



Emergency Solutions Grant

2024 Desk Guide

Updated November 1st, 2023



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I. INTRODUCTION

PURPOSE OF THE EMERGENCY SOLUTIONS GRANT

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.

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 2024 ESG Desk Guide. Grantees are encouraged to review all HUD ESG program requirements. 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 2024 Desk Guide.

PURPOSE OF THIS DOCUMENT

This guide incorporates standards, policies, and procedures that ESG grantees should be familiar with and adhere to when implementing their programs, including but not limited to requirements established by HUD, State law, MHDC regulations, the Notice of Funding Availability (NOFA), Grant Agreement's, and the State's Consolidated Plan. This guide provides instruction regarding the actions ESG grantees must take to be compliant with these requirements.

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

II. GENERAL INFORMATION

HOW TO USE THIS DOCUMENT

While grantees can read this document cover to cover, MHDC envisions that grantee staff will use this resource as a desk reference and will keep referring back to specific sections as needed. MHDC understands that regulations can sometimes be complicated, so be sure to reach out if there are follow-up questions or concerns.

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](#).

Please direct questions, concerns, and updates to:

Drew Geer
HUD Programs Administrator
Missouri Housing Development Commission
1201 Walnut Street, Suite 1800
Kansas City, MO 64106
(816) 759-6630
Drew.Geer@mhdc.com

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HUD Programs Financial Coordinator
Missouri Housing Development Commission
1201 Walnut Street, Suite 1800
Kansas City, MO 64106
(816) 759-2875
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WEBSITE

All information and forms pertaining to MHDC's ESG program can be found on the following website:

<https://mhdc.com/programs/hud-programs/emergency-solutions-grant/>

TIMELINE

The following timeline lists the key dates for the 2024 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.

Quarter 1 (Q1)	November 1st, 2023 – January 31st, 2024
Grant Year Begins.....	November 1 st , 2023
Grant Agreement Submission Due	December 18 th , 2023
First Q1 Payment Request Submission Deadline.....	January 15 th , 2024
Final Q1 Payment Request Submission Deadline	January 31 st , 2024
Quarter 2 (Q2)	February 1st, 2024 – April 30th, 2024
Q1 CAPER Due ²	February 10 th , 2024
First Q2 Payment Request Submission Deadline.....	February 15 th , 2024
Annual CAPER Report Due ³	April 28 th , 2024
50% Spending Deadline	April 30 th , 2024
Final Q2 Payment Request Submission Deadline	April 30 th , 2024
Quarter 3 (Q3)	May 1st, 2024 – July 31st, 2024
First Q3 Payment Request Submission Deadline.....	May 15 th , 2024
75% Spending Deadline	July 31 st , 2024
Final Q3 Payment Request Submission Deadline	July 31 st , 2024
Quarter 4 (Q4)	August 1st, 2024 – October 31st, 2024
Q3 CAPER Due.....	August 10 th , 2024
First Q4 Payment Request Submission Deadline.....	August 15 th , 2024
End of Grant Year.....	October 31 st , 2024
Final Payment Request Submission Deadline.....	October 31 st , 2024
Grant Close-Out Deadline	December 1st, 2024

² HMIS Lead Agencies submit Quarterly CAPERs for all agencies that DO NOT use a comparable database. Agency's that utilize a comparable database must submit their own Quarterly CAPERs to MHDC.

³ All grantees are responsible for submitting their own Annual CAPER into the SAGE portal for the time period of April 1, 2023 – March 31, 2024.

GUIDING PRINCIPLES

In administering this program, MHDC affirms and supports the following:

Housing First

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

- Homelessness is first and foremost a housing crisis and can be addressed through the provision of safe and affordable housing.
- All people experiencing homelessness, regardless of their housing history and duration of homelessness, can achieve housing stability in permanent housing. Some may need very little support for a brief period of time, while others may need more intensive and long-term supports.
- Everyone is “housing ready.” Sobriety, compliance with treatment, or even criminal histories are not necessary to succeed in housing. Rather, homelessness programs and housing providers must be “consumer ready.”
- Many people experience improvements in quality of life – in the areas of health, mental health, substance use, and employment – as a result of achieving housing.
- People experiencing homelessness have the right to self-determination and should be treated with dignity and respect.
- The exact configuration of housing services depends upon the needs and preferences of the population.⁴

In addition, the Housing First approach contends that assistance may not be terminated to any households based upon perceived barriers. Examples of this include:

- Failure to participate in supportive services and case management activities
- Failure to make progress on a services plan
- Failure to make progress to improve income
- Being a victim of domestic violence

ELIGIBLE PROGRAM COMPONENTS

- Street Outreach (SO)
- Emergency Shelter (ES)
- Homelessness Prevention (HP)
- Rapid Rehousing (RRH)
- Homeless Management Information System (HMIS)
- Administrative costs (Admin)

⁴ Further information regarding Housing First can be found [here](#).

III. DEFINITIONS

HOMELESS:

In accordance with [24 CFR 576.2](#), MHDC allows for the following definitions of homelessness to be used by ESG grantees when determining program participant eligibility.

Category 1 – Literally Homeless

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

- An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
- An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or
- An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.

Category 2 – Imminent Risk of Homelessness

An individual or family who will imminently lose their primary nighttime residence, provided that:

- The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
- No subsequent residence has been identified; and
- The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, needed to obtain other permanent housing.

Category 4 – Fleeing/Attempting to Flee Domestic Violence⁵

Any individual or family who:

- 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.

AT RISK OF HOMELESSNESS

In accordance with [24 CFR 576.2](#), MHDC allows for the following definition of at risk of homelessness to be used by ESG grantees when determining program participant eligibility.

Category 1 – At Risk of Homelessness

An individual or family who:

- Has an annual income below 30 percent of median family income for the area, as determined by HUD;

⁵ 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](#).

- Does not have sufficient resources or support networks, e.g., family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in Category 1 of the “homeless” definition; and
- Meets one of the following conditions:
 - (A) Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;
 - (B) Is living in the home of another because of economic hardship;
 - (C) Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;
 - (D) Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by federal, state, or local government programs for low-income individuals;
 - (E) Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 persons reside per room, as defined by the U.S. Census Bureau;
 - (F) Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or
 - (G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness.

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 August 2023, 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.

IV. MHDC AND FEDERAL FUNDING REQUIREMENTS

All services provided via ESG funds from MHDC by grantees must meet the federal and MHDC funding requirements as outlined below.

FAIR HOUSING⁶

The goal of affirmatively furthering fair housing is to help bring an end to discriminatory housing practices, both past and present, which directly impact fair access and equal opportunity to safe and affordable housing. MHDC requires all ESG grantees to follow the detailed practices below.

Affirmative Outreach

Pursuant to [24 CFR 5.150](#) and section 808(e) (5) of the [Fair Housing Act](#), HUD has a statutory duty to affirmatively further fair housing. Grantees must communicate and make known that use of ESG funded facilities, assistance and services are available to all on a nondiscriminatory basis. Within CoC Coordinated Entry policies, grantees must develop and implement affirmative outreach written procedures and communication tools and materials to inform persons without regard to race, color, religion, sex, national origin, familial status, or disability, how to obtain access to facilities and services. If it appears the procedures grantees intend to use to accomplish this will not reach persons of any race, color, religion, sex, national origin, familial status, or disability who may qualify for those activities and services, grantees must establish additional procedures to ensure those persons are made aware of assistance opportunities. Reasonable accommodations for persons with disabilities must be available to ensure disabled participants have an equal opportunity to utilize housing, including shelters, and receive essential services. Greater levels of accessibility may be required for some shelters in compliance with The Americans with Disabilities Act (ADA).

Nondiscrimination

ESG grantees are required to comply with all state and federal statutes relating to nondiscrimination and cannot take any of the following actions based on race, color, religion, sex, national origin, familial status, or disability:

- Refuse to rent housing or provide services
- Make housing or services unavailable
- Deny a dwelling or service
- Set different terms, conditions or privileges for rental of dwelling or obtaining services
- Provide different housing services or facilities or different services
- Falsely deny that housing is available for inspection or rental or that services are available
- Deny anyone access to a facility or service

FAITH BASED ACTIVITIES

Pursuant to [24 CFR 576.406](#), faith-based organizations are eligible, on the same basis as any other organization, to participate in HUD programs and activities, provided that the organization does not use ESG funds to support or engage in any explicitly religious activities (including activities that involve overt religious content such as worship, religious instruction, or proselytization), or in any other manner prohibited by law.

If a grantee engages in explicitly religious activities (including activities that involve overt religious content such as worship, religious instruction, or proselytization), the explicitly religious activities must be offered

⁶ Additional Fair Housing resources can be found [here](#).

separately, in time or location, from the programs or activities supported by direct federal financial assistance and participation must be voluntary for the beneficiaries of the programs or activities that receive direct federal financial assistance.

VIOLENCE AGAINST WOMEN ACT (VAWA)

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.

HUD EQUAL ACCESS RULE

On September 21, 2016, HUD published a final rule in the [Federal Register](#) entitled “Equal Access in Accordance with an Individual’s Gender Identity in Community Planning and Development Programs.” Through this final rule, HUD ensures equal access to individuals in accordance with their gender identity in ESG. This rule builds upon HUD’s February 2012 final rule entitled “[Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity](#)” (2012 Equal Access Rule), which aimed to ensure that HUD’s housing programs would be open to all eligible individuals and families regardless of sexual orientation, gender identity, or marital status.

Gender identity is defined as the gender with which a person identifies, regardless of the sex assigned to that person at birth and regardless of the person’s perceived gender identity. Perceived gender identity means the gender with which a person is perceived to identify based on that person’s appearance, behavior, expression, other gender related characteristics, or sex assigned to the individual at birth or identified in documents.

In accordance with [24 CFR 5.106](#), ESG grantees are 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.

CONFLICTS OF INTEREST

Grantees and are expected to follow the conflicts of interest standards outlined in [24 CFR 576.404](#) related to the provision of ESG assistance, and procurement of goods and services.

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 Standards⁷, 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](#)

AREA-WIDE SYSTEMS COORDINATION

Consultation with Continuums of Care

ESG grantees are required to attend at least seventy five percent (75%) of the Continuum of Care (CoC) all member meetings in the CoC 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 a MHDC-107 CoC Meeting 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 seventy five percent (75%) attendance criteria of CoC full membership meetings. Grantees should maintain record of meetings being cancelled.

Coordination with Other Targeted Homeless Services and Mainstream Resources

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\(b\)](#) and [24 CFR 576.400\(c\)](#) 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. In accordance with [24 CFR 576.400\(d\)](#), 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. Each grantee must also work with its CoC to ensure that the

⁷ HUD’s webpage for HMIS Data Standards and other HMIS resources can be found [here](#).

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.

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.

HOMELESS PARTICIPATION

Pursuant [24 CFR 576.405](#), the grantee must have at least one homeless or formerly homeless individual on their board of directors or other equivalent policy-making entity, to the extent that the entity considers and makes policies and decisions regarding any facilities, services, or other assistance that receive funding under Emergency Solutions Grant.

If the grantee is unable to meet requirement, it must instead develop and implement a plan to consult with homeless or formerly homeless individuals in considering and making policies and decisions regarding any facilities, services, or other assistance that receive funding under Emergency Solutions Grant.

To the maximum extent practicable, the grantee must involve homeless individuals and families in, maintaining and operating facilities assisted under ESG, in providing services assisted under ESG, and in providing services for occupants of facilities assisted under ESG. This involvement may include employment or volunteer services.

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.

GRANTEE INTERNAL PROGRAM GUIDELINES

As required by [24 CFR Part 576.400\(e\)](#), all ESG grantees must establish, amend, or maintain agency specific program guidelines that meet the below standards.

All Programs:

- A1. Standards include procedures used for evaluating the eligibility of individuals and families for assistance under the ESG program.

- A2. 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.
- A3. 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.⁸
- A4. Standards describe the program participant's formal grievance process.⁹
- A5. Standards address the policy for participation in HMIS or comparable database.
- A6. 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.
- A7. Standards describe procedures and policies in place to ensure the records of anyone who applies for and/or receives ESG assistance are kept secure and confidential.¹⁰

Street Outreach Programs Only:

- SO1. Standards include procedure for targeting and providing services related to street outreach.

Emergency Shelter Programs Only:

- ES1. Standards 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.
- ES2. 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.
- ES3. Standards include procedure for assessing, prioritizing, and reassessing individuals' and families' needs for essential services related to emergency shelter.

Homelessness Prevention Programs Only:

- HP1. Standards include procedure for determining and prioritizing which eligible individuals and families will receive homelessness prevention and which eligible individuals and families will receive rapid rehousing assistance.
- HP2. Standards include procedure for determining what percentage or amount of rent and utilities costs each program participant must pay while receiving homelessness prevention assistance.
- HP3. Standards include 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.
- HP4. Standards include 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

⁸ Requirements for termination standards are further described in this Desk Guide [here](#).

⁹ Requirements for grievance standards are further described in this Desk Guide [here](#).

¹⁰ Requirements for confidentiality standards are further described in this Desk Guide [here](#).

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.

HP5. Standards include policy for addressing the needs of ineligible applicants.

Rapid Rehousing Programs Only:

RRH1. Standards include procedure for determining and prioritizing which eligible individuals and families will receive homelessness prevention and which eligible individuals and families will receive rapid rehousing assistance.

RRH2. Standards include procedure for determining what percentage or amount of rent and utilities costs each program participant must pay while receiving rapid rehousing assistance.

RRH3. Standards include 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.

RRH4. Standards include 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.

RRH5. Standards include policy for addressing the needs of ineligible applicants.

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 assistance.

GRIEVANCE AND APPEALS

As part of written policies and procedures, each grantee must develop written policies allowing for submission and remediation of grievances. These policies must allow for an appeal process in which, if a participant disagrees with remediation measures, the participant is given the opportunity to present written or oral objections before someone other than the person (or a subordinate of that person) who made or approved the remediation measures in question.

INELIGIBLE CLIENTS

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

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 Consent and Homeless Certification Form](#) at intake to document homeless status. If a lower priority certification method is utilized then the agency staff must document by a written certification of their efforts in attempting to obtain the higher priority certification method(s). 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.

CONFIDENTIALITY

Pursuant to [24 CFR 576.500\(x\)](#) all ESG grantees must develop and implement written procedures to ensure:

- All records containing personally identifying information (of any individual or family who applies for and/or receives ESG assistance will be kept secure and confidential);
- The address or location of any domestic violence, dating violence, sexual assault, or stalking shelter project assisted under the ESG will not be made public, except with written authorization of the person responsible for the operation of the shelter; and
- The address or location of any housing of a program participant will not be made public, except as provided under a preexisting privacy policy of the grantee and consistent with state and local laws regarding privacy and obligations of confidentiality.

V. ADMINISTERING AN ESG FUNDED PROGRAM

INITIAL PARTICIPANT EVALUATION

Grantees must conduct an initial evaluation of eligibility for all potential program participants. This evaluation must be conducted in accordance with the coordinated entry process set by the CoC, the agency's own ESG program guidelines ([24 CFR 576.400](#)), and should follow the Housing First model. The purpose of this evaluation is to determine the following:

- 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 applicants total household income (only applicable for Homelessness Prevention)
- The applicant has not received more than 24 months of ESG assistance within the past three years
- The minimum amount and types of assistance necessary to ensure housing stability

All clients, regardless of homelessness status or funded component, must complete the MHDC-114 Consent and Homeless Certification Form, the grantee's intake paperwork, and the HMIS Lead/Comparable Database Consent form.

ASSESSING 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 [here](#), which can also be accessed through [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
- 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
- Refunds or rebates for property taxes
- Adoption assistance payments in excess of \$480.00 per adopted child

- Earnings in excess of \$480.00 for each full-time student who is 18 year old or older (excluding the head of household and spouse)
- Deferred periodic amounts from SSI or social security benefits that are received in a lump sum amount or in prospective monthly amounts
- 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](#)

RE-EVALUATING PARTICIPANT ELIGIBILITY

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 utilizing the ESG-209 Recertification Form:

- 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 Income Eligibility Worksheet); and
- The program participant lacks sufficient resources and support networks necessary to retain housing without ESG assistance.

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.

CONNECTING PROGRAM PARTICIPANTS TO MAINSTREAM AND OTHER RESOURCES

Pursuant to [24 CFR 576.401\(d\)](#) the grantee must assist each program participant, as needed, to obtain:

- Appropriate supportive services, including assistance in obtaining permanent housing, medical health treatment, mental health treatment, counseling, supervision, and other services essential for achieving independent living; and
- Other federal, state, local, and private assistance available to assist the program participant in obtaining housing stability, including:
 - Medicaid
 - Supplemental Nutrition Assistance Program
 - Women, Infants and Children (WIC)
 - Federal-State Unemployment Insurance Program
 - Social Security Disability Insurance (SSDI)
 - Supplemental Security Income
 - Child and Adult Care Food Program
 - Other assistance available under the programs listed in [24 CFR 576.400\(c\)](#).

PROVIDING HOUSING STABILITY CASE MANAGEMENT

Per [24 CFR 576.401\(e\)\(2\)](#), grantees are required when providing Homelessness Prevention or Rapid Rehousing assistance to a program participant, the grantee 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; 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.

The 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

INVOLUNTARY FAMILY SEPARATION

Per [24 CFR 578.93\(e\)](#), 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.

LEAD-BASED PAINT REMEDIATION AND DISCLOSURE

Pursuant to the Lead-Based Paint Poisoning Prevention Act, and [24 CFR 35 Subparts A, B, H, K, M](#), and [R](#) all emergency shelter facilities and permanent housing occupied by ESG program participants must be inspected for lead-based paint.

MINIMUM STANDARDS FOR EMERGENCY SHELTERS

Per [24 CFR 576.403\(b\)](#), 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 | • Thermal Environment |
| • Access | • Illumination and Electricity |
| • Space and Security | • Food Preparation |
| • Interior Air Quality | • Sanitary Conditions |
| • Water Supply | • Fire Safety |
| • Sanitary Facilities | |

MINIMUM STANDARDS FOR PERMANENT HOUSING

Pursuant to [24 CFR 576.403\(c\)](#), grantees cannot use ESG funds to help a program participant remain or move into housing that does not meet basic habitability. Such as minimum safety, sanitation, and privacy standards related to the following topics:

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

REPORTING REQUIREMENTS

Consolidated Annual Performance Evaluation Report (CAPER)

All grantees are required to generate this annual report directly from their HMIS/comparable database system

in April 2024. This report must be for the period of **April 1st, 2023 through March 31st, 2024**, as this is the federally mandated date range. This range does overlap the ESG-23 and ESG-24 grant years, so any agency funded in both years will upload data from both program years.

The grantee will upload the CAPER data directly into the online Sage portal via an email link sent to the Annual CAPER Contact listed on the grantee's ESG-24 Agency Contact page in the Grant Interface. This link will come directly from the Sage system, as required by HUD.¹¹

Grantees should work their HMIS/ comparable database provider and HMIS Lead Agency to generate data through a CAPER CSV export from their system for all the ESG service-related components they are funded in (Street Outreach, Emergency Shelter, Rapid Rehousing, and Homelessness Prevention).¹²

Quarterly CAPER Submission (required only for comparable database agencies)

All grantees that utilize a comparable database must submit their own Quarterly CAPERs to MHDC. HMIS Lead Agencies submit Quarterly CAPERs on behalf of all grantees that **DO NOT** use a comparable database. Grantees must submit email this to the MHDC HUD Programs Administrator at drew.geer@mhdc.com each quarter by the deadlines described in the [Timeline](#) section of this guide.

Emergency Shelter Bed-Night Utilization Data

All grantees funded in the Emergency Shelter component are required to report in April 2024 the total number of Bed-nights available and the total of Bed-nights provided beds via their Emergency Shelter program for the period of **April 1st, 2023 through March 31st, 2024**. Total Bed-night's available is defined by HUD as the total number beds in a grantee's shelter that were available to program participants during the reporting period.¹³

COMPLIANCE MONITORING

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 visit or desk review. Reference the ESG-24 Compliance Guidance document located on the [MHDC website](#) for precise instructions regarding processes and requirements.

GRANT CLOSE OUT

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

1. Spending 100% of ESG award
2. Completing the required [Close Out Documentation](#)
3. Submitting the ESG-24 Grant Close Out submission in the Grant Interface

All complete and final close out information needs to be submitted electronically in the [Grant Interface](#) on or before 11:59 p.m. on December 1st, 2024. Any funds that are not expended may be subject to recapture.

¹¹ Agencies may need to monitor junk folders to ensure link is received.

¹² For more information, grantees may refer to the [HUD Exchange ESG CAPER Guidebook](#)

¹³ More information on how to calculate these totals can be found [here](#).

VI. BILLING AND 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 1st, 2023 and before October 31st, 2024.

REQUIREMENTS TO REQUEST REIMBURSEMENT

ESG funds 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 2024, the following criteria must be met:

- All previous ESG grants must be completely closed out:
 - All previous ESG grant funds expended; and
 - Close out documentation received and approved.
- All current year grant agreement documents must be completed and received by December 1st, 2023¹⁴
- 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 2024 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

MHDC will only reimburse grantees for expenses paid via one of the follow payment types:

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

HOW TO SUBMIT A PAYMENT REQUEST

All Payment Requests are completed electronically through the [Grant Interface](#). Each request must include a completed ESG-212 Expense Detail Form and a HMIS/comparable database report for each funded service-related component in which the grantee is requesting reimbursement .

MHDC allows for a max of **two** payment requests to be approved per month. The deadline to submit a request is 11:59 p.m. on the 15th and the last day of each month. Submitting a payment request by the aforementioned deadlines guarantees it will be reviewed in that request cycle, but **does not** guarantee that request will count towards [Quarterly Request Minimum](#) or [Spending Deadlines](#). Only approved payment requests count towards a grantee’s ESG spending requirements.

MHDC staff review all payment requests submitted for compliance with ESG regulations and accuracy. The Primary Assignee from the grantees ESG-24 Agency Contact Page will be notified via email if the payment request is approved or discarded.

¹⁴ More information regarding Grant Agreement documents can be found in this Desk Guide [here](#).

Generating HMIS/Comparable Database Reports for Payment Requests

The type of report is dependent upon the funding component, but each report must have a date range that covers the full date range of expenses billed on the corresponding ESG-212 Expense Detail Form submitted with that payment request. Follow the specific guidance below for which type of report is needed for each funded component.

Street Outreach

- A roster report for clients served must be submitted that covers the range of the corresponding ESG-212 Expense Detail Form, this report must include client ID numbers, program entry date, program exit date, and household composition details.
 - If the roster reports shows no clients served, the grantee must also include the MHDC-113 Street Outreach Engagement Tracking Form.

Emergency Shelter

- A roster report for clients served must be submitted that covers the range of the corresponding ESG-212 Expense Detail Form, this report must include client ID numbers, program entry dates, program exit dates, and household composition details.

Homelessness Prevention and Rapid Rehousing

- A roster report for clients served must be submitted that covers the range of the corresponding ESG-212 Expense Detail Form. This report must include client ID numbers, program entry date, program exit date, and household composition details.
- If the request includes reimbursement for Rental Assistance or Financial Assistance expenses, then a report that includes the client ID numbers, county of residence, amount paid, payment type, payee, pay date, and household composition details for every Rental Assistance or Financial Assistance expense being requested **in addition** to the roster report.
 - The service date for all Rental Assistance or Financial Assistance expenses listed on HMIS/comparable database report must be the actual paid date for that expense.

Administration and HMIS

- No report is required

Discarded Payment Requests

There are several reasons a payment request may be discarded, but every discard notice will include clear notes from the MHDC reviewer describing why the request was not able to be approved. It is important to note that every payment request is treated as an entirely new request regardless of it is has been submitted again after a discard. The date of submission is not when the request was first submitted, but when a request was submitted in an approvable form. See below several common reasons payment requests are discarded:

- Certificate of Insurance has expired
- Missing HMIS/comparable database reports or ESG-212 Expense Detail Form
- Not signing or having non-authorized personnel sign the ESG-212 Expense Detail Form
- Request reimbursement for ineligible expenses or ineligible payment types
- 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 Expense Detail Form
- Inadequate detail in Detail Description column on ESG-212 Expense Detail Form
- Blanks, typos, and/or number duplications on the ESG-212 Expense Detail Form
- Missing last 4 of SS numbers for payroll expenses on ESG-212 Expense Detail Form
- Incomplete incurred date on ESG-212 Expense Detail Form

Approved Payment Requests

Grantees must submit an approvable Payment Request to MHDC no later than 11:59 p.m. on the last day of the month in order to receive reimbursement in the following month. MHDC submits all approved payment requests to HUD monthly and are those are typically paid out in 3-5 weeks.

QUARTERLY REQUEST MINIMUM

Grantees must have a minimum of one approved payment request per quarter. 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 fifty percent (50%) of the total grant award amount on or before the end of the second quarter of the grant year (May 1st, 2024). Grantees are required to spend at least seventy five percent (75%) of the total grant award amount on or before the end of the third quarter of the grant year (August 1st, 2024). Grantees are required to spend one hundred percent (100%) of the total grant award on or before October 31st, 2024. 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 move funds to other already funded 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 ESG-213 Amendment Request Form 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 \$5,000.00 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.

VII. STREET OUTREACH COMPONENT

ESG funds may be used for the costs of providing essential services to unsheltered homeless people ([24 CFR 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.

CLIENT ELIGIBILITY REQUIREMENTS

Street Outreach services are provided only to persons who specifically meet the definition of unsheltered homeless people under Category 1 of HUD's homeless definition.

Category 1 – Literally Homeless

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

- An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground.

No Income Requirement

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

ELIGIBLE PROGRAM ACTIVITIES

The following are the only eligible activities that can be billed under the Street Outreach component. There are **no** operations expenses eligible under Street Outreach, all expenses must be related to essential client services.

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, to the extent that other appropriate emergency health services are unavailable within the community, 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, to the extent that other appropriate emergency mental health services are unavailable within the community, 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 program participants 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

All travel costs must be supported via detailed travel logs which include the specific destinations, times travel occurred, staff involved, miles traveled, and purposed of travel. This must be furnished during compliance. All travel must be billed based on mileage rate and the number of miles driven, the only alternative is direct payments for public transportation (i.e., cabs, buses, etc.)

- Costs associated with purchasing or leasing a vehicle **ARE NOT** eligible
- Employee travel to attend CoC meetings or trainings **ARE NOT** eligible expenses
- Costs for gas or vehicle fuel **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.

VIII. EMERGENCY SHELTER COMPONENT

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](#)).

CLIENT ELIGIBILITY REQUIREMENTS

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

Category 1 – Literally Homeless

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

- An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
- An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or
- An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.

Category 2 – Imminent Risk of Homelessness

An individual or family who will imminently lose their primary nighttime residence, provided that:

- The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
- No subsequent residence has been identified; and
- The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, needed to obtain other permanent housing.

Category 4 – Fleeing/Attempting to Flee Domestic Violence

Any individual or family who:

- 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.

No Income Requirement

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

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

ELIGIBLE PROGRAM ACTIVITIES – ESSENTIAL SERVICES

The only eligible Emergency Shelter client service that can be provided include the following:

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 program participants is eligible. 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 Services

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:

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

All travel costs must be supported via detailed travel logs which include the specific destinations, times travel occurred, staff involved, miles traveled, and purposed of travel. This must be furnished during compliance. All travel must be billed based on mileage rate and the number of miles driven, the only alternative is direct payments for public transportation (i.e., cabs, buses, etc.)

- Costs associated with purchasing or leasing a vehicle **ARE NOT** eligible
- Employee travel to attend CoC meetings or trainings **ARE NOT** eligible expenses
- Costs for gas or vehicle fuel **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

The only eligible Emergency Shelter operations expenses that can be reimbursed include the following:

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: pest control, lawn services, 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 purposes¹⁶ **ARE NOT** considered minor or routine maintenance

¹⁶ 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.).

- 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.¹⁷

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

¹⁷ 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.

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 an 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 and Supplies

Equipment and supplies necessary for the operation of an emergency shelter are eligible. This can only be for equipment and supplies that is 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.

IX. HOMELESSNESS PREVENTION COMPONENT

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

CLIENT ELIGIBILITY REQUIREMENTS

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% of the area median income (AMI).

Category 2 – Imminent Risk of Homelessness

An individual or family who will imminently lose their primary nighttime residence, provided that:

- The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
- No subsequent residence has been identified; and
- The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, needed to obtain other permanent housing.

Category 4 – Fleeing/Attempting to Flee Domestic Violence

Any individual or family who:

- 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.

Category 1 – At Risk of Homelessness

An individual or family who:

- Has an annual income below 30 percent of median family income for the area, as determined by HUD;
- Does not have sufficient resources or support networks, e.g., family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in Category 1 of the "homeless" definition; and
- Meets one of the following conditions:
 - (A) Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;
 - (B) Is living in the home of another because of economic hardship;
 - (C) Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;
 - (D) Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by federal, state, or local government programs for low-income individuals;
 - (E) Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 persons reside per room, as defined by the U.S. Census Bureau;
 - (F) Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or
 - (G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness.

Income Evaluation Required at Intake and Recertification

All Program Participant must have a gross annual household income below thirty percent (30%) of the area median income (AMI), as determined by HUD, at initial evaluation and all re-evaluations.

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 three (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 Deposits

Paying for a standard security deposit required by the landlord for all customers is eligible. Security deposits may not exceed the cost of two months of rent.

Utility Deposit

Paying for a standard utility deposit required by the utility company for all customers for the following utilities is 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 six (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 Uniform Relocation Act (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.

X. RAPID REHOUSING COMPONENT

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.

CLIENT ELIGIBILITY REQUIREMENTS

Participants must meet Category 1 or 4 of the homeless definition. Only upon annual re-evaluation is the program participant required to have an annual income below 30% AMI.

Category 1 – Literally Homeless

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

- An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
- An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or
- An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.

Category 4 – Fleeing/Attempting to Flee Domestic Violence

Any individual or family who:

- 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.

Income Evaluation Required ONLY at Recertification

All Program Participant must have a gross annual household income below thirty percent (30%) of area median income (AMI), as determined by HUD, at annual re-evaluation.

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 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 three (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 Deposits

Paying for a standard security deposit required by the landlord for all customers is eligible. Security deposits may not exceed the cost of two months of rent.

Utility Deposit

Paying for a standard utility deposit required by the utility company for all customers for the following utilities is 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 six (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.

XI. HMIS COMPONENT

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 [2024 HMIS Data Dictionary](#) and [2024 HMIS Data Standard Manual](#). In addition, the [2024 ESG Program HMIS Manual](#) addresses the use of HMIS for ESG, to complement and support data collection and reporting efforts of HMIS users.

ELIGIBLE PROGRAM ACTIVITIES FOR – NON-PROFIT 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

Staffing

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

- Data collection and reporting
- Completing data entry
- Monitoring and reviewing data quality
- Completing data analysis
- Training staff on using the HMIS or comparable database
- Implementing and complying with HMIS requirements
- Cost of obtaining third party technical support

Training

The direct cost to participate (i.e., registration fees) and attend any HUD-Sponsored and/or HUD approved training on using the HMIS or comparable database is eligible.¹⁸

Transportation

The direct transportation costs required for grantee staff to travel to conduct intake and to attend HUD-Sponsored and HUD approved training on HMIS are eligible. Direct transportation costs include the following:

- Cost of a staff's travel on public transit
- Mileage allowance for staff travel to trainings and to conduct intake

All transportation costs must be supported via detailed travel logs which include the specific destinations, times travel occurred, staff involved, miles traveled, and purposed of travel. This must be furnished during compliance. All travel must be billed based on mileage rate and the number of miles driven, the only alternative is direct payments for public transportation (i.e., cabs, buses, etc.)

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

¹⁸ Grantees must verify with MHDC that the ESG training is HUD-sponsored prior to requesting reimbursement for any costs associated with attending them.

- Costs for gas or vehicle fuel **ARE NOT** eligible
- Cost associated with food, baggage, or any non-direct transportation costs **ARE NOT** eligible

Rent

Grantees can request reimbursement for the portion of the office space used in the process of contributing data to the HMIS expenses. The portion of rent that is allowable is proportionate to the percentage of the facility’s total square footage that is being used in HMIS eligible activities. The calculation of the portion of the rent being billed under HMIS should be documented in a written memo.

Utilities

Grantees can request reimbursement for the portion of the utilities necessary to operate or contribute data to the HMIS. The portion of the utilities that is allowable is proportionate to the percentage of the facility’s total square footage that is being used in HMIS eligible activities. The calculation of the portion of the utilities being billed under HMIS should be documented in a written memo. Eligible utilities include:

- Electricity
- Gas
- Phone
- Water
- Internet

Equipment and Supplies

Equipment and supplies used in the process of contributing data to the HMIS are eligible. This can only be for equipment and supplies that are used exclusively for HMIS.

- Purchasing or leasing equipment, including telephones, faxes, and furniture
- Office supplies
- Maintenance of office space

Participation Fees

Fees charged by the HMIS Lead or the HMIS/comparable database provider used by the grantee to operate and contribute data to the HMIS/comparable database are 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 Systems

Costs for hardware and software used specifically by an HMIS Lead Agency in the further administration and maintenance of the HMIS, including:

- Purchasing or leasing computer hardware
- Purchasing software or software licenses
- Integrating and warehousing data, including development of a data warehouse for use in aggregating data from other grantees using multiple software systems
- Upgrading, customizing, and enhancing the HMIS
- Backing up, recovering, or repairing HMIS software or data

Staffing

Salaries, wages, and related costs of the HMIS Lead Agency’s staff or other staff engaged in any HMIS administrative assignments such as:

- Reporting to providers, the Continuum of Care, and HUD
- Providing technical assistance to grantees
- Conducting training on how to use the HMIS
- Assessing comparable databases for compliance with HUD’s data standards
- Monitoring and reviewing data quality
- Completing data analysis
- Cost of obtaining third party technical support

Training

The direct cost to participate (i.e., registration fees) and attend any HUD-Sponsored and/or HUD approved training on administering the HMIS are eligible.¹⁹

Transportation

The direct transportation costs required for HMIS Lead Agency staff to travel in order to: conduct training on using the system, assess comparable databases for compliance, and HUD-Sponsored and/or HUD approved training on administering the HMIS. Direct transportation costs include the following:

- Cost of a staff’s travel on public transit to conduct trainings, assess comparable databases, and attend trainings
- Mileage allowance for staff travel to conduct trainings, assess comparable databases, and attend trainings

All transportation costs must be supported via detailed travel logs which include the specific destinations, times travel occurred, staff involved, miles traveled, and purposed of travel. This must be furnished during compliance. All travel must be billed based on mileage rate and the number of miles driven, the only alternative is direct payments for public transportation (i.e., cabs, buses, etc.)

- Costs associated with purchasing or leasing a vehicle **ARE NOT** eligible
- Costs for gas or vehicle fuel **ARE NOT** eligible
- Cost associated with food, baggage, or any non-direct transportation costs **ARE NOT** eligible

Rent

HMIS Lead Agencies can request reimbursement for the rent of the office space used in the process of administering and maintaining the HMIS. The portion of rent that is allowable is proportionate to the percentage of the facility’s total square footage that is being used in HMIS Lead Agency eligible activities. The calculation of the portion of the rent being billed under HMIS should be documented in a written memo.

Utilities

HMIS Lead Agencies can request reimbursement for the utilities necessary to administer and maintain the HMIS. The portion of the utilities that is allowable is proportionate to the percentage of the facility’s total square footage that is being used in HMIS Lead Agency eligible activities. The calculation of the portion of the utilities being billed under HMIS should be documented in a written memo. Eligible utilities include:

- | | |
|---------------|------------|
| • Electricity | • Water |
| • Gas | • Internet |
| • Phone | |

¹⁹ Grantees must verify with MHDC that the ESG training is HUD-sponsored prior to requesting reimbursement for any costs associated with attending them.

Equipment and Supplies

Equipment and supplies used in the process of administering and maintaining the HMIS are eligible. This can only be for equipment supplies that are used exclusively for HMIS.

- Office supplies
- Maintenance of office space
- Purchasing or leasing equipment, including telephones, faxes, and furniture

XII. ADMINISTRATION COMPONENT

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 their total 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 PROGRAM 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.

Staffing

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

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

Rent

Grantees can request reimbursement for the portion of the office space used in the process of administering the program. The portion of rent that is allowable is proportionate to the percentage of the facility's total square footage that is being used towards eligible Administration activities. The calculation of the portion of the rent being billed under Administration should be documented in a written memo.

Utilities

Grantees can request reimbursement for the portion of the utilities necessary to the process of administering the program. The portion of the utilities that is allowable is proportionate to the percentage of the facility's total square footage that is being used in eligible Administration activities. The calculation of the portion of the utilities being billed under Administration should be documented in a written memo. Eligible utilities include:

- Electricity
- Gas
- Water
- Phone
- Internet

Insurance

The insurance for the facility being used to administer the program is eligible. The portion of insurance that is allowable is proportionate to the percentage of the facility's total square footage that is being used eligible Administration activities. The calculation of the portion of the insurance being billed under Administration should be documented in a written memo.

Equipment and Supplies

Equipment and supplies necessary to the administration of the program are eligible. This can only be for equipment and supplies that are used exclusively for Administration

- Office supplies
- Maintenance of office space
- Purchasing or leasing equipment, including telephones, faxes, and furniture

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 trainings²⁰

²⁰ Grantees must verify with MHDC that the ESG training is HUD-sponsored prior to requesting reimbursement for any costs associated with attending them.

XIII. REQUIREMENTS FOR PROVIDING RENTAL ASSISTANCE

Grantees are required to abide by the following requirements when providing direct rental payments to housing owners, landlords, and other third parties for eligible Rapid Rehousing and Homeless Prevention program participants.

TYPES 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 one hundred 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 one hundred 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.

MAXIMUM ASSISTANCE

The maximum period for which any program participant may receive rental assistance 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 Receipt of Assistance, to ensure eligible client assistance.

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](#)²¹. 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 Rent Reasonableness and Fair Market Rent Certification.

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 size.²²

²¹ As defined in [24 CFR Part 888](#)

²² 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

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

RENTAL ASSISTANCE AGREEMENTS

ESG grantees providing rental assistance must enter into a rental assistance agreement²³ 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 [24 CFR 5.2005\(c\)](#). 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.

²³ MHDC has a "Sample Rental Assistance Agreement" located [here](#).

XIV. RECORDING KEEPING

Every ESG component and activity has specific record keeping requirements as defined by HUD in [24 CFR 576.500](#). The following section breaks down which forms, documents, and financial records must be retained in specific instances in administering ESG funds, such as:

- [NON-DIRECT ASSISTANCE EXPENSES](#)
- [DIRECT ASSISTANCE PAYMENTS](#)
- [INDIRECT COST RATE USAGE](#)
- [ALL CLIENT FILES](#)
- [HOMELESSNESS PREVENTION CLIENT FILES](#)
- [RAPID REHOUSING CLIENT FILES](#)
- [PROGRAM PARTICIPANTS RECEIVING RENTAL ASSISTANCE](#)
- [RECERTIFICATION](#)
- [EMERGENCY SHELTER FACILITIES](#)

DOCUMENTING HOMELESS STATUS

Appropriate homeless status documentation for client files will vary depending on type of assistance provided and the circumstances of each participant.

Literally Homeless

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.

Imminent Risk of Homelessness

1. A court order resulting from an eviction action notifying the household they must leave
 - 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
 - a. Certification that no subsequent residence has been identified
 - 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 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 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.

FINANCIAL BACK UP BASICS

All expenses listed on any ESG-212 Expense Detail Form that was submitted with an approved payment request must have supporting financial backup retained and saved for a minimum of five (5) years following the end of the grant period. Financial Back-up consists of proof of need (or cost incurred) and proof of payment.

Proof of Need

Proof of need must show that the cost was incurred prior to reimbursement being requested and within the eligible grant period. In general, proof of need for bills paid, services performed, or materials purchased should be documented with an invoice and/or receipt from the vendor. **Invoices and/or receipts created by the grantee or by a third-party not involved in the transaction do not count as proof of need.** There are some types of expenses that should have proof of need documented differently, reference the Compliance Guidance on the [MHDC website](#) for additional details.

Proof of Payment

Proof of payment must show that the cost was paid for prior to reimbursement being request and within the eligible grant period. In general, proof of payment for bills paid, services performed, or materials purchased should be documented with canceled checks or bank statements with the specific payment highlighted. As

with proof of need, proof of payment must always come from a third-party source. There are some types of expenses that should have proof of need documented differently, reference the Compliance Guidance on the [MHDC website](#) for additional details.

REQUIRED DOCUMENTATION FOR – NON-DIRECT ASSISTANCE EXPENSES

The following categories breakdown the required items that must be retained for every expense billed to ESG that is **NOT** a rental assistance or financial assistance payment made on behalf of a program participant.

Paying Bills, Purchasing Goods, Paying for Services

- **Proof of Need**
 - Invoice/Receipt
- **Proof of Payment**
 - Canceled checks or bank statement with ESG payments highlighted

Travel Costs

- **Proof of Need**
 - Travel logs which includes date(s) of travel, destinations with, mileage, date, staff members involved, and purpose of travel.
- **Proof of Payment**
 - If reimbursing employee, need proof of payment to employee
 - If reimbursing agency, proof of payment is not needed

Employee Compensation

- **Proof of Need**
 - 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
- **Proof of Payment**
 - Copy of pay stub or payroll report from third party
 - Bank statement with ESG payments highlighted

REQUIRED DOCUMENTATION FOR – DIRECT ASSISTANCE PAYMENTS

Any rental assistance or financial assistance payment made on behalf of a Rapid Rehousing or Homelessness Prevention program participant is considered a Direct Assistance Payment.

Proof of Payment for Direct Assistance should be documented **BOTH** in client files **AND** with the other financial backup for expenses listed on each submitted ESG-212 Expense Detail Form.

Proof of Need

- 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
 - Eviction notice/documentation
 - Utility shutoff notice
- Proof of need for each Direct Assistance expense
 - Lease
 - Invoice/bill
 - Letter/notice from landlord/utility company for arrears

- Must be documented in both the clients and should be documented with the other financial backup for expenses listed on each submitted ESG-212 Expense Detail Form

Proof of Payment

- Canceled checks or bank statement with ESG payments highlighted
- Returned checks log
- Must be documented in both the clients and should be documented with the other financial backup for expenses listed on each submitted ESG-212 Expense Detail Form

REQUIRED DOCUMENTATION FOR – INDIRECT COST RATE USAGE

If grantee indicated in their ESG-24 application they planned to use an Indirect Cost rate to bill Administration expense, then the follow document is required to be retained:

Cost Allocation Plan

- View options 1, 2, or 3 from [HUD’s Indirect Cost Toolkit](#)
- Policy showing adoption of indirect rate methodology
- Documentation of Indirect rate billing

REQUIRED DOCUMENTATION FOR – ALL CLIENT FILES

Each of the following items are either required or highly recommended to be included in the client file for every program participant receiving any services funded with ESG.

MHDC-114 Consent and Homeless Certification [REQUIRED]

- Homeless status documentation
 - Include description of specific housing status
- Homeless status verification
 - 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
 - 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

HMIS/Comparable Database Consent Form [REQUIRED]

- If using HMIS, consent form must be from the HMIS Lead Agency to enter and share participant’s information via HMIS. If using , consent form from the Comparable Database provider to enter the participant’s information into the Comparable Database

Agency Intake Form [REQUIRED]

- Collects information used to determine:
 - 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

Ending Assistance Letter [Recommended]

- 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

Case Management Documentation [Recommended]

- Assessing, arranging, coordinating, and monitoring delivery of services to facilitate housing stability
- Dated notes detailing housing goals, plans, and referrals

REQUIRED DOCUMENTATION FOR – HOMELESSNESS PREVENTION CLIENT FILES

Clients receiving assistance via the Homelessness Prevention component must have the follow items retained in their client **in addition to** the items listed in to be included in the [All Client Files](#) section of this guide.

ESG-204 Receipt of Assistance [REQUIRED]

- 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

Photo Identification [REQUIRED]

- Required unless the household falls under Category 4 of the homeless definition **AND** the grantee has been permitted to use the MHDC-110 Identification Certification
- 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

Social Security Identification [REQUIRED]

- Required unless the household falls under Category 4 of the homeless definition **AND** the grantee has been permitted to use the MHDC-110 Identification Certification
- 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

ESG-201 Income Eligibility Worksheet [REQUIRED]

- Information for all household members and sources of income to determine annual income
- Household must be under 30% of AMI for household size to be considered eligible²⁴
- Required at intake **AND** every time household is recertified (3 months)

Supporting Documentation of Sources of Income [REQUIRED]

- Third-party documents that verify the gross annual income for every household member age 18 and over. Sufficient documentation includes:
 - Minimum of two (2) paystubs reflecting frequency of pay and current within 30 days
 - SSI/SSDI award letter/printout

²⁴ 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.

- Child support statement
- EBT statement for TANF
- If income source documents are unobtainable, MHDC-112 Verification of Income must be completed. Must document attempts to obtain source documentation in client file notes
- If the participant has no income, MHDC-103 Self-Declaration of Income must be completed

MHDC-112 Verification of Income [REQUIRED, IF]

- 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 Verification of Income 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 Self-Declaration of Income must be completed. Must document attempts to obtain third-party written verification in client file notes

MHDC-103 Self-Declaration of Income [REQUIRED, IF]

- 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 (3) sources of income

REQUIRED DOCUMENTATION FOR – RAPID REHOUSING CLIENT FILES

Clients receiving assistance via the Rapid Rehousing component must have the follow items retained in their client **in addition to** the items listed in to be included in the [All Client Files](#) section of this guide.

ESG-204 Receipt of Assistance [REQUIRED]

- 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

Photo Identification [REQUIRED]

- Required unless the household falls under Category 4 of the homeless definition **AND** the grantee has been permitted to use the MHDC-110 Identification Certification
- 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

Social Security Identification [REQUIRED]

- Required unless the household falls under Category 4 of the homeless definition **AND** the grantee has been permitted to use the MHDC-110 Identification Certification
- 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 DOCUMENTATION FOR – PROGRAM PARTICIPANTS RECEIVING RENTAL ASSISTANCE

Program Participants receiving rental assistance via the Homelessness Prevention or Rapid Rehousing component must have the follow items retained in their client file **in addition to** the items listed in the [All Client Files](#), and either the [Rapid Rehousing Client Files](#) or [Homelessness Prevention](#) sections of this guide.

Proof of Need [REQUIRED]

- 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
 - Eviction notice/documentation
 - Utility shutoff notice
- Proof of need for each direct assistance expense
 - Lease
 - Invoice/bill
 - Letter/notice from landlord/utility company for arrears
- Proof of Need for Rental Assistance should be documented both in client files **AND** with the other financial backup for expenses listed on each submitted ESG-212 Expense Detail Form

Proof of Payment [REQUIRED]

- Canceled checks or bank statement with ESG payments highlighted
- Returned checks log
- Proof of Payment for Rental Assistance should be documented both in client files **AND** with the other financial backup for expenses listed on each submitted ESG-212 Expense Detail Form

Lease [REQUIRED]

- Legally-binding lease between **LANDLORD AND PARTICIPANT**
- Grantee must have 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

Rental Assistance Agreement [REQUIRED]

- Agreement between the **LANDLORD AND GRANTEE**
- 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

ESG-205 Habitability Standards for Permanent Housing [REQUIRED]

- If the unit meets all standards, keep copy of form in participant's file
- If the unit does not meet any standards:
 - Do not request reimbursement for any rental payments made to the unit until deficiencies are rectified
 - Complete a new ESG-205 Habitability Standards for Permanent Housing after rectifying issues
- Keep copy of all completed ESG-205 Habitability Standards for Permanent Housing forms in participant's file

ESG-206 Rent Reasonableness and Fair Market Rent Certification [REQUIRED]

- 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
 - 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)
 - Unit must be under FMR for the area and household size to be considered eligible
 - Utilities that have outlined fixed costs in the lease must be included in the Contract Rent for the unit

ESG-207 Lead Screening Worksheet [REQUIRED]

- 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):
 - Do not request reimbursement for any rental payments made to the unit until deficiencies are rectified
 - Complete remaining parts of the ESG-207 Lead Screening Worksheets and an ESG-208 Property Owner Lead Certification Forms
- Keep copy of all completed ESG-207 Lead Screening Worksheets and ESG-208 Property Owner Lead Certification Forms in participant's file

ESG-208 Property Owner Lead Certification Form [REQUIRED, IF]

- If the unit requires and fails a visual assessment (Part 3 of the ESG-207 Lead Screening Worksheet):
 - Do not request reimbursement for any Rental Payments made to the unit until deficiencies are rectified
 - Complete remaining parts of the ESG-207 Lead Screening Worksheets and an ESG-208 Property Owner Lead Certification Forms
- Keep copy of all completed ESG-207 Lead Screening Worksheets and ESG-208 Property Owner Lead Certification Forms in participant's file

REQUIRED DOCUMENTATION FOR – RECERTIFICATION

The following items are required every time a program participant is re-evaluated for eligibility. This must be conducted every three (3) months for Homelessness Prevention clients and every twelve (12) months for Rapid Rehousing clients. See the [Re-Evaluating Participant Eligibility](#) section of this guide for more details.

ESG-209 Recertification Form [REQUIRED]

- Housing Status
 - Complete new MHDC-114 Consent and Homeless Certification with updated third-party documentation
- Income
 - If participant household has income, complete new ESG-201 Income Eligibility Worksheet and provide updated supporting document, MHDC-112 Verification of Income, or MHDC-103 Self-Declaration of Income based on guidance above
 - If participant is zero income, complete a new MHDC-103 Self-Declaration of Income

ESG-201 Income Eligibility Worksheet [REQUIRED]

- Information for all household members and sources of income to determine annual income
- Household must be under 30% of AMI for household size to be considered eligible²⁵

Supporting Documentation of Sources of Income [REQUIRED]

- Third-party documents that verify the gross annual income for every household member age 18 and over. Sufficient documentation includes:
 - 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.

MHDC-112 Verification of Income [REQUIRED, IF]

- 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 Verification of Income 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 Self-Declaration of Income must be completed. Must document attempts to obtain third-party written verification in client file notes.

MHDC-103 Self-Declaration of Income [REQUIRED, IF]

- If third-party written verification for any of the participant's sources of income is unobtainable **OR** the participant has no income, MHDC-103 Self-Declaration of Income 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

²⁵ 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.

third-party verification of, a MHDC-103 Self-Declaration of Income must be completed for each additional 3 sources of income

REQUIRED DOCUMENTATION FOR – EMERGENCY SHELTER FACILITIES

ESG-205 Habitability Standards for Emergency Shelter [REQUIRED]

- If the building meets all standards, keep copy of form on file at building premises
- If the building does not meet any standards:
 - Notify MHDC Grant Administrator immediately
 - Move to rectify the deficiencies in the shelter immediately
 - Complete a new ESG-205 Habitability Standards for Emergency Shelter after rectifying issues
 - Notify MHDC Grant Administrator once the building does meet all standards
- Keep copy of all completed ESG-205 Habitability Standards for Emergency Shelter forms on file at building premises

ESG-207 Lead Screening Worksheet [REQUIRED]

- 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):
 - Notify MHDC Grant Administrator immediately
 - Complete remaining parts of the ESG-207 Lead Screening Worksheet and an ESG-208 Property Owner Lead Certification Form
 - Notify MHDC Grant Administrator once the deteriorating paint is repaired
- Keep copy of all completed ESG-207 Lead Screening Worksheets and ESG-208 Property Owner Lead Certification Forms on file at building premises

ESG-208 Property Owner Lead Certification Form [REQUIRED IF]

- If the building requires and fails a visual assessment (Part 3 of the ESG-207 Lead Screening Worksheet):
 - Notify MHDC Grant Administrator immediately
 - Complete remaining parts of the ESG-207 Lead Screening Worksheet and an ESG-208 Property Owner Lead Certification Form
 - Notify MHDC Grant Administrator once the deteriorating paint is repaired
- Keep copy of all completed ESG-207 Lead Screening Worksheets and ESG-208 Property Owner Lead Certification Forms on file at building premises

XV. GRANT DOCUMENTS REQUIRED TO EXECUTE AWARD

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 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

GRANT AGREEMENT

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

Each of 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 [MHDC-101 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 1, 2023 can result in recapture of the grant.

ATTACHMENT B: FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT

This 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 MHDC-101 Authorized Signature Card.

AUTHORIZED SIGNATURE CARD (MHDC-101)

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.

ESG-24 AGENCY CONTACT PAGE

This page in the [Grant Interface](#) 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 must access the page through the [Grant Interface](#). Grantee should complete all fields on the form and submit it electronically. 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

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

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:

The grantees guidelines for providing ESG assistance must directly meet the standards described in the [Grantee Internal Program Guidelines](#) section of this guide, and any document submitted must clearly and easily demonstrate compliance with each specific requirement.

Supporting Documentation Requirements

- **DO NOT** upload your agency's entire policies and procedures document
- **DO NOT** submit staff guidelines or paperwork client's sign
- All program guidelines should be searchable in Adobe
- Guidelines should generally outline a Housing First standard of service provision
- Guidelines should detail standards for beginning and ending case management

Forms and intake documents are **NOT** acceptable forms of Program Guidelines. The grantee must include written Policies and Procedures to address all of the applicable guidelines.

Preparing Guidelines to Match Form

Highlight and number the guidelines that are listed in the [Grantee Internal Program Guidelines](#) portion of this guide in the document that is submitted with the ESG-200 Program Guidelines Certification.

Grantees can make an ESG Guidelines specific document where the agency guidelines from larger procedures and policies documents are pasted directly under the required ESG Standard

- (i.e., ESG Standard #1: Applicable snippet from Agency's Intake Policy, Standard #4: Applicable section from agency's full HMIS standards).

This should only be done if the grantee is confident the selected segments meet the full scope of each standard.²⁶

E-VERIFY MEMORANDUM OF UNDERSTANDING (MOU)

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

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

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 with either United Way's 2-1-1 Missouri, or 2-1-1 Kansas City, 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 QUESTIONNAIRE

This question is to help determine which environmental review form is required for each agency

Completion Instructions:

²⁶ Examples of Program Guidelines can be found [here](#)

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

LETTER FROM HMIS LEAD AGENCY

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

Completion Instructions:

Grantee must 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**

XVI. COMPLETION INSTRUCTIONS FOR CLIENT FILE FORMS

Client File Forms consist of:

- MHDC-103 Self-Declaration of Income
- MHDC-112 Verification of Income
- MHDC-114 Consent and Homeless Certification Form
- ESG 201 Income Eligibility Worksheet
- ESG-204 Receipt of 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/>

SELF-DECLARATION OF INCOME (MHDC-103)

This form is utilized to supplement the ESG-201 Income Eligibility Worksheet when a program participant household includes:

- Any adult member with zero income
- Any adult member with income that could not be verified with 3rd party documentation or the MHDC-112 Verification of Income

Applicable Components: Homelessness Prevention, Rapid Rehousing

Completion Instructions

All members of household without income, 18 and over must sign a MHDC-103 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.

VERIFICATION OF INCOME (MHDC-112)

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

Applicable Components: Homelessness Prevention, Rapid Rehousing

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. The original, signed form should be retained in the client file.

CONSENT AND HOMELESS CERTIFICATION FORM (MHDC-114)

This form must be used to verify homelessness status and collect the program participants consent for MHDC to view client information during compliance.

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

Completion Instructions

Describe Current Housing Status

Grantee staff will work with program participant to write a detailed description of the participant's current housing situation. Then the grantee staff will select the box for which HUD defined category the participant is eligible under. See the [Definitions](#) section of this guide for precise details for HUD's definition of Homelessness and At Risk of Homelessness.

Collect Homeless Status Verification Documentation

Grantees must attempt to gather documentation for the program participants housing status in order of HUD's preferences as described in the [Documenting Homeless Status](#) portion of this guide. Include supporting documentation if third-party verified. If a lower priority form of evidence is used, the grantee must include an explanation of why any higher priority forms of evidence were unobtainable and what reasonable attempts were made to acquire those forms of verification. Regardless of verification type a written description must be included, this includes self-certification.

Grantee Staff Signature

The grantee staff completing this form with the program participant must sign this form certifying the participant's eligible with ESG requirements.

Program Participant Signature

In addition to verifying the program participant's homeless status the MHDC-114 Consent and Homeless Certification Form also serves as a consent form for MHDC staff to have access to their client information. Program participants must sign the form certifying that the information they provided was accurate and to provide consent to MHDC. If a program participant is eligible under Category 4, then just their initials and unique identifier are needed to allow MHDC to review non-identifying information in their client files.

INCOME ELIGIBILITY WORKSHEET (ESG-201)

This form is intended to be used to verify income eligibility.

Applicable Components: Homelessness Prevention, Rapid Rehousing

Completion Instructions:

Collect Supporting Documentation of Income:

Grantee must collect and include the supporting documentation of all household income referred when completing this form (i.e., check stubs, SSI/SSDI award letter/printout, child support statement, EBT statement for TANF, etc.)

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 grantee 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.

RECEIPT OF ASSISTANCE (ESG-204)

Applicable Components: Homeless Prevention, Rapid Rehousing

Completion Instructions

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 three (3) year period. Grantees should check databases to ensure 24 months in a three (3) year period is verified.

HABITABILITY STANDARDS CHECKLIST (ESG-205)

Applicable Components: Emergency Shelter, Homeless Prevention, Rapid Rehousing

Completion Instructions

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)

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](#).

Applicable Components: Rapid Rehousing and Homelessness Prevention

Completion Instructions

Compare to Three Other Units

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.

Utilize Local Public Housing Authority Utility Allowances

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).

Document Comparison Units

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 Apartments.com.

Confirm Household Size Eligibility

	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 size

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)

To prevent lead-poisoning in young children, ESG grantees must comply with the Lead-Based Paint Poisoning Prevention Act of 1973 and its applicable regulations found at [24 CFR 35, Parts A, B, M, and R](#). Housing occupied by program participants must be visually inspected for lead-based paint.

Applicable Components: Homeless Prevention, Rapid Rehousing, Emergency Shelter

Completion Instructions

Under certain circumstances, a visual assessment of the unit is not required. This screening form will help grantee staff determine whether a unit is subject to a visual assessment, and if so, how to proceed. A copy of the completed worksheet along with any related documentation should be kept in each grantee or program participant's file.

ALL pre-1978 properties are subject to the disclosure requirements outlined in [24 CFR 35, Part A](#), regardless of whether they are exempt from the visual assessment requirements.

PROPERTY OWNER LEAD CERTIFICATION FORM (ESG-208)

This form is used when the 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.

Applicable Components: Emergency Shelter, Homeless Prevention, Rapid Rehousing

Completion Instructions

The property owners/managers must use this form 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)

Grantees must document an individual or family's eligibility factors for continued ESG assistance and track the assistance provided to date.

Applicable Components: Homeless Prevention, Rapid Re-housing

Completion Instructions

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

In accordance with [24 CFR 5.2005\(a\) \(4\)](#) every program participant receiving rental assistance must have is addendum included in their lease.

Applicable Components: Homeless Prevention, Rapid Re-housing

XVII. GRANT CLOSEOUT DOCUMENTS

Grant Close-Out Documents consist of:

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

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

COC MEETING ATTENDANCE TRACKING SHEET (MHDC-107)

All grantees are required to attend at least seventy five percent (75%) of local Continuum of Care meetings.

Completion Instructions:

It is the grantees responsibility to get a CoC representative signature in a timely manner to confirm attendance. Only one sheet required per grant. Meetings that are canceled should be listed. In the signature line, write “cancelled.”

HOMELESS PARTICIPATION CERTIFICATION

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

The grantee must prepare as signed letter from their Board president which includes the following:

- 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)

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

Completion Instructions

Grantees will submit their annual CAPER electronically to HUD’s SAGE Portal via an email link sent to the Annual CAPER Contact listed on the ESG-24 Agency Contact Page in April 2024. However, if the grantee **IS NOT** funded in ESG-25 then they must submit their CAPER data for the next years report when closing out the grant. Any grantee that is required to submit CAPER data with their closeout will receive a sage link and notice from the HUD Programs Administration. The reporting period for any grantee not funded in ESG-25 and thus must submit data at close out is April 1, 2024 – October 31, 2024.

MATCH CERTIFICATION (ESG-210) AND DOCUMENTATION

All grantees must provide a one hundred percent (100%) match to supplement the ESG funds awarded

Completion Instructions

The grantee complete the form in the order of the attached supporting documentation.

Eligible Match Requirements

- All reported funds must be expended within ESG contract period
- **No** contributions used to match a previous ESG grant may be used
- **No** contributions used to match another federal grant/ award may be used
- All contributions must meet used for match must be eligible under ESG regulations
- 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, grantee must 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 value²⁷

Preparing Source and Use Documentation

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 should be easy for the grant administrators to review. Highlighting and explanation in documentation is allowed and encouraged. If there are calculation methods for how a number is reached, please document. Please provide the back up if it is not from in-kind donation.

- Grantees must provide both source and use documentation showing proof of match
- Match documentation may **not** only be an excel spreadsheet

If using a general ledger as documentation, please highlight the transactions that are included in the match.

²⁷ See <https://independentsector.org/resource/value-of-volunteer-time/> for more details