestic violence, sexual assault, etc.
- Standards include policy for admission, diversion, referral, and discharge by emergency shelters including standards regarding length of stay limits, if any and safeguards to meet the safety and shelter needs of individuals and families who have the highest barriers to housing and are likely to be homeless the longest.
- Standards include procedure for assessing, prioritizing, and reassessing individuals' and families' needs for essential services related to Emergency Shelter.

Homelessness Prevention

ESG funds may be used for the costs of preventing households from becoming literally homeless ([24 CFR 576.103](#)).

Eligibility

Participants must meet Category 2 or 4 of the homeless definitions or Category 1 of the at-risk of homelessness definition and have an annual income below 30 percent (30%) of area median income (AMI), as determined by HUD, at initial evaluation and all re-evaluations.

<p>Imminent Risk of Homelessness (Category 2)</p>	<p>Individual or family who will imminently lose their primary residence, provided that:</p> <ul style="list-style-type: none"> • Residence will be lost within 14 days of the date of application for homeless assistance; • No subsequent residence has been identified; and • Lacks resources or support networks needed to obtain other permanent housing.
<p>Fleeing/Attempting to Flee Domestic Violence (Category 4)</p>	<p>Individual or family who:</p> <ul style="list-style-type: none"> • is experiencing trauma or a lack of safety related to, or fleeing or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous, traumatic, or life-threatening conditions related to the violence against the individual or a family member in the individual’s or family’s current housing situation, including where the health and safety of children are jeopardized; • has no other safe residence; and • lacks the resources to obtain other safe permanent housing
<p>At Risk of Homelessness (Category 1)</p>	<p>Individual or family who:</p> <ul style="list-style-type: none"> • Has an annual income below 30 percent (30%) of median family income for the area; and • Does not have sufficient resources or support networks immediately available to prevent them from moving to an emergency shelter or another place defined in Category 1 of the “homeless” definition; and • Meets one of the following conditions: <ul style="list-style-type: none"> (A) Has moved because of economic reasons 2 or more times during the 60 days immediately preceding the application for assistance; or (B) Is living in the home of another because of economic hardship; or (C) Has been notified that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance; or (D) Lives in a hotel or motel and the cost is not paid for by charitable organizations or by Federal, State, or local government programs for low-income individuals; or (E) Lives in an SRO or efficiency apartment unit in which there reside more than 2 persons or lives in a larger housing unit in which there reside more than one and a half persons per room; or (F) Is exiting a publicly funded institution or system of care; or (G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient’s approved Consolidated Plan

Eligible Activities – Housing Relocation and Stabilization Services

Costs associated with providing housing relocation and stabilization services to individuals and families, including:

Housing Search and Placement Services

Services or activities necessary to assist program participants in locating, obtaining, and retaining suitable permanent housing are eligible, including:

- Assessment of housing barriers, needs, and preferences
- Development of an action plan for locating housing
- Housing search
- Outreach to and negotiation with owners
- Assistance with submitting rental applications and understanding leases
- Assessment of housing for compliance with ESG requirements for habitability, lead-based paint, and rent reasonableness
- Assistance with obtaining utilities and making moving arrangements
- Tenant counseling

Housing Stability Case Management

Assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing are eligible. 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:

- Using the centralized or coordinated assessment system as required under [24 CFR 576.400\(d\)](#) to evaluate individuals and families applying for or receiving Homelessness Prevention
- Conducting the initial evaluation required under [24 CFR 576.401\(a\)](#), including verifying and documenting eligibility, for individuals and families applying for Homelessness Prevention
- Counseling
- Developing, securing, and coordinating services and obtaining Federal, State, and local benefits
- Monitoring and evaluating program participant progress
- Conducting re-evaluations required under [24 CFR 576.401\(b\)](#)

- Developing an individualized housing and service plan, including planning a path to permanent housing stability
- Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking
- Providing information and referrals to other providers

Mediation

Paying for mediation between the program participant and the owner or person(s) with whom the program participant is living, provided that the mediation is necessary to prevent the program participant from losing permanent housing in which the program participant currently resides, is eligible.

Legal Services

Legal services are limited to those services necessary to help program participants obtain housing or keep a program participant from losing housing where they currently reside. Immigration and citizenship matters and issues relating to mortgages are ineligible costs. Retainer fee arrangements and contingency fee arrangements are ineligible costs.

Credit Repair

Paying for credit counseling and other services necessary to assist program participants with critical financial skills are eligible, including skills related to:

- Household budgeting
- Managing money
- Accessing a free personal credit report
- Resolving personal credit problems
- Payment or modification of debt **IS NOT** eligible

Eligible Activities – Financial Assistance

Direct financial payments to housing owners, utility companies, and other third parties for a tenant are eligible, including:

Moving Costs

Paying for moving costs, such as truck rental or hiring a moving company are eligible. 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 Housing Relocation and Stabilization Services under Homelessness Prevention and before the program participant moves into permanent housing. Payment of temporary storage fees in arrears **IS NOT** eligible.

Rent Application Fees

Paying for the rental housing application fee that is charged by the owner to all applicants is eligible. If the household has multiple members who are required to pay a fee, each rental application fee charged to the household can be reimbursed.

Last Month's Rent

If necessary to obtain housing for a program participant, paying the last month's rent to the owner of that housing at the time the owner is paid the security deposit and the first month's rent is eligible. This assistance must not exceed one month's rent.

Security and Utility Deposits

Paying for a standard security deposit required by the landlord for all customers is eligible. Security deposits may not exceed two months of rent. Paying for a standard utility deposit required by the utility company for all customers for the following utilities is also eligible:

- Gas
- Electric
- Water
- Sewage

Utility Payments

Paying for up to 24 months of utility payments per program participant, per service is eligible. 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 include:

- Gas
- Electric
- Water
- Sewage

Utility Arrears

One-time payment of up to six months of arrears, including late fees per eligible utility service. The one-time payment can be split between multiple delinquent accounts for the same service as long as the assistance does not exceed more than 6 months of arrears in total. 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 include:

- Gas
- Electric
- Water
- Sewage

Eligible Activities - Rental Assistance

Direct rental payments to housing owners, landlords, and other third parties for a tenant are eligible. 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. Eligible costs include:

Short-Term Rental Assistance

Providing up to three months of rental assistance. Short-term 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.

Medium-Term Rental Assistance

Providing between 3 to 24 months of rental assistance. Medium-term 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 Arrears

One-time payment of up to six months rental arrears, including late fees on the arrears.

Additional Requirements

Housing Stability Case Management

While providing Homelessness Prevention, the case manager must:

- Attempt to meet with the participant at least once per month and document attempts to maintain contact and schedule meetings with clients, to assist the program participant in ensuring long-term housing stability (unless the grantee/sub-grantee is exempt from this requirement under the Violence Against Women Act (VAWA) or the Family Violence Prevention and Services Act which prohibit making its shelter or housing conditional on the participant's acceptance of services); and
- Develop a plan to assist the program participant to retain permanent housing after the ESG assistance ends, taking into account all relevant considerations such as the participant's current or expected income and expenses; other public or private assistance for which the participant will be eligible and likely to receive; and the relative affordability of available housing in the area.

Forms of Rental Assistance

Rental Assistance can come in one-of-two forms:

Tenant-Based Rental Assistance

A program participant 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. The grantee may require that all program participants live within a particular area for the period in which the rental assistance is provided. There must be a lease between the owner and the program participant. Prior to assistance, the grantee and the owner must have a rental assistance agreement. The rental assistance agreement must terminate and no further rental assistance payments under that agreement may be made if:

- The program participant moves out of the housing unit for which the participant has a lease; or
- The lease terminates and is not renewed; or
- The program participant becomes ineligible to receive ESG rental assistance under Homelessness Prevention.

Project-Based Rental Assistance

The grantee may enter into a rental assistance agreement with the owner of an ESG eligible permanent housing unit to reserve the unit and subsidize its rent prior to a program participant moving into the unit. The rental assistance agreement may cover one or more permanent housing units in the same building. Each unit covered by the rental assistance agreement may only be occupied by ESG eligible program participants. The following rules apply to all project-based rental assistance:

- The grantee may pay up to 100 percent (100%) of the first month's rent, provided that a program participant signs a lease with the owner 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.
- The grantee may make monthly rental assistance payments only for each whole or partial month an assisted unit is leased to a program participant, except that if a program participant moves out of an assisted unit before expiration of the agreement.
- The grantee may use ESG funds to cover up to 100 percent (100%) of the rent for the unit for up to 30 days from the end of the month in which the unit was vacated while the grantee attempts to house another eligible program participant in that unit.
- The rental assistance agreement between the grantee and the owner must have an initial term of no less than one year.
- 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 grantee must suspend or terminate the rental assistance payments for the unit. If the payments are suspended, the individual or family may remain in the assisted unit as permitted under the lease, and the grantee 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.
- 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.

Using Rental Assistance with Other Subsidies

Rental assistance cannot be provided to program participants receiving tenant-based rental assistance or living in a housing unit receiving project-based rental assistance or operating assistance through other public sources for the same time period. Rental arrears can be provided to households receiving rental subsidies.

Rent Restrictions

Rent for units assisted with ESG must not exceed the lesser of the rent reasonableness standard ([24 CFR 982.507](#)) or [Fair Market Rent \(FMR\) limits](#)²⁰. Rent must be reasonable when compared to three other units with the same number of bedrooms and similar size, type, and amenities within the community. Rent must also be at or below the HUD established Fair Market Rent for the household composition and unit size in the area. When determining a unit’s compliance with rent reasonableness and FMR, all utilities paid for by the resident must be included in the total rental cost. This includes any utilities with fixed rates that are documented in the lease and utilities that are paid based on usage. For utilities paid on a usage-basis, a utility allowance must be calculated should using the utility allowance schedule for the county the unit is in from a local Public Housing Authority (PHA). Documentation that these standards are met is completed with the ESG-206 form.

Maximum Unit Size for Rent Restrictions

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Minimum	1 person	2 people	3 people	4 people
Maximum	2 people	3 people	4 people	6 people

Rent reasonableness and FMR compliance should be based on both the number of bedrooms of the unit and the size of the household. The table above shows the minimum and maximum number of people that are eligible to occupy different unit sizes. If the number of bedrooms for the proposed unit exceeds the household size, then the other comparable units for Rent Reasonableness must have, and the FMR rate used must be for, the number of bedrooms of the reasonable household size²¹.

If there are no units available in the community that comply with the rent reasonableness and FMR standards of the program participant’s household size, grantees can request a household composition exemption from MHDC prior to placing the participant in housing. This exemption would allow the grantee to put the participant household in a unit that exceeds their household size. Grantees may email the ESG Administrator at drew.geer@mhdc.com to request a household size exemption. If granted the exemption, the unit still must

²⁰As defined in [24 CFR Part 888](#)

²¹For example, if the proposed unit for a household of three people has 4 bedrooms, then the comparable units must be 3 bedroom units and the FMR rate used must be for 3 bedroom units

comply with rent reasonableness and FMR standards for the unit size. Requirements do not apply for households not receiving ESG rental assistance.

Lead-Based Paint and Minimum Habitability Standards

All housing occupied by ESG program participants must be inspected for lead-based paint in accordance with [24 CFR 35](#). ESG funds must be used to help participants obtain or maintain housing that meets minimum habitability standards ([24 CFR 576.403](#)). Documentation that these standards are met is completed with the ESG-205 and ESG-207 forms.

Maximum Assistance

The maximum period for which any program participant may receive ESG services must not exceed 24 months during any three-year period. A certification of receipt of ESG assistance must be completed by the client, via form ESG-204, to ensure eligible client assistance.

Rental Assistance Agreements

ESG grantees providing rental assistance must enter into a rental assistance agreement²² with the owner of the housing for which funds are being provided in accordance with [24 CFR 576.106\(e\)](#). This documented agreement establishes the terms under which rental assistance will be provided, and it requires the owner to provide a copy of any notice provided to program participants to vacate the housing unit or any complaint used under state or local law to evict the program participant to the agency providing ESG rental assistance. This is not a legally-binding agreement and is not the same as a lease or sublease.

Leases

In accordance with [24 CFR 576](#), each program participant receiving rental assistance must have a legally binding, written lease for the rental unit. This 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, the lease must have an initial term of no less than one 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 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](#), then the lease provision or lease addendum may be written to expire at the end of the rental assistance period.

²² MHDC has a "Sample Rental Assistance Agreement" located [here](#)

Records to Maintain - Program Participants - General

Form/Documentation	Criteria	Requirements
MHDC-114 Consent and Homeless Certification	<ul style="list-style-type: none"> • Homeless status documentation <ul style="list-style-type: none"> ○ Include description of specific housing status • Homeless status verification <ul style="list-style-type: none"> ○ Include supporting documentation if third-party verified ○ If a lower priority form of evidence is used, include explanation of why any higher priority forms of evidence were unobtainable and what reasonable attempts were made to acquire those forms of verification (See Documenting Homeless Status) ○ Signature by grantee representative completing the form • Consent to sharing information with MHDC <ul style="list-style-type: none"> ○ Signature from the participant allowing MHDC to review their client files during compliance reviews of the grantee ○ If Category 4, initials from the participant allowing MHDC to review non-identifying information in their client files during compliance reviews of the grantee 	<p style="text-align: center;"><u>REQUIRED</u></p>
HMIS/Comparable Database Consent Form	<ul style="list-style-type: none"> • If using HMIS, consent form from the HMIS lead agency to enter the participant’s information into HMIS • If using Comparable Database, consent form from the Comparable Database provider to enter the participant’s information into the Comparable Database 	<p style="text-align: center;"><u>REQUIRED</u></p>
Agency Intake Form	<ul style="list-style-type: none"> • Collects information used to determine: <ul style="list-style-type: none"> ○ Participant’s eligibility for ESG activities ○ That the participant has no appropriate subsequent housing options ○ That the participant lacks sufficient resources and support networks to obtain/retain housing ○ The total household income is below 30 percent area median income (AMI) ○ The minimum amount and types of assistance necessary • Must be in accordance with the local CoC’s coordinated entry process 	<p style="text-align: center;"><u>REQUIRED</u></p>
ESG-204 Receipt of Assistance	<ul style="list-style-type: none"> • Participant certifies that they have not received ESG services or assistance for more than twenty-four (24) months in the past three (3) years • Participant must sign the form 	<p style="text-align: center;"><u>REQUIRED</u></p>

Ending Assistance Letter	<ul style="list-style-type: none"> If the participant is terminated from the program by the grantee, documentation from the agency showing compliance with 24 CFR 576.402 If the participant exits the program willingly, documentation from the agency stating when and why the client left 	REQUIRED IF the participant is no longer in the program
Case Management Documentation	<ul style="list-style-type: none"> Assessing, arranging, coordinating, and monitoring delivery of services to facilitate housing stability Dated notes detailing housing goals, plans, and referrals 	Recommended

Records to Maintain - Program Participants Identification Documentation

Form/Documentation	Criteria	Requirements
Photo Identification	<ul style="list-style-type: none"> Scanned copy of photo identification for all members of the household age 18 and over If photo identification is unavailable upon entry, agencies must adequately document efforts to obtain these and follow up in case management notes when ID has been received 	REQUIRED UNLESS the household falls under Category 4 of the homeless definition AND the grantee has been permitted to use the MHDC-110 form
Social Security Identification	<ul style="list-style-type: none"> Scanned copy of Social Security Card or printout from social security office including SSN for all members of the household If Social Security Information is unavailable upon entry, agencies must adequately document efforts to obtain these and follow up in case management notes when Social Security Card has been received 	REQUIRED UNLESS the household falls under Category 4 of the homeless definition AND the grantee has been permitted to use the MHDC-110 form
MHDC-110 Identification Certification	<ul style="list-style-type: none"> If the grantee has been permitted to use the MHDC-110 form AND the household falls under Category 4 of the homeless definition, then this form can be used in place of keeping a scanned copy of Photo/Social Security Identification Grantee representative must attest to having seen eligible Photo Identification for all adults in the household and Social Security Identification for all members of the household Must be signed by grantee representative who saw forms of identification and the grantee's executive director 	REQUIRED IF the household falls under Category 4 of the homeless definition AND the grantee been permitted by MHDC to use the MHDC-110 form

Records to Maintain - Program Participants Income and Recertification

Form/Documentation	Criteria	Requirements
ESG-201 Income Eligibility Worksheet	<ul style="list-style-type: none"> Information for all household members and sources of income to determine annual income Household must be under 30% of Area Median Income for household size²³ to be considered eligible 	<p>REQUIRED Initially AND every time household is recertified (3 Months)</p>
Supporting Documentation of Sources of Income	<ul style="list-style-type: none"> Third-party documents that verify the gross annual income for every household member age 18 and over Sufficient Documentation <ul style="list-style-type: none"> Minimum of 2 paystubs reflecting frequency of pay and current within 30 days SSI/SSDI award letter/printout Child support statement EBT statement for TANF If income source documents are unobtainable, MHDC-112 form must be completed. Must document attempts to obtain source documentation in client file notes If the participant has no income, MHDC-103 form must be completed. 	<p>REQUIRED Initially AND every time household is recertified (3 Months)</p>
MHDC-112 Verification of Income	<ul style="list-style-type: none"> If Supporting Documentation of Sources of Income are unobtainable, this form must be completed. Must document attempts to obtain source documentation in client file notes Third-party written verification that verify the gross annual income for every household member age 18 and over Requires signature from participant and payment source representative If the participant has multiple distinct sources of non-employment income, a MHDC-112 must be completed for each of those sources of income If third-party written verification for any of the participant's sources of income is unobtainable OR the participant has no income, MHDC-103 form must be completed. Must document attempts to obtain third-party written verification in client file notes 	<p>REQUIRED Initially AND every time household is recertified (3 Months) IF the grantee is unable to obtain Supporting Documentation of Sources of Income</p>

²³ Can be found at <https://www.huduser.gov/portal/datasets/il.html>. Ensure to use the most recent AMI numbers when determining a household's eligibility.

<p style="text-align: center;">MHDC-103 Self-declaration of Income</p>	<ul style="list-style-type: none"> • If third-party written verification for any of the participant’s sources of income is unobtainable OR the participant has no income, MHDC-103 form must be completed. • Self-certification of gross annual income for every household member age 18 and over • Grantee must document attempts to obtain source documentation and third-party written verification • Requires signature from participant and grantee representative • If the participant has more than three distinct sources of income that the grantee could not obtain third-party verification of, a MHDC-103 must be completed for each additional 3 sources of income 	<p style="text-align: center;"><u>REQUIRED</u> Initially AND every time household is recertified (3 Months) IF the participant has no income OR IF the grantee is unable to obtain Supporting Documentation of Sources of Income</p>
<p style="text-align: center;">ESG-209 Recertification Form</p>	<ul style="list-style-type: none"> • Housing Status <ul style="list-style-type: none"> ○ Complete new MHDC-114 with updated third-party documentation • Income <ul style="list-style-type: none"> ○ For every member of the household over 18 ○ If participant has income, complete new ESG-201 and provide updated supporting document, MHDC-112, or MHDC-103 based on guidance above ○ If participant is zero income, complete a new MHDC-103 	<p style="text-align: center;"><u>REQUIRED</u> every time household is recertified (3 Months)</p>

Records to Maintain - Program Participants Receiving Rental Assistance

Form/Documentation	Criteria	Requirements
<p style="text-align: center;">Proof of Need</p>	<ul style="list-style-type: none"> • Third-party documentation provided by/on behalf of participant to determine amounts and types of assistance needed for the household to gain stability in permanent housing • Proof of threat of homelessness without assistance <ul style="list-style-type: none"> ○ Eviction notice/documentation ○ Utility shutoff notice • Proof of need for each Direct Assistance expense <ul style="list-style-type: none"> ○ Lease ○ Invoice/bill ○ Letter/notice from landlord/utility company for arrears ○ Proof of Need for Direct Assistance should be documented <u>BOTH</u> in client files AND with the other financial back-up for expenses listed on each submitted ESG-212 	<p style="text-align: center;"><u>REQUIRED</u> for all funded Financial Assistance and Rental Assistance expenses</p>

<p>Proof of Payment for ESG reimbursement</p>	<ul style="list-style-type: none"> • Canceled checks or bank statement with ESG payments highlighted • Returned checks log • Proof of Payment for Direct Proof of Payment for Direct Assistance should be documented <u>BOTH</u> in client files <u>AND</u> with the other financial back-up for expenses listed on each submitted ESG-212 	<p><u>REQUIRED</u> for all funded Financial Assistance and Rental Assistance expenses</p>
<p>ESG-205 Habitability Standards for Permanent Housing</p>	<ul style="list-style-type: none"> • If the unit meets all standards, keep copy of form in participant’s file • If the unit does not meet any standards: <ul style="list-style-type: none"> ○ Do not request reimbursement for any Rental Payments made to the unit until deficiencies are rectified ○ Complete a new ESG-205 after rectifying issues • Keep copy of all completed ESG-205 forms in participant’s file 	<p><u>REQUIRED FOR</u> all units that received funded Rental Payments (excludes Rental Arrears and Last Month’s Rent)</p>
<p>ESG-206 Rent Reasonableness and Fair Market Rent Certification</p>	<ul style="list-style-type: none"> • Unit must meet both Rent Reasonableness AND FMR requirements before funded rental payments are made • Utility allowance calculation should be based off of a utility allowance schedule for the county the unit is in from a local Public Housing Authority (PHA) • Rent Reasonableness <ul style="list-style-type: none"> ○ Must compare proposed unit to three other units with the same number of bedrooms and similar size, type, and amenities that are as or more expensive than the proposed unit ○ Monthly unit rent should include both base rent and utility allowance ○ Include documentation showing the bedroom required information, including tenant paid utilities and current rent, for each comparable unit. This can be a printout from a real estate website like Zillow or Realtor ○ The same comparable unit(s) may be used to show rent reasonableness for other clients/proposed units if the other proposed units have the same number of bedrooms and similar size, type, and amenities as the original proposed unit. • Fair Market Rent (FMR) <ul style="list-style-type: none"> ○ Unit must be under FMR for the area and household size²⁴ to be considered eligible ○ Utilities that have outlined fixed costs in the lease must be included in the Contract Rent for the unit 	<p><u>REQUIRED FOR</u> all units that received funded Rental Payments (excludes Rental Arrears and Last Month’s Rent)</p>

²⁴ Can be found at <https://www.huduser.gov/portal/datasets/fmr.html>. Ensure to use the most recent FMR numbers when determining a household’s eligibility.

<p>ESG-207 Lead Screening Worksheet</p>	<ul style="list-style-type: none"> • If the unit either passes or does not require a visual assessment (Part 3 of the form), keep copy of form in participant’s file • If the unit requires and fails a visual assessment (Part 3 of the form): <ul style="list-style-type: none"> ○ Do not request reimbursement for any Rental Payments made to the unit until deficiencies are rectified ○ Complete remaining parts of the ESG-207 and an ESG-208 form • Keep copy of all completed ESG-207 and ESG-208 forms in participant’s file 	<p><u>REQUIRED FOR</u> all units that received funded Rental Payments (excludes Rental Arrears and Last Month’s Rent)</p>
<p>ESG-208 Property Owner Lead Certification Form</p>	<ul style="list-style-type: none"> • If the unit requires and fails a visual assessment (Part 3 of the ESG-207 form): <ul style="list-style-type: none"> ○ Do not request reimbursement for any Rental Payments made to the unit until deficiencies are rectified ○ Complete remaining parts of the ESG-207 and an ESG-208 form • Keep copy of all completed ESG-207 and ESG-208 forms in participant’s file 	<p><u>REQUIRED IF</u> the answer to Question 2 under Part 3 of the ESG-207 form is “Yes”</p>
<p>Rental Assistance Agreement</p>	<ul style="list-style-type: none"> • <u>Agreement between the LANDLORD AND GRANTEE</u> • Outlines agreed upon expenses that will be covered by grantee, the timeline of assistance, and any share of expenses covered by the participant • Grantee must have Rental Assistance Agreement before funded Rental Payments are made 	<p><u>REQUIRED FOR</u> all units that received funded Rental Payments (excludes Rental Arrears and Last Month’s Rent)</p>
<p>Lease</p>	<ul style="list-style-type: none"> • <u>Legally-binding lease between LANDLORD AND PARTICIPANT</u> • Grantee must Lease before funded Rental Payments are made • Sub-leases, verbal agreements, or leases between the landlord and someone other than the participant (i.e., the grantee, another individual, etc.) are not acceptable 	<p><u>REQUIRED FOR</u> all units that received funded Rental Payments (excludes Rental Arrears and Last Month’s Rent)</p>

Records to Maintain – Financial

Activity	Acceptable Forms of Documentation (both Cost Incurred and Proof of Payment are required)	
	Cost Incurred	Proof of Cleared Payment
<ul style="list-style-type: none"> • Rental Assistance • Financial Assistance 	<ul style="list-style-type: none"> • Proof of threat of homelessness without assistance <ul style="list-style-type: none"> • Eviction notice/documentation • Utility shutoff notice • Proof of need for each Direct Assistance expense <ul style="list-style-type: none"> • Lease • Invoice/bill • Letter/notice from landlord/utility company for arrears • Proof of Need for Direct Assistance should be documented <u>BOTH</u> in client files <u>AND</u> with the other financial back-up for expenses listed on each submitted ESG-212 	<ul style="list-style-type: none"> • Canceled checks or bank statement with ESG payments highlighted • Returned checks log • Proof of Payment for Direct Assistance should be documented <u>BOTH</u> in client files <u>AND</u> with the other financial back-up for expenses listed on each submitted ESG-212
<ul style="list-style-type: none"> • Bills paid • Services performed • Materials purchased 	<ul style="list-style-type: none"> • Invoice • Receipt 	<ul style="list-style-type: none"> • Canceled checks or bank statement with ESG payments highlighted
<ul style="list-style-type: none"> • Travel costs 	<ul style="list-style-type: none"> • Travel logs which includes date(s) of travel, destinations with, mileage, date, staff members involved, and purpose of travel 	<ul style="list-style-type: none"> • If reimbursing employee for travel mileage keep copy of paystub/payroll report
<ul style="list-style-type: none"> • Employee Compensation 	<ul style="list-style-type: none"> • Timesheets- signed by supervisor and employee detailing eligible ESG activities • Pay stub or payroll report from a third party listing pay periods, employee listed, last four digits of SSN 	<ul style="list-style-type: none"> • Copy of pay stub or payroll report from third party • Bank statement with ESG payments highlighted

Homelessness Prevention Financial Process

After incurring homelessness prevention expenses, grantees may submit for payment using MHDC’s [grant interface](#). Using the follow up forms²⁵, agencies are expected to completely fill out the online form, and then attach a pdf that includes the following documents:

²⁵ The ESG-212 can be accessed [here](#)

- ESG-212 (Completely fill out the Homelessness Prevention expense detail tab)
- HMIS/Comparable Database Report (For Homelessness Prevention, this looks like a list that outlines the client ID, service type, paid date, and amount paid.)

Common reasons that homelessness prevention payment requests are discarded:

- Salaries or other eligible program expenses are incurred outside of the eligible funding period
- The last 4 digits of an employee’s social security number is not included when billing benefits/salary
- Amount requested is greater than the amount remaining in the grant balance.
- The wrong subcomponent or expense type is listed on the ESG-212 for individual expenses.
- Expenses included on the Homelessness Prevention Expense Detail are not listed as eligible in the 2023 Desk Guide or HUD’s Consolidated Federal Regulations (CFR).
- HMIS roster missing direct assistance payments that are included on the Homelessness Prevention Expense Detail

Program Guidelines

Standards for what should be included in Homelessness Prevention program guidelines can be found at <https://www.endhomelessnessmo.org/gceh-policies> and on MHDC’s [website](#). Per [24 CFR 576 Subpart E](#), every ESG grantee must develop and implement program guidelines that include:

- Procedure for determining and prioritizing which eligible individuals and families will received Homeless Prevention and which eligible individuals and families will receive Rapid Rehousing assistance.
- Procedure for determining what percentage or amount of rent and utilities cost each program participant must pay while receiving Homelessness Prevention assistance.
- Procedure for determining how long a program participant will be provided rental assistance and whether and how the amount of that assistance will be adjusted over time.
- Procedure for determining the type, amount, and duration of housing stabilization and/or relocation services to provide, including the limits, if any, on the Homelessness Prevention that each program participant may receive, such as the maximum amount of assistance, maximum number of months in the program, or the maximum number of times the program participant may receive assistance.
- Policy for addressing the needs of ineligible applicants.

Rapid Rehousing

ESG funds may be used for the costs of moving literally homeless individuals and families ([24 CFR 576.104](#)) quickly into permanent housing and achieve stability in that housing.

Eligibility

Participants must meet Category 1 or 4 of the homeless definition which must be determined upon initial evaluation. Upon annual re-evaluation, the individual or family must have an annual income that is at or below 30 percent (30%) of the area median income, as determined by HUD.

<p>Literally Homeless (Category 1)</p>	<p>Individual or family who lacks a fixed, regular, and adequate nighttime residence:</p> <ul style="list-style-type: none"> • Has a primary nighttime residence that is a public or private place not meant for human habitation; • Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, hotels/motels paid for by charitable organizations or federal, state, and local government programs; or • Is exiting an institution where participant has 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.
<p>Fleeing/Attempting to Flee Domestic Violence (Category 4)</p>	<p>Individual or family who:</p> <ul style="list-style-type: none"> • is experiencing trauma or a lack of safety related to, or fleeing or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous, traumatic, or life-threatening conditions related to the violence against the individual or a family member in the individual’s or family’s current housing situation, including where the health and safety of children are jeopardized; • has no other safe residence; and • lacks the resources to obtain other safe permanent housing

Eligible Activities – Housing Relocation and Stabilization Services

Costs associated with providing services to individuals and families, including:

Housing Search and Placement Services

Services or activities necessary to assist program participants in locating, obtaining, and retaining suitable permanent housing are eligible, including:

- Assessment of housing barriers, needs, and preferences
- Development of an action plan for locating housing
- Housing search
- Outreach to and negotiation with owners
- Assistance with submitting rental applications and understanding leases

- Assessment of housing for compliance with ESG requirements for habitability, lead-based paint, and rent reasonableness
- Assistance with obtaining utilities and making moving arrangements
- Tenant counseling

Housing Stability Case Management

Assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing are eligible. 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:

- Using the centralized or coordinated assessment system as required under [24 CFR 576.400\(d\)](#) to evaluate individuals and families applying for or receiving Rapid Rehousing
- Conducting the initial evaluation required under [24 CFR 576.401\(a\)](#), including verifying and documenting eligibility, for individuals and families applying for Rapid Rehousing
- Counseling
- Developing, securing, and coordinating services and obtaining federal, state, and local benefits
- Monitoring and evaluating program participant progress
- Conducting re-evaluations required under [24 CFR 576.401\(b\)](#)
- Developing an individualized housing and service plan, including planning a path to permanent housing stability
- Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking
- Providing information and referrals to other providers

Mediation

Paying for mediation between the program participant and the owner or person(s) with whom the program participant is living, provided that the mediation is necessary to prevent the program participant from losing permanent housing in which the program participant currently resides, is eligible.

Legal Services

Legal services are limited to those services necessary to help program participants obtain housing or keep a program participant from losing housing where they currently reside. Immigration and citizenship matters and issues relating to mortgages are ineligible costs. Retainer fee arrangements and contingency fee

arrangements are ineligible costs.

Credit Repair

Paying for credit counseling and other services necessary to assist program participants with critical financial skills are eligible, including skills related to:

- Household budgeting
- Managing money
- Accessing a free personal credit report
- Resolving personal credit problems
- Payment or modification of debt **IS NOT** eligible

Eligible Activities – Financial Assistance

Direct financial payments to housing owners, utility companies, and other third parties for a tenant are eligible, including:

Moving Costs

Paying for moving costs, such as truck rental or hiring a moving company are eligible. 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 Housing Relocation and Stabilization Services under Rapid Rehousing and before the program participant moves into permanent housing. Payment of temporary storage fees in arrears **IS NOT** eligible.

Rent Application Fees

Paying for the rental housing application fee that is charged by the owner to all applicants is eligible. If the household has multiple members who are required to pay a fee, each rental application fee charged to the household can be reimbursed.

Last Month's Rent

If necessary to obtain housing for a program participant, paying the last month's rent to the owner of that housing at the time the owner is paid the security deposit and the first month's rent is eligible. This assistance must not exceed one month's rent.

Security and Utility Deposits

Paying for a standard security deposit required by the landlord for all customers is eligible. Security deposits may not exceed two months of rent. Paying for a standard utility deposit required by the utility company for all customers for the following utilities are also eligible:

- Gas
- Electric

- Water
- Sewage

Utility Payments

Paying for up to 24 months of utility payments per program participant, per service is eligible. 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 include:

- Gas
- Electric
- Water
- Sewage

Utility Arrears

One-time payment of up to six months of arrears, including late fees per eligible utility service. The one-time payment can be split between multiple delinquent accounts for the same service as long as the assistance does not exceed more than 6 months of arrears in total. 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 include:

- Gas
- Electric
- Water
- Sewage

Eligible Activities - Rental Assistance

Direct rental payments to housing owners, landlords, and other third parties for a tenant are eligible. 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. Eligible costs include:

Short-Term Rental Assistance

Providing up to three months of rental assistance. Short-term 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.

Medium-Term Rental Assistance

Providing between 3 to 24 months of rental assistance. Medium-term 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 Arrears

One-time payment of up to six months rental arrears, including late fees on the arrears.

Additional Requirements

Housing Stability Case Management

While providing Rapid Rehousing services, the case manager must:

- Attempt to meet with the participant at least once per month and document attempts to maintain contact and schedule meetings with clients, to assist the program participant in ensuring long-term housing stability (unless the grantee/sub-grantee is exempt from this requirement under the Violence Against Women Act (VAWA) or the Family Violence Prevention and Services Act which prohibit making its shelter or housing conditional on the participant's acceptance of services); and
- Develop a plan to assist the program participant to retain permanent housing after the ESG assistance ends, taking into account all relevant considerations such as the participant's current or expected income and expenses; other public or private assistance for which the participant will be eligible and likely to receive; and the relative affordability of available housing in the area.

Forms of Rental Assistance

Rental Assistance can come in one-of-two forms:

Tenant-Based Rental Assistance

A program participant 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. The grantee may require that all program participants live within a particular area for the period in which the rental assistance is provided. There must be a lease between the owner and the program participant. Prior to assistance, the grantee and the owner must have a rental assistance agreement. The rental assistance agreement must terminate and no further rental assistance payments under that agreement may be made if:

- The program participant moves out of the housing unit for which the program participant has a lease; or
- The lease terminates and is not renewed; or
- The program participant becomes ineligible to receive ESG rental assistance under Homelessness Prevention.

Project-Based Rental Assistance

The grantee may enter into a rental assistance agreement with the owner of an ESG eligible permanent housing unit to reserve the unit and subsidize its rent prior to a program participant moving into the unit. The rental assistance agreement may cover one or more permanent housing units in the same building. Each unit covered by the rental assistance agreement may only be occupied by ESG eligible program participants. The following rules apply to all project-based rental assistance:

- The grantee may pay up to 100 percent (100%) of the first month's rent, provided that a program participant signs a lease with the owner 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.

- The grantee may make monthly rental assistance payments only for each whole or partial month an assisted unit is leased to a program participant, except that if a program participant moves out of an assisted unit before expiration of the agreement.
- The grantee may use ESG funds to cover up to 100 percent (100%) of the rent for the unit for up to 30 days from the end of the month in which the unit was vacated while the grantee attempts to house another eligible program participant in that unit.
- The rental assistance agreement between the grantee and the owner must have an initial term of no less than one year.
- 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 grantee must suspend or terminate the rental assistance payments for the unit. If the payments are suspended, the individual or family may remain in the assisted unit as permitted under the lease, and the grantee 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.
- 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.

Using Rental Assistance with Other Subsidies

Rental assistance cannot be provided to program participants receiving tenant-based rental assistance or living in a housing unit receiving project-based rental assistance or operating assistance through other public sources for the same time period. Rental arrears can be provided to households receiving rental subsidies.

Rent Restrictions

Rent for units assisted with ESG must not exceed the lesser of the rent reasonableness standard ([24 CFR 982.507](#)) or [Fair Market Rent \(FMR\) limits](#)²⁶. Rent must be reasonable when compared to three other units with the same number of bedrooms and similar size, type, and amenities within the community. Rent must also be at or below the HUD established Fair Market Rent for the household composition and unit size in the area. When determining a unit's compliance with rent reasonableness and FMR, all utilities paid for by the

²⁶As defined in [24 CFR Part 888](#)

resident must be included in the total rental cost. This includes any utilities with fixed rates that are documented in the lease and utilities that are paid based on usage. For utilities paid on a usage-basis, a utility allowance should be calculated using the utility allowance schedule for the county the unit is in from a local Public Housing Authority (PHA). Documentation that these standards are met is completed with the ESG-206 form.

Maximum Unit Size for Rent Restrictions

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Minimum	1 person	2 people	3 people	4 people
Maximum	2 people	3 people	4 people	6 people

Rent reasonableness and FMR compliance should be based on both the number of bedrooms of the unit and the size of the household. The table above shows the minimum and maximum number of people that are eligible to be housed in units at different unit sizes. If the number of bedrooms for the proposed unit exceeds the household size, then the other comparable units for Rent Reasonableness must have, and the FMR rate used must be for, the number of bedrooms of the reasonable household size²⁷.

If there are no units available in the community that are both under FMR and rent reasonable for the program participant’s household size, grantees can request a household composition exemption from MHDC prior to placing the participant in housing. This exemption would allow the grantee to put the participant household in a unit that exceeds their household size. Grantees may email the ESG Administrator at drew.geer@MHDC.com to request a household size exemption. If granted the exemption, the unit still must be both under FMR and rent reasonable for the bedroom size. Requirements do not apply for households not receiving ESG rental assistance.

Lead-Based Paint and Minimum Habitability Standards

All housing occupied by ESG program participants must be inspected for lead-based paint in accordance with [24 CFR 35](#). ESG funds must be used to help participants obtain or maintain housing that meets minimum habitability standards ([24 CFR 576.403](#)).

Maximum Assistance

The maximum period for which any program participant may receive ESG services must not exceed 24 months during any three-year period. A certification of receipt of ESG assistance must be completed by the client, via form ESG-204, to ensure eligible client assistance.

Rental Assistance Agreements

²⁷ For example, if the proposed unit for a household of three people has 4 bedrooms, then the comparable units must be 3 bedroom units and the FMR rate used must be for 3 bedroom units.

ESG grantees providing rental assistance must enter into a rental assistance agreement²⁸ with the owner of the housing for which funds are being provided in accordance with [24 CFR 576.106\(e\)](#). This documented agreement establishes the terms under which rental assistance will be provided, and it requires the owner to provide a copy of any notice provided to program participants to vacate the housing unit or any complaint used under state or local law to evict the program participant to the agency providing ESG rental assistance. This is not a legally-binding agreement and is not the same as a lease or sublease.

Leases

In accordance with [24 CFR 576](#), each program participant receiving rental assistance must have a legally binding, written lease for the rental unit. This 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, the lease must have an initial term of no less than one 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 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](#), then the lease provision or lease addendum may be written to expire at the end of the rental assistance period.

²⁸ MHDC has a “Sample Rental Assistance Agreement” located [here](#)

Records to Maintain - Program Participants - General

Form/Documentation	Criteria	Requirements
<p>MHDC-114 Consent and Homeless Certification</p>	<ul style="list-style-type: none"> • Homeless status documentation <ul style="list-style-type: none"> ○ Include description of specific housing status • Homeless status verification <ul style="list-style-type: none"> ○ Include supporting documentation if third-party verified ○ If a lower priority form of evidence is used, include explanation of why any higher priority forms of evidence were unobtainable and what reasonable attempts were made to acquire those forms of verification (See Documenting Homeless Status) ○ Signature by grantee representative completing the form • Consent to sharing information with MHDC <ul style="list-style-type: none"> ○ Signature from the participant allowing MHDC to review their client files during compliance reviews of the grantee ○ If Category 4, initials from the participant allowing MHDC to review non-identifying information in their client files during compliance reviews of the grantee 	<p><u>REQUIRED</u></p>
<p>HMIS/Comparable Database Consent Form</p>	<ul style="list-style-type: none"> • If using HMIS, consent form from the HMIS lead agency to enter the participant’s information into HMIS • If using Comparable Database, consent form from the Comparable Database provider to enter the participant’s information into the Comparable Database 	<p><u>REQUIRED</u></p>
<p>Agency Intake Form</p>	<ul style="list-style-type: none"> • Collects information used to determine: <ul style="list-style-type: none"> ○ Participant’s eligibility for ESG activities ○ That the participant has no appropriate subsequent housing options ○ That the participant lacks sufficient resources and support networks to obtain/retain housing ○ The minimum amount and types of assistance necessary • Must be in accordance with the local CoC’s coordinated entry process 	<p><u>REQUIRED</u></p>
<p>ESG-204 Receipt of Assistance</p>	<ul style="list-style-type: none"> • Participant certifies that they have not received ESG services or assistance for more than twenty-four (24) months in the past three (3) years • Participant must sign the form 	<p><u>REQUIRED</u></p>

Ending Assistance Letter	<ul style="list-style-type: none"> If the participant is terminated from the program by the grantee, documentation from the agency showing compliance with 24 CFR 576.402 If the participant exits the program willingly, documentation from the agency stating when and why the client left 	REQUIRED IF the participant is no longer in the program
Case Management Documentation	<ul style="list-style-type: none"> Assessing, arranging, coordinating, and monitoring delivery of services to facilitate housing stability Dated notes detailing housing goals, plans, and referrals 	Recommended

Records to Maintain - Program Participants Identification Documentation

Form/Documentation	Criteria	Requirements
Photo Identification	<ul style="list-style-type: none"> Scanned copy of photo identification for all members of the household age 18 and over If photo identification is unavailable upon entry, agencies must adequately document efforts to obtain these and follow up in case management notes when ID has been received 	REQUIRED UNLESS the household falls under Category 4 of the homeless definition AND the grantee has been permitted to use the MHDC-110 form
Social Security Identification	<ul style="list-style-type: none"> Scanned copy of Social Security Card or printout from social security office including SSN for all members of the household If Social Security Information is unavailable upon entry, agencies must adequately document efforts to obtain these and follow up in case management notes when Social Security Card has been received 	REQUIRED UNLESS the household falls under Category 4 of the homeless definition AND the grantee has been permitted to use the MHDC-110 form
MHDC-110 Identification Certification	<ul style="list-style-type: none"> If the grantee has been permitted to use the MHDC-110 form AND the household falls under Category 4 of the homeless definition, then this form can be used in place of keeping a scanned copy of Photo/Social Security Identification Grantee representative must attest to having seen eligible Photo Identification for all adults in the household and Social Security Identification for all members of the household Must be signed by grantee representative who saw forms of identification and the grantee’s executive director 	REQUIRED IF the household falls under Category 4 of the homeless definition AND the grantee been permitted by MHDC to use the MHDC-110 form

Records to Maintain - Program Participants Income and Recertification

Form/Documentation	Criteria	Requirements
ESG-201 Income Eligibility Worksheet	<ul style="list-style-type: none"> Information for all household members and sources of income to determine annual income Household must be under 30% of Area Median Income for household size²⁹ to be considered eligible 	REQUIRED every time household is recertified (1 year)
Supporting Documentation of Sources of Income	<ul style="list-style-type: none"> Third-party documents that verify the gross annual income for every household member age 18 and over Sufficient Documentation <ul style="list-style-type: none"> Minimum of 2 paystubs reflecting frequency of pay and current within 30 days SSI/SSDI award letter/printout Child support statement EBT statement for TANF If income source documents are unobtainable, MHDC-112 form must be completed. Must document attempts to obtain source documentation in client file notes If the participant has no income, MHDC-103 form must be completed. 	REQUIRED every time household is recertified (1 year)
MHDC-112 Verification of Income	<ul style="list-style-type: none"> If Supporting Documentation of Sources of Income are unobtainable, this form must be completed. Must document attempts to obtain source documentation in client file notes Third-party written verification that verify the gross annual income for every household member age 18 and over Requires signature from participant and payment source representative If the participant has multiple distinct sources of non-employment income, a MHDC-112 must be completed for each of those sources of income If third-party written verification for any of the participant's sources of income is unobtainable OR the participant has no income, MHDC-103 form must be completed. Must document attempts to obtain third-party written verification in client file notes 	REQUIRED every time household is recertified (1 year) IF the grantee is unable to obtain Supporting Documentation of Sources of Income

²⁹ Can be found at <https://www.huduser.gov/portal/datasets/il.html>. Ensure to use the most recent AMI numbers when determining a household's eligibility.

<p align="center">MHDC-103 Self-declaration of Income</p>	<ul style="list-style-type: none"> • If third-party written verification for any of the participant's sources of income is unobtainable OR the participant has no income, MHDC-103 form must be completed. • Self-certification of gross annual income for every household member age 18 and over • Grantee must document attempts to obtain source documentation and third-party written verification • Requires signature from participant and grantee representative • If the participant has more than three distinct sources of income that the grantee could not obtain third-party verification of, a MHDC-103 must be completed for each additional three sources of income 	<p>REQUIRED every time household is recertified (1 year) IF the participant has no income OR IF the grantee is unable to obtain Supporting Documentation of Sources of Income</p>
<p align="center">ESG-209 Recertification Form</p>	<ul style="list-style-type: none"> • Housing Status <ul style="list-style-type: none"> ○ Complete new MHDC-114 with updated third-party documentation • Income <ul style="list-style-type: none"> ○ For every member of the household over 18 ○ If participant has income, complete new ESG-201 and provide updated supporting document, MHDC-112, or MHDC-103 based on guidance above ○ If participant is zero income, complete a new MHDC-103 	<p>REQUIRED every time household is recertified (1 year)</p>

Records to Maintain - Program Participants Receiving Rental Assistance

Form/Documentation	Criteria	Requirements
<p align="center">Proof of Need</p>	<ul style="list-style-type: none"> • Documentation provided by participant/third-party to determine amounts/types of assistance needed for the household to gain stability in permanent housing <ul style="list-style-type: none"> ○ Lease ○ Invoice/bill ○ Letter/notice from landlord/utility company for arrears • Proof of Need for Direct Assistance should be documented <u>BOTH</u> in client files <u>AND</u> with the other financial back-up for expenses listed on each submitted ESG-212 	<p>REQUIRED for all funded Financial Assistance and Rental Assistance expenses</p>

<p>Proof of Payment for ESG reimbursement</p>	<ul style="list-style-type: none"> • Canceled checks or bank statement with ESG payments highlighted • Returned checks log • Proof of Payment for Direct Proof of Payment for Direct Assistance should be documented <u>BOTH</u> in client files <u>AND</u> with the other financial back-up for expenses listed on each submitted ESG-212 	<p><u>REQUIRED</u> for all funded Financial Assistance and Rental Assistance expenses</p>
<p>ESG-205 Habitability Standards for Permanent Housing</p>	<ul style="list-style-type: none"> • If the unit meets all standards, keep copy of form in participant's file • If the unit does not meet any standards: <ul style="list-style-type: none"> ○ Do not request reimbursement for any Rental Payments made to the unit until deficiencies are rectified ○ Complete a new ESG-205 after rectifying issues • Keep copy of all completed ESG-205 forms in participant's file 	<p><u>REQUIRED FOR</u> all units that received funded Rental Payments (excludes Rental Arrears and Last Month's Rent)</p>
<p>ESG-206 Rent Reasonableness and Fair Market Rent Certification</p>	<ul style="list-style-type: none"> • Unit must meet both Rent Reasonableness AND FMR requirements before funded rental payments are made • Utility allowance calculation should be based off of a utility allowance schedule for the county the unit is in from a local Public Housing Authority (PHA) • Rent Reasonableness <ul style="list-style-type: none"> ○ Must compare proposed unit to three other units with the same number of bedrooms and similar size, type, and amenities that are as or more expensive than the proposed unit ○ Monthly unit rent should include both base rent and utility allowance ○ Include documentation showing the bedroom required information, including tenant paid utilities and current rent, for each comparable unit. This can be a printout from a real estate website like Zillow or Realtor ○ The same comparable unit(s) may be used to show rent reasonableness for other clients/proposed units if the other proposed units have the same number of bedrooms and similar size, type, and amenities as the original proposed unit. • Fair Market Rent (FMR) <ul style="list-style-type: none"> ○ Unit must be under FMR for the area and household size³⁰ to be considered eligible ○ Utilities that have outlined fixed costs in the lease must be included in the Contract Rent for the unit 	<p><u>REQUIRED FOR</u> all units that received funded Rental Payments (excludes Rental Arrears and Last Month's Rent)</p>

³⁰ Can be found at <https://www.huduser.gov/portal/datasets/fmr.html>. Ensure to use the most recent FMR numbers when determining a household's eligibility.

<p>ESG-207 Lead Screening Worksheet</p>	<ul style="list-style-type: none"> • If the unit either passes or does not require a visual assessment (Part 3 of the form), keep copy of form in participant’s file • If the unit requires and fails a visual assessment (Part 3 of the form): <ul style="list-style-type: none"> ○ Do not request reimbursement for any Rental Payments made to the unit until deficiencies are rectified ○ Complete remaining parts of the ESG-207 and an ESG-208 form • Keep copy of all completed ESG-207 and ESG-208 forms in participant’s file 	<p><u>REQUIRED FOR</u> all units that received funded Rental Payments (excludes Rental Arrears and Last Month’s Rent)</p>
<p>ESG-208 Property Owner Lead Certification Form</p>	<ul style="list-style-type: none"> • If the unit requires and fails a visual assessment (Part 3 of the ESG-207 form): <ul style="list-style-type: none"> ○ Do not request reimbursement for any Rental Payments made to the unit until deficiencies are rectified ○ Complete remaining parts of the ESG-207 and an ESG-208 form • Keep copy of all completed ESG-207 and ESG-208 forms in participant’s file 	<p><u>REQUIRED IF</u> the answer to Question 2 under Part 3 of the ESG-207 form is “Yes”</p>
<p>Rental Assistance Agreement</p>	<ul style="list-style-type: none"> • <u>Agreement between the LANDLORD AND GRANTEE</u> • Outlines agreed upon expenses that will be covered by grantee, the timeline of assistance, and any share of expenses covered by the participant • Grantee must have Rental Assistance Agreement before funded Rental Payments are made 	<p><u>REQUIRED FOR</u> all units that received funded Rental Payments (excludes Rental Arrears and Last Month’s Rent)</p>
<p>Lease</p>	<ul style="list-style-type: none"> • <u>Legally-binding lease between LANDLORD AND PARTICIPANT</u> • Grantee must Lease before funded Rental Payments are made • Sub-leases, verbal agreements, or leases between the landlord and someone other than the participant (i.e., the grantee, another individual, etc.) are not acceptable 	<p><u>REQUIRED FOR</u> all units that received funded Rental Payments (excludes Rental Arrears and Last Month’s Rent)</p>

Records to Maintain – Financial

Activity	Acceptable Forms of Documentation (both Cost Incurred and Proof of Payment are required)	
	Cost Incurred	Proof of Cleared Payment
<ul style="list-style-type: none"> Rental Assistance Financial Assistance 	<ul style="list-style-type: none"> Lease Invoice/bill Letter/notice from landlord/utility company for arrears Proof of Need for Direct Assistance should be documented <u>BOTH</u> in client files <u>AND</u> with the other financial back-up for expenses listed on each submitted ESG-212 	<ul style="list-style-type: none"> Canceled checks or bank statement with ESG payments highlighted Returned checks log Proof of Payment for Direct Assistance should be documented <u>BOTH</u> in client files <u>AND</u> with the other financial back-up for expenses listed on each submitted ESG-212
<ul style="list-style-type: none"> Bills paid Services performed Materials purchased 	<ul style="list-style-type: none"> Invoice Receipt 	<ul style="list-style-type: none"> Canceled checks or bank statement with ESG payments highlighted
<ul style="list-style-type: none"> Travel costs 	<ul style="list-style-type: none"> Travel logs which includes date(s) of travel, destinations with, mileage, date, staff members involved, and purpose of travel 	<ul style="list-style-type: none"> If reimbursing employee for travel mileage keep copy of paystub/payroll report
<ul style="list-style-type: none"> Employee Compensation 	<ul style="list-style-type: none"> Timesheets- signed by supervisor and employee detailing eligible ESG activities Pay stub or payroll report from a third party listing pay periods, employee listed, last four digits of SSN 	<ul style="list-style-type: none"> Copy of pay stub or payroll report from third party Bank statement with ESG payments highlighted

Rapid Rehousing Financial Process

After incurring Rapid Rehousing expenses, grantees may submit for payment using MHDC's [grant interface](#). Using the follow up forms³¹, agencies are expected to completely fill out the online form, and then attach a pdf that includes the following documents:

- ESG-212 (Completely fill out the Rapid Rehousing expense detail tab)
- HMIS/Comparable Database Report (For Rapid Rehousing, this looks like a list that outlines the client

³¹ The ESG-212 can be accessed [here](#).

ID, service type, paid date, and amount paid.)

Common reasons that Rapid Rehousing payment requests are discarded:

- Salaries or other eligible program expenses are incurred outside of the eligible funding period
- The last 4 digits of an employee’s social security number is not included when billing benefits/salary
- Amount requested is greater than the amount remaining in the grant balance.
- The wrong subcomponent or expense type is listed on the ESG-212 for individual expenses.
- Expenses included on the Rapid Rehousing Expense Detail are not listed as eligible in the 2023 Desk Guide or HUD’s Consolidated Federal Regulations (CFR).
- HMIS roster missing direct assistance payments that are included on the Rapid Rehousing Expense Detail

Program Guidelines

Standards for what should be included in Rapid Rehousing program guidelines can be found at <https://www.endhomelessnessmo.org/gceh-policies> and on MHDC’s [website](#). Per [24 CFR 576 Subpart E](#), every ESG grantee must develop and implement program guidelines that include:

- Procedure for determining and prioritizing which eligible individuals and families will receive Homeless Prevention and which eligible individuals and families will receive Rapid Rehousing assistance.
- Procedure for determining what percentage or amount of rent and utilities cost each program participant must pay while receiving Rapid Rehousing assistance.
- Procedure for determining how long a program participant will be provided rental assistance and whether and how the amount of that assistance will be adjusted over time.
- Procedure for determining the type, amount, and duration of housing stabilization and/or relocation services to provide, including the limits, if any, on the Rapid Rehousing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months in the program, or the maximum number of times the program participant may receive assistance.
- Policy for addressing the needs of ineligible applicants.

HMIS

Homeless Management Information System (HMIS) or comparable database participation is a requirement of receiving ESG funds. Therefore costs associated with contributing data to the HMIS or comparable database are eligible for reimbursement ([24 CFR 576.107](#)) for agencies funded under the HMIS component. Activities must comply with HUD’s standards on participation, data collection and reporting, including compliance with HUD’s [2022 HMIS Data Dictionary](#) and [2022 HMIS Data Standard Manual](#). In addition, the [2023 ESG Program HMIS Manual](#) addresses the use of HMIS for ESG, to complement and support data collection and reporting efforts of HMIS users.

Eligible Activities for Grantees

Hardware and Software

Costs for hardware and software used specifically for HMIS/comparable database entry and maintenance, including:

- Purchasing or leasing computer hardware
- Purchasing software or software licenses
- Purchasing or leasing equipment, including telephones, taxes, and furniture

Staffing

Salaries, wages, and related costs of the grantee’s staff or other staff engaged in any HMIS/comparable database assignments such as:

- Salaries for operating the HMIS
- Data collection and reporting
- Completing data entry
- Monitoring and reviewing data quality
- Completing data analysis

Supplies, Rent, and Utilities

Goods and services required for administration of the grantee’s HMIS/comparable database are also eligible, including:

- Rental or purchase of equipment
- Office supplies
- General liability insurance
- Utilities for office space

- Rental of office space
- Maintenance of office space

Training and Travel

Training, and the required travel to complete training, on using the HMIS or comparable database is also eligible, including:

- Implementing and complying with HMIS requirements
- Training and overhead
- Obtaining technical support
- Leasing office space
- Paying charges for electricity, gas, water, phone service, and high-speed data transmission necessary to operate or contribute data to the HMIS
- Paying 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
- Paying staff travel costs to conduct intake

HMIS Participation Fees

Paying participant fees charged by the HMIS lead agency is also eligible

Eligible Activities for HMIS Lead Agencies

There are certain activities that are only eligible for reimbursement when requested by a funded HMIS lead agency, including:

- Hosting and maintaining HMIS software or data
- Backing up, recovering, or repairing HMIS software or data
- Administering the HMIS system
- Reporting to providers, the CoC, HUD, and MHDC
- Conducting training on using the system or a comparable database, including travel
- Assessing if victim services providers databases are HMIS comparable and providing verification to MHDC

Records to Maintain – Financial

Activity	Acceptable Forms of Documentation (both Cost Incurred and Proof of Payment are required)	
	Cost Incurred	Proof of Cleared Payment
<ul style="list-style-type: none"> • Bills paid • Services performed • Materials purchased 	<ul style="list-style-type: none"> • Invoice • Receipt 	<ul style="list-style-type: none"> • Canceled checks or bank statement with ESG payments highlighted
<ul style="list-style-type: none"> • Travel costs 	<ul style="list-style-type: none"> • Travel logs which includes date(s) of travel, destinations with, mileage, date, staff members involved, and purpose of travel 	<ul style="list-style-type: none"> • If reimbursing employee for travel mileage keep copy of paystub/payroll report
<ul style="list-style-type: none"> • Employee Compensation 	<ul style="list-style-type: none"> • Timesheets signed by supervisor and employee detailing eligible ESG activities • Pay stub or payroll report from a third party listing pay periods, employee listed, last four digits of SSN 	<ul style="list-style-type: none"> • Copy of pay stub or payroll report from third party • Bank statement with ESG payments highlighted

HMIS Financial Process

After incurring HMIS expenses, grantees may submit for payment using MHDC’s [grant interface](#). Using the follow up forms³², agencies are expected to completely fill out the online form, and then attach a pdf that includes the following documents:

- ESG-212 (Completely fill out the HMIS expense detail tab)
- Please note that an HMIS report is not required

Common reasons that HMIS payment requests are discarded:

- Salaries or other eligible program expenses are incurred outside of the eligible funding period
- The last 4 digits of an employee’s social security number is not included when billing benefits/salary
- Amount requested is greater than the amount remaining in the grant balance.
- The wrong subcomponent or expense type is listed on the ESG-212 for individual expenses.
- Expenses included on HMIS Expense Detail are not listed as eligible in the 2023 Desk Guide or HUD’s Consolidated Federal Regulations (CFR).

³² The ESG-212 can be accessed [here](#).

Administration

The Administration component is intended to support ESG Grantees' costs incurred to meet the grant requirements ([24 CFR 576.108](#)). ESG grantees may receive up to five percent (5%) of grant award for administrative costs if funded under the Administration component. Staff and overhead costs directly related to carrying out Street Outreach, Emergency Shelter, Homelessness Prevention, Rapid Rehousing, and HMIS activities are **not** eligible to be reimbursed under Administration.

Eligible Activities

Indirect Cost Rate

If billing indirect costs to ESG grant, grantees must provide MHDC with the selected Indirect Cost Rate option to be utilized during the grant term with the grant agreement. The selected method for allocating indirect costs must comply with [2 CFR 200](#). Documentation of a cost allocation plan should include the following:

- How the grantee will determine costs as direct and indirect;
- How the grantee will allocate shared costs among different programs; and
- How the grantee will charge eligible and allowable direct and indirect costs.

Management, Oversight, and Coordination

Salaries, wages, and related costs of the grantee's staff or other staff engaged in any program administration assignments such as:

- Preparing program budgets and schedules, and amendments to those budgets and schedules
- Developing systems for assuring compliance with program requirements
- Developing interagency agreements and agreements with contractors to carry out program activities
- Monitoring program activities for progress and compliance with program requirements
- Preparing reports and other documents directly related to the program for submission to HUD
- Coordinating the resolution of audit and monitoring findings
- Evaluating program results against stated objectives
- Managing or supervising persons whose primary responsibilities with regard to the program include such assignments as those described above
- Minor or routine maintenance on space or equipment used specifically for Administrative purposes

In charging costs to this category, the recipient may use one of the following methods:

1. 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

2. Include 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.**

Third-Party Administration and Accounting

Administrative services performed under third party contracts or agreements are also eligible, including:

- General legal services
- Accounting services
- Monitoring services
- Audit services
- Contractors for minor or routine maintenance of space or equipment used specifically for Administrative purposes

Supplies, Rent, and Utilities

Goods and services required for administration of the program are also eligible, including:

- Rental or purchase of equipment
- Office supplies
- General liability insurance
- Utilities for office space
- Rental of office space
- Supplies and equipment needed for minor or routine maintenance of space or equipment used specifically for Administrative purposes

Training and Travel

Training, and the required travel to complete training, on ESG Requirements required for administration of the program is also eligible, including:

- Costs of providing training on ESG requirements
- Costs of attending HUD-sponsored ESG trainings³³

³³ Grantees must verify with MHDC that the ESG training is HUD-sponsored prior to requesting reimbursement for any costs associated with attending them.

Records to Maintain – Administration

Activity	Acceptable Forms of Documentation (both Cost Incurred and Proof of Payment are required)	
	Cost Incurred	Proof of Cleared
<ul style="list-style-type: none"> • Bills paid • Services performed • Materials purchased 	<ul style="list-style-type: none"> • Invoice • Receipt 	<ul style="list-style-type: none"> • Canceled checks or bank statement with ESG payments highlighted
<ul style="list-style-type: none"> • Travel costs 	<ul style="list-style-type: none"> • Travel logs which includes date(s) of travel, destinations with, mileage, date, staff members involved, and purpose of travel 	<ul style="list-style-type: none"> • If reimbursing employee for travel mileage keep copy of paystub/payroll report
<ul style="list-style-type: none"> • Employee Compensation 	<ul style="list-style-type: none"> • Timesheets signed by supervisor and employee detailing eligible ESG activities • Pay stub or payroll report from a third party listing pay periods, employee listed, last four digits of SSN 	<ul style="list-style-type: none"> • Copy of pay stub or payroll report from a third party • Bank statement with ESG payments highlighted
<ul style="list-style-type: none"> • Indirect Rate 	<ul style="list-style-type: none"> • Cost Allocation Plan • View options 1, 2, or 3 of tool kit linked below • Resource: https://files.hudexchange.info/resources/documents/Indirect-Cost-Toolkit-for-CoC-and-ESG-Programs.pdf • Policy showing adoption of indirect rate methodology • Documentation of Indirect rate billing 	

Administration Financial Process

After incurring Admin expenses, grantees may submit for payment using MHDC’s [grant interface](#). Using the follow up forms, agencies are expected to completely fill out the online form, and then attach a pdf that includes the following documents:

- ESG-212 (Completely fill out the Admin expense detail tab)
- An HMIS report is not required

Common reasons that Admin payment requests are discarded:

- Salaries or other eligible program expenses are incurred outside of the eligible funding period
- The last 4 of an employee’s social security number is not included when billing benefits/salary
- Amount requested is greater than the amount remaining in the grant balance.
- The wrong expense type is listed on the ESG-212 for individual expenses.
- Expenses included on Administration Expense Detail are not listed as eligible in the 2023 Desk Guide or HUD’s Consolidated Federal Regulations (CFR).

Other Federal Requirements

Involuntary Family Separation

Per [24 CFR 578.93](#), HUD-funded shelters and assisted housing are prohibited from causing involuntary family separation. The age and gender of a child under age 18 must not be used as a basis for denying any family's admission to a project that receives funds under this part. There are exceptions for housing for specific subpopulations, agencies should review the full rule to ensure full compliance.

Equal Access in Accordance with an Individual's Gender Identity

In accordance with [24 CFR 5.105](#), providers that operate single-sex projects using funds awarded through the HUD's Office of Community Planning and Development will now be required to provide all individuals, including transgender individuals and other individuals who do not identify with the sex they were assigned at birth, with access to programs, benefits, services, and accommodations in accordance with their gender identity without being subjected to intrusive questioning or being asked to provide documentation. This requirement includes tenant selection and admission preferences. Grantee's must establish, amend, or maintain program admissions, occupancy, and operating policies and procedures (including policies and procedures to protect individuals' privacy and security), so that equal access is provided to individuals based on their gender identity.

Violence Against Women Act

The Violence Against Women Reauthorization Act of 2013 ("VAWA 2013") prohibits denial of or termination of assistance solely due to an individual or family being a victim of domestic violence, dating violence, stalking, or sexual assault. VAWA also establishes program participants' right to emergency transfers for victims who are in fear for their life and safety to move to housing that they deem safe. This act requires housing providers/programs that administers ESG rental assistance to notify all program participants of their rights under VAWA using HUD's Notification of Occupancy Rights at application, denial, or termination of assistance, and at notification of eviction. Providers must also adopt HUD's model emergency transfer plan. Victims have a right to expressly request a relocation if they reasonably believe they are in imminent harm if they remain in the same dwelling. Program participants only need to self-certify using HUD's VAWA Protections and Certification Form. Providers must document requests and outcomes for emergency transfer requests which are required to be reported to MHDC and HUD. ESG funds may be used to pay amounts owed for breaking lease to effect an emergency transfer; these costs are not subject to the 24 month limit on rental assistance. All rental assistance agreements between the landlord and the housing provider must specify that landlord will provide copy of notice to vacate/eviction proceedings to the ESG program. The VAWA Lease Addendum, HUD-91067, is available on the MHDC website [here](#).

APPENDIX

Appendix A – Grant Documents

Grant Documents consist of:

- Grant Agreement
- Attachment B: Federal Funding Accountability and Transparency Act
- MHDC- 101 - Authorized Signature Card
- Site Contact Form - Located in Grant Interface
- MHDC-100 - Direct Deposit Form and Voided Blank Check
- ESG-200 - Program Guidelines Certification
- Program Guidelines
- E-Verify Memorandum of Understanding (MOU)
- Certificate of Liability Insurance
- United Way 2-1-1 Registration
- Environmental Review Questionnaire – Located in Grant Interface
- Indirect Rate paperwork and certification (if applicable)
- Letter from Institute from grantees HMIS Lead Agency

Before any funds can be released, all required grant documents must be completed and received by MHDC. All documents must be submitted in the [Grant Interface](#). Grantees with multiple ESG grants must submit required documentation for each grant (i.e., agencies cannot submit one of each required document for multiple ESG grants).

Grant Agreement

Description

The grant agreement is required for all grantees. The grant agreement specifically details the requirements and expectations for the administration of the grant. It is the grantee’s responsibility to know and adhere to all provisions set forth in the grant agreement.

Completion Instructions

The following sections of the Grant Agreement must be completed by grantee:

- Signature page (requires signature and notary)
- Rider B (requires signature)
- Exhibit 1: Workforce Eligibility Affidavit (check one box, requires signature and notary)
- Exhibit 2: Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion (requires signature)
- Exhibit 3: ESG Program Certifications (requires signature)

All signatures must be original and by an authorized signatory as designated in the Authorized Signature Card. The entire original signed, notarized agreement must be returned to MHDC to be considered complete. If any pages of the grant agreement are missing, the grant agreement will be considered incomplete. Failure to submit a fully complete, properly executed grant agreement before December 15, 2022 can result in recapture of the grant.

Attachment B: Federal Funding Accountability and Transparency Act

Description:

Attachment B requires information on federal grants over \$25,000 be made available to the public via a single website.

Completion Instructions:

Grantee should complete all fields on the form, and it must be signed with an original signature as designated on the Authorized Signature Card.

Authorized Signature Card (MHDC-101)

Description:

This form designates all authorized signatories for each grant. All documents that are required to be signed by grantee must be signed by authorized signatories only. If an unauthorized person signs a document, the document will be rejected.

Completion Instructions:

Form must designate at least two authorized signatories. The form must have original signatures from all designated signatories (i.e., no signature stamps should be used). Please note the Authorizing Official must sign in the Authorizing Official box as well as at the bottom of the form.

Site Contact Form

Description:

This form ensures that MHDC has updated information for the upcoming grant year, including staff contact

information, office location(s), hours of operation, and any other relevant information. Please note that the information provided will be used to conduct scheduled and unscheduled site visits or desk review.

Completion Instructions:

Grantee can access the form through the Grant Interface. Grantee should complete all fields on the form and submit it electronically through the Grant Interface. If grant contact or hours of operation change, grantee is responsible for informing the ESG Administrator via email.

Direct Deposit Form (MHDC-100) and Blank Check

Description:

All disbursements from MHDC to grantee will occur using an Electronic Funds Transfer (EFT). This Direct Deposit Form provides MHDC with the grantee's banking information for the electronic transfer. A blank voided check from the indicated banking institution is also required to be submitted with the Direct Deposit form. If the agency does not have access to a blank voided check, a letter from the bank confirming the account and routing number will be accepted. Please note that by default your grantee's banking information will be updated for ALL MHDC accounts. If the banking information provided is for Emergency Solutions or one grant ONLY, then it must be indicated on the Direct Deposit form.

Completion Instructions:

Form must be signed with original signatures by authorized signatory.

Program Guidelines Certification (ESG-200) and Program Guidelines

Description:

This form ensures that ESG grantees have created and implemented program guidelines that address all applicable requirements specified in [24 CFR 576.400\(e\)](#).

Completion Instructions:

Place a checkmark next to each applicable standard, signed by authorized signatory, submitted with a copy of all required program guidelines. Highlight program guidelines showing ESG-200 standards have been included in program guidelines. Do not upload entire handbook or staff guidelines. ESG-200 can be found on the MHDC website.

E-Verify Memorandum of Understanding (MOU)

Description:

The E-Verify MOU is an agreement between the Departments of Homeland Security (DHS) and Grantee stating that grantee agrees to participate in the Employment Eligibility Verification Program (E-Verify).

Completion Instructions:

Grantee with no prior ESG history shall submit a copy of the full and complete MOU generated from DHS' online E-Verify system. Providing only the signature page will not be acceptable.

Certificate of Liability Insurance

Description:

The Certificate of Insurance is a one page summary of current Liability Insurance held by grantee. The insurance held by grantee may include: General Liability, Automobile Liability Umbrella Liability, Excess Liability, Worker's Compensation and Employers' Liability. The Certificate of Liability Insurance must be current. If coverage lapses during the grant year, grantee must provide MHDC with an updated Certificate.

Completion Instructions

Submit with grant documents, submit updated coverage as needed via [Grant Interface](#) software.

United Way 2-1-1 Registration

Description:

United Way 2-1-1 is a phone number that individuals can call in order to receive needed resources in their area. In order to be a reliable resource for households in need, organization's need to submit updated information as changes arise.

Completion Instructions:

Grantees are required to register/update their organization's information on the United Way's website, and print the webpage showing the organization's information is available. Additional instructions are located on the United Way's website at: <http://www.211helps.org/agency/get-listed>.

Environmental Review Form Questionnaire

Description:

To help determine which environmental review form is required for each agency

Completion Instructions:

Grantees are required to complete the form by checking yes or no to the question in Grant Interface during the Grant Agreement upload.

Letter from HMIS Lead Agency

Description:

Letter to show agency is in HMIS or using a comparable database that can produce the HUD standards for database.

Completion Instructions:

If you are using a comparable database or are a new agency. Please obtain a letter from the HMIS Lead Agency covering your CoC documenting you are in HMIS or that you are using a Comparable database that can produce the HUD standards for database. **Must be sent back with the grant agreement.**

Appendix B – Client File Forms

Client File Forms consist of:

- MHDC-103 - Self-Declaration of Income
- MHDC-112 - Income Verification Worksheet
- MHDC-114- Consent and Homeless Certification Form
- ESG 201 - Income Eligibility Worksheet
- ESG-204 - Certification of Receipt of ESG Assistance
- ESG-205 - Habitability Standards Checklist
- ESG-206 - Rent Reasonableness and Fair Market Rent Certification
- ESG-207 - Lead Screening Worksheet
- ESG-208 - Property Owner Lead Certification Form
- ESG-209 - Recertification Form
- VAWA Lease Addendum

All forms can be found at <https://mhdc.com/programs/hud-programs/emergency-solutions-grant/>

Income Eligibility Worksheet (ESG-201)

Applicable Components: Homelessness Prevention, Rapid Rehousing

Required: Yes

Description:

This form is intended to be used to verify income eligibility for ESG Rapid Rehousing or Homelessness Prevention.

Due Date:

Income eligibility must be certified at initial intake for Homelessness Prevention, and re-certified every 90 days thereafter. Income eligibility does not need to be certified at program intake for Rapid Re-housing participants. It must be certified once the participant has received ESG assistance for one year, and it should be re- certified at least annually thereafter. At each income eligibility certification, proof of income must be current within 30 days.

Completion Instructions:

Collect Supporting Documentation of Income:

Service provider should collect and include the supporting documentation of all household income to be referred to when completing this form (i.e., check stubs, SSI/SSDI award letter/printout, child support statement, EBT statement for TANF, etc.). If supporting documentation cannot be provided by client, please utilize Income Verification form (MHDC-112)

Household Members:

Complete Household information for all members of the household. The “Total Household Members” will automatically calculate depending on the number of persons listed in the Household Members section. The number of members in the household is important in determining the correct AMI; therefore, it is very important that all members of the household are included in that section.

30 percent of Area Median Income (AMI) for Household Size:

List the current 30 percent of area median income amount applicable to the county where the household is sheltered or housed. These income limits are available on HUD’s website [here](#).

Sources of Income:

In this section the various sources of income that may be applicable to the household. Income will need to be detailed for all members 18 and older. The current gross income amount, frequency of pay, and number of payments per year need to be listed to calculate the annual gross income. All amounts detailed will total in the “Total Annual Gross Income from all Sources” field.

Determination of Income Eligibility:

The service provider can then compare the “Total Annual Gross Income from all Sources” to the “30% AMI for Household Size” for the county of service to determine if household meets income eligibility requirements.

Submission / Retention

Retained in client file for every certification and re-certification

Income Verification Worksheet (MHDC-112)

Applicable Components: Homelessness Prevention, Rapid Rehousing

Required: Yes, if client has income but cannot provide documentation of income

Description:

This form is intended to be completed by an employee/supervisor of the place of employment or payment source representative to verify the individual’s income.

Due Date:

Income eligibility must be certified at initial intake for Homelessness Prevention, and re-certified every 90 days thereafter. Income eligibility does not need to be certified for Rapid Rehousing participants until they have received ESG assistance for one year, and it should be re-certified at least once annually thereafter. At each income eligibility certification, proof of income must be current within 30 days.

Completion Instructions:

Grantee will complete the top section of the form detailing where the form should be returned. The individual seeking assistance will sign and date the form authorizing the employer or payment source representative to release the individual's income information. The grantee will collect the information direction from the employer to ensure a third party verification.

Submission Instructions:

Retained in client file

Self-Declaration of Income (MHDC-103)

Applicable Components: Homelessness Prevention, Rapid Rehousing

Required: Yes, All members of household without income, 18 and over

Description:

A Self-Declaration of Income form must be completed and signed by all recipients of the household, age 18 and over, that do not have income.

Due Date:

Income eligibility must be certified at initial intake for Homelessness Prevention, and re-certified every 90 days thereafter. Income eligibility does not need to be certified for Rapid Rehousing participants until they have received ESG assistance for one year, and it should be re-certified at least once annually thereafter. At each income eligibility certification, proof of income must be current within 30 days.

Completion Instructions:

All members of household without income, 18 and over must sign a Self-Declaration of Income. The date of the form must be within 30 days of the instance of assistance. The original, signed form should be retained in the client file.

Consent and Homeless Certification Form (MHDC-114)

Applicable Components: Emergency Shelter, Homelessness Prevention, Rapid Rehousing, Street Outreach

Required: Yes

Description:

The form must be completed by head of household and must verify homelessness and consent for MHDC to view client information, for all individuals and families seeking ESG assistance. Grantees must attempt to gather housing status in order of HUD’s preferences as mentioned above under “Documenting Homeless Status.” If the client notifies agency at any time after signing the Consent Form, that they do not feel their housing is safe, decent and sanitary, then they need to address these concerns with the program participant.

Certification of Receipt of ESG Assistance (ESG-204)

Applicable Components: Homeless Prevention, Rapid Rehousing

Required: Yes

Description:

Grantee must verify the eligibility of ESG program participant by ensuring that the maximum timeline for services and assistance has not been exceeded. All participants must verify that they have not exceeded 24 months of assistance in any 3 year period. Grantees should check databases to ensure 24 months in a 3 year period is verified.

Habitability Standards Checklist (ESG-205)

Applicable Components: Emergency Shelter, Homeless Prevention, Rapid Rehousing

Required: Yes, for any shelter/housing assisted with ESG funds

Description:

Emergency Shelters should verify that all standards listed on ESG-205 Minimum Standards for Emergency Shelters checklist are met annually. Form must be available for review during MHDC compliance review. Grantees using ESG funds for Homelessness Prevention or Rapid Rehousing must conduct inspections of housing units to ensure they meet standards detailed on ESG-205 Minimum Standards for Permanent Housing.

Rent Reasonableness and Fair Market Rent Certification (ESG-206)³⁴

Applicable Components: Homeless Prevention- Rental Assistance, Rapid Re-housing- Rental Assistance

Required: Yes

³⁴ HUD Utility Schedule Model: <https://www.huduser.gov/portal/datasets/husm/uam.html>.

Description:

Rent for units assisted with ESG must not exceed the lesser of the rent reasonableness standard ([24 CFR 982.507](#)) or [Fair Market Rent \(FMR\) limits](#)³⁵. Rent must be reasonable when compared to three other units with the same number of bedrooms and similar size, type, and amenities within the community. Rent must also be at or below the HUD established Fair Market Rent for the household composition and unit size in the area. When determining a unit’s compliance with rent reasonableness and FMR, all utilities paid for by the resident must be included in the total rental cost. This includes any utilities with fixed rates that are documented in the lease and utilities that are paid based on usage. For utilities paid on a usage-basis, a utility allowance should be calculated should using the utility allowance schedule for the county the unit is in from a local Public Housing Authority (PHA).

The ESG-206 should be accompanied by documentation showing the bedroom required information, including tenant paid utilities and current rent, for each comparable unit. This can be a printout from a real estate website like Zillow or Realtor

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Minimum	1 person	2 people	3 people	4 people
Maximum	2 people	3 people	4 people	6 people

Rent reasonableness and FMR compliance should be based on both the number of bedrooms of the unit and the size of the household. The table above shows the minimum and maximum number of people that are eligible to be housed in units at different unit sizes. If the number of bedrooms for the proposed unit exceeds the household size, then the other comparable units for Rent Reasonableness must have, and the FMR rate used must be for, the number of bedrooms of the reasonable household size³⁶.

If there are no units available in the community that are both under FMR and rent reasonable for the program participant’s household size, grantees can request a household composition exemption from MHDC prior to placing the participant in housing. This exemption would allow the grantee to put the participant household in a unit that exceeds their household size. Grantees may email the ESG Administrator at drew.geer@MHDC.com to request a household size exemption. If granted the exemption, the unit still must be both under FMR and rent reasonable for the bedroom size. Requirements do not apply for households not receiving ESG rental assistance.

Lead Screening Worksheet (ESG-207)

Applicable Components: Homeless Prevention, Rapid Re-housing

³⁵As defined in [24 CFR Part 888](#)

³⁶ For example, if the proposed unit for a household of three people has 4 bedrooms, then the comparable units must be 3 bedroom units and the FMR rate used must be for 3 bedroom units.

Required: Yes, [24 CFR 576.403\(a\)](#)

Description:

Housing occupied by program participants must be visually inspected for lead-based paint in order to certify compliance with ESG’s shelters and housing occupied by program participants. Instructions for completion are detailed on the form.

Property Owner Lead Certification Form (ESG-208)

Applicable Components: Emergency Shelter, Homeless Prevention, Rapid Rehousing

Required: Yes, if visual assessment reveals problems with paint surfaces. ESG assistance cannot be provided to a unit with paint surface issues unless issues are fixed as certified by this form.

Description:

To be completed by property owners/managers to certify that paint surfaces have been repaired in accordance with the guidelines of [24 CFR 35](#), Parts A, B, M, and R

Recertification Form (ESG-209)

Applicable Components: Homeless Prevention, Rapid Re-housing

Required: Yes

Description:

Recertification form documents an individual or family’s eligibility factors for continued ESG assistance and tracks the assistance provided to date. Applicants for Homeless Prevention must be evaluated for eligibility at initial intake and every 90 days. Rapid Rehousing program participants must be evaluated after one year of ESG assistance and at least once annually thereafter.

VAWA Lease Addendum

Applicable Components: Homeless Prevention, Rapid Re-housing

Required: Yes

Description:

The lease for the above reference unit is being amended to include the provisions of the Violence Against Women and Justice Department Reauthorization Act of 2005 (VAWA).

Appendix C – Grant Close-Out Documents

Grant Close-Out Documents consist of:

- MHDC-107 - CoC Participation Form
- ESG-210 - Match Certification Documentation
- Homeless Participation Certification
- Consolidated Annual Performance and Evaluation Report (CAPER)

All forms will be submitted through [Grant Interface](#), besides the caper. The caper will be submitted through a link provided by grant administrator.

CoC Participation Form (MHDC-107)

Description:

All sub-grantees are required to attend at least 75 percent of local Continuum of Care meetings.

Completion Instructions:

Participation tracking sheet required at grant closeout and it is the agency's responsibility to get CoC representative signature in a timely manner. Only one sheet required per grant. Meetings that are canceled should be listed. In the signature line, write "cancelled."

Homeless Participation Certification

Description:

Grantee must include at least one current or formerly homeless member on its board of directors or equivalent decision-making entity of the sub-grantee ([24 CFR 576.405](#)).

Completion Instructions:

Signed letter from sub-grantee's Board president must be submitted, including:

- Verification that agency has at least one member that is currently or formerly homeless currently participating on the Board of Directors
- Explanation of how this individual is involved in agency policy decision-making process directly related to ESG program
- Process agency and Board of Directors uses to ensure requirement is fulfilled
- If agency is not currently in compliance, include date and plan for meeting this requirement
- This letter should be dated within the grant year

Consolidated Annual Performance and Evaluation Report (CAPER)

Description:

Grantees must submit an annual report covering each funding component to SAGE from HMIS/Comparable Database.

Completion Instructions:

Submit CAPER electronically to SAGE Portal via email link at Mid-Year check timeline for date or if not funded in next grant period submit by close out date of current grant. You will receive a sage link and notice if you need to submit by close out date. Report Period is from April 1, 2022 – March 31, 2023 for Mid-Year report and April 1, 2023 – October 31, 2023 for those who are not funded in 2024.

Match Certification (ESG-210) and Documentation

Description:

All grantees must provide a 100 percent match to supplement the ESG funds awarded.

Completion Instructions:

Complete ESG-210 with a list of all match documentation with total value being consistent with the grant award amount.

- Contributions used to match a previous ESG grant may not be used to match a subsequent ESG grant.
- Contributions that have or will be counted as a matching requirement of another federal grant/ award may not be used to match an ESG award.
- Meet all HUD ESG requirements.
- Match documentation should be easy for the grant admin to review. Highlighting and explanation in documentation is allowed and encouraged. If there are calculation methods for how a number is reached, please document.
- All reported funds must be expended within ESG contract period Match documentation consists of the source and the use. The source and the use should both be submitted together and labeled with a number such as “source 1/use 1”. *Example: When billing for salaries, provide what the source is for the salaries that are matched (another grant, donations, etc.) along with salaries the agency is using as match.*
- Match documentation may not only be an excel spreadsheet. Must provide both source and use documentation showing proof of match along with the excel document.
- If using a general ledger as documentation, please highlight the transactions that are included in the

match. Please provide the back up if it is not from in-kind donation.

- If matching uses with a different grant, the award letter is easy to use as documentation. The Award letter should include a timeline for the grant as well as the amount awarded.
- If using volunteer hours as match, please provide time sheets and the calculation method used to get to the total number of hours and amount being claimed.
- If volunteer is conducting a job similar to a staff persons job, please use rate of pay that is used for staff.
- If no method can be determined for volunteer hours, use the national value. [The National Value](#) (04/18/2022) of each volunteer hours is \$29.95³⁷.

EXAMPLE: Match Documentation (Picture below):

Column 1: The Match Source (drop down options):

- Other Non-ESG HUD Funds
- Other Federal Funds
- State and Local Government
- Private Funds
- Program Income
- Fees
- Other

Column 2: Match Amount: \$1,500.00

- Dollar amount for the match

Column 3: Source and Use Number: 5

- This number indicates that the documentation of the source is labeled with a 5 on it and the use is also labeled with a 5.

Column 4: Source and Use Description:

- Source: Private Grant United Way (Attach United Way award letter)
- Use: KCPL Utility for Shelter – (Attach utility payment showing amount paid)

Column 5: Documentation Submitted Drop Down - Yes or No

This form should be submitted at grant closeout and should be accompanied by documentation of the match SOURCES and USES. This form will not be accepted before the close out of your grant. Instructions can be found on the MHDC website.

Match Documentation				
Match Source	Match Amount	Source and Use Number	Source and Use Description	Documentation Submitted
State Government ↓	\$ 1,500.00	5	Source: Private grant UW Use: KCPL utility for shelter	Yes ↓

³⁷ See <https://nctb.org/tips/value-of-volunteer-time/> for more details

Appendix D – Definitions

Responsible Entity

With respect to the environmental responsibilities under ESG, a recipient under the program. As a direct recipient of the state, MHDC will act as the Responsible Entity.

Comparable Database

A relational database that meets all HMIS Data Standards and the minimum standards of HMIS privacy and security requirements, including HUD’s most recent reporting standards and comma separated value (CSV) format specifications. The most recent standards, published April 2021, can be found [here](#).

Duplication of Benefits

When federal financial assistance is provided to a person or entity through a program to address losses resulting from a federally-declared emergency or disaster, and the person or entity has received (or would receive, by acting reasonably to obtain available assistance) financial assistance for the same costs from any other source (including insurance), and the total amount received exceeds the total need for those costs.

Appendix E – Sources and Resources

[24 CFR 576](#): Code of Federal Regulations (CFR) Title 24 HUD, Part 576 for the Emergency Solutions Grants Program

[ESG Income Limits](#): The 30 percent Area Median Income (AMI) Limits for Missouri

[ESG Law, Regulations, and Notices](#): HUD Exchange homepage for the ESG program

[CAPER](#): HUD Consolidated Annual Performance and Evaluation Report Guidebook

[MHDC ESG](#): MHDC’s webpage for the ESG program

[2022 HMIS Standard Manual](#): HUD Exchange webpage including updated HMIS Data Standards, Data Dictionary, and more

[ESG Program HMIS Manual](#): HUD Exchange webpage for ESG specific HMIS Manual

[Housing First](#): “Home, Together: The Federal Strategic Plan to Prevent and End Homelessness”

[End Homelessness Missouri](#): Missouri Interagency Council on Homelessness

[Show Me Strong MO](#): Missouri’s “Show Me Strong Recovery Plan” to coronavirus

[Foundant](#): MHDC’s Grant Interface software

[2-1-1 Missouri](#): United Way’s database for homelessness resources in Missouri

[MO Housing Resources](#): MHDC’s webpage for renters, landlords, homeowners, and others who are seeking housing resources in the State of Missouri.