

**AC DEBARMENT AND SUSPENSION**

As a sub-grantee of federal funds under this Agreement, the Subrecipient certifies that it, and its principals:

1. Are not presently debarred, suspended, proposed for debarment, and declared ineligible or voluntarily excluded from covered transactions by a federal department or agency.
2. Have not within a 3-year period preceding this Agreement been convicted of or had a civil judgment rendered against them for the commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction; violation of Federal or State anti-trust status or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
3. Are not presently indicated or otherwise criminally or civilly charged by a government entity (Federal, State, or local) with commission of any of the offenses enumerated in the paragraph above; and
4. Have not within a 3-year period preceding this Agreement had one or more public transactions (Federal, State or local) terminated for cause or default.

**AD COMPLIANCE WITH RULES, REGULATIONS, REQUIREMENTS, AND DIRECTIVES**

The Subrecipient shall comply with all rules, regulations, requirements, and directives of the California Department of Social Services, other applicable state agencies, and funding sources which impose duties and regulations upon DPSS which are equally applicable and made binding upon the Subrecipient as though made with the Subrecipient directly. Subrecipient shall further comply with all applicable federal, state, and local laws, regulations, County of Riverside Continuum of Care Written Standards and ordinances pertinent to its operations and services to be performed hereunder, attached hereto as **Exhibits C-L**.

**AE ENTIRE AGREEMENT**

This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and all prior or contemporaneous agreements of any kind or nature relating to the same shall be deemed to be merged herein. Any modifications to the terms of this Agreement must be made in writing and signed by the parties herein. More specifically, the Subrecipient shall not change the population to be served or make any other change inconsistent with the Application without the prior approval of DPSS and HCD.

**EXHIBIT A  
SCOPE OF SERVICES  
EMERGENCY SOLUTIONS GRANT**

The ESG goal of the Coachella Valley Rescue Mission ("CVRM") is to provide critical and quality emergency shelter services to assist individuals and families (with veterans and veterans with families as priority population) to quickly regain stability during a housing crisis or homelessness. As part of a comprehensive continuum of services for individuals, guided by Individualized Service Plans, CVRM will provide Emergency Shelter services with case management for a facility with a maximum capacity of **two-hundred and fifty (250) year around beds that are currently in service to individuals and families** who are "literally homeless". CVRM's Project Application for the 2016 ESG Continuum of Care competition, Request for Proposal #DPARC-512, shall become part **Exhibit A**. CVRM's Budget Summary for the 2016 ESG Continuum of Care competition, Request for Proposal #DPARC-512, shall become **Exhibit B**.

**Overview of proposed programs, activities, and/or services to be provided:**

**Emergency Shelter**

CVRM will make this service available for individuals and families that are considered "literally homeless" and includes emergency shelter beds and housing case management with supportive services. The total period for which any program participant may receive services must not exceed 90 days, with a maximum extension up to 180 days, on a case-by-case basis. Based on the need and its capacity to provide the most impactful and economic services, CVRM is proposing to provide the following ESG services as part of an individualized and comprehensive approach that is rooted in the Housing First policy.

**Proposed programs, activities and services to be provided:**

CVRM will provide Emergency Shelter services as part of a client-centered, holistic approach to providing services to individuals and their families (in alignment with the Housing First policy model) that includes:

- **Intake and Assessment:**

Every individual will receive a comprehensive intake/individualized assessment by a qualified CVRM Case Manager. During the intake assessment phase the Case Manager will also determine the needs of the individual's family members as applicable. Those individuals and their families who may not be eligible for ESG services will be linked to other appropriate community programs.

- **Service Planning:**

CVRM Case Manager works with the client (and family if applicable) to develop an Individualized Service Plan based on information learned during the intake/assessment phase.

- **Comprehensive Wrap Around Case Management Services:**

The CVRM Case Manager will provide individuals and their families with case management to ensure they transition to self-sufficiency. This will include arrangement, coordination, monitoring, and delivery of services related to meeting the housing needs of clients and helping them obtain housing stability. The Case Manager will meet with each client at least three times weekly for the first 2 months; and, then once monthly to review progress towards completing case plan milestones, as well as achieving personal goals.

- **Access to Supportive Services:**

All CVRM clients have access to an array of supportive services offered by CVRM including:

- Emergency shelter facilities
  - Housing Case Management
  - Referrals through the Drop-in Center
  - Food Pantry
  - Soup Kitchen/ Meal Distribution
  - Alcohol/ Drug Program
  - Outreach Services
  - Life skills
  - Job skills training
  - Assistance with applying for mainstream benefits
- **Aftercare/Follow-Up Services:**  
Case Management begins on day one and continues through aftercare/follow-up services provided by the CVRM Case Manager to ensure gains and strengths are maintain, employment is maintained and housing stability is sustained for the long-term.

## PERFORMANCE INDICATORS

CVRM is an experienced vendor with the Riverside County Department of Public Social Services. The organization is also seasoned in contract management and program implementation where EFSP and ESG funds are utilized.

CVRM will meet the identified Performance Standards as follows:

- CVRM understands the Housing First policy as stated above. CVRM has also read, understands and will comply with all parts of The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009, 24 CFR Parts 91 and 576 (**Exhibit C**);
- CVRM has also read, understands and will comply with all parts of The Emergency Solutions Grant State of California Regulations (**Exhibit D**);
- CVRM has also read, understands and will comply to the applicable written standards of the County of Riverside Continuum of Care Written Standards (current version; coordinate with the Riverside County Continuum of Care for latest version) (**Exhibit E**);
- CVRM is required to participate in the Homeless Management Information System (HMIS) per the ESG and CoC Interim Rule (24 CFR Part 576 and Part 578). HMIS provides an opportunity to document homelessness and helps to ensure coordination between service providers while avoiding duplication of services and client data;
- CVRM will participate in multi-directional data sharing relationship between multiple organizations. In order to systematically share data, the participating agencies must jointly establish a data sharing network formalized by the execution of guidelines, with the understanding they agree to future updates to the guidelines made by the HMIS Committee;
- CVRM will continue to be a "Member In Good Standing" in the Riverside County Continuum of Care Charter (**Exhibit F**);
- CVRM will utilize a comprehensive, universal assessment tool called the Vulnerability Index Service Prioritization Decision Assistance Tool (VI-SPDAT) to make in an informed, reasonable, and objective assessment of each individual and/or family (**EXHIBIT G-1 AND EXHIBIT G-2**);

- CVRM will accept (and welcome) referrals from the Riverside County Continuum of Care Coordinated Entry System (CES);
- CVRM will continue to provide regular, on-going outreach to those facing homelessness in our community, and CVRM staff will serve on the CES Advisory Committee and Navigation Council;
- CVRM provide assessments leading to wrap-around case management services that promote self-independence and self-sufficiency, including direct linkages to mainstream service providers as needed (which could lead to and include graduation from services and/ or permanent housing);
- CVRM will participate in monitoring and site visits. The three basic goals for oversight and monitoring of the progress and performance of the ESG sub-recipient includes:
  - Ensure that ESG funds are used effectively to assist homeless individuals and families and that the basic ESG program goals are met;
  - Ensure compliance with ESG regulations and program requirements in the usage of funds and in carrying out program activities; and
  - Enhance and develop the management capacity of grantees or recipients.
- CVRM will comply with the matching funds requirement:
  - CVRM must make matching contributions to supplement the recipient's ESG program in an amount that equals the amount of ESG funds provided by the State of California Housing and Community Development (HCD) Department;
  - Matching contributions may be obtained from any eligible source, including any Federal source other than the ESG program, as well as state, local, and private sources. Additional requirements apply to matching contributions from a Federal source of funds;
  - Matching contributions must be provided after the date that HCD signs the grant agreement.
- As indicated, based on the contract start date, CVRM will achieve the following annual performance goals:
  - Emergency Shelter Performance Benchmarks for project quality, as stated on the *HUD System Performance Measures, An Introductory guide to understanding system-level performance measurement (EXHIBIT H)*;
  - Expenditure of 20% of Contracted Amount / Achievement of 20% Program Goal by end of the 1st quarter;
  - Expenditure of 50% of Contracted Amount / Achievement of 50% Program Goal by end of the 2nd quarter;
  - Expenditure of 80% of Contracted Amount / Achievement of 80% Program Goal by end of the 3rd quarter; and
  - Expenditure of 100% of Contracted Amount / Achievement of 100% Program Goal by end of the 4th quarter.



**ATTACHMENT A  
BIDDER PROPOSAL RESPONSE  
2016 COMPETITION  
REQUEST FOR PROPOSAL # DPARC-512**

**STATE EMERGENCY SOLUTIONS GRANT HOMELESS ASSISTANCE PROGRAM**



Contact:  
Rowena Concepcion, Supervising Program Specialist  
Riverside County – Homeless Program Unit  
4060 County Circle Drive  
Riverside, CA 92503  
(951) 358-5638 / (951) 358-7755 (fax)  
Email: [rconcepc@riversidedpss.org](mailto:rconcepc@riversidedpss.org)

NIGP Code(s): 95237, 95249, 95255, and 95278

This RFP and any ensuing Addendums are available at the following link:  
<http://dpss.co.riverside.ca.us/homeless-programs/housing-and-urban-development>  
and  
[www.publicpurchase.com](http://www.publicpurchase.com)

**NOTE: BIDDERS ARE RESPONSIBLE TO READ ALL INFORMATION THAT IS STATED IN THIS  
REQUEST FOR PROPOSAL AND PROVIDE A RESPONSE AS REQUIRED**

**Any Bidder who requests to have this RFP in electronic format may send an email request to:**

**Rowena Concepcion [rconcepc@riversidedpss.org](mailto:rconcepc@riversidedpss.org)**

## **PURPOSE/BACKGROUND**

The County of Riverside Department of Public Social Services on behalf of the Homeless Programs Unit is seeking proposals from parties qualified in providing Homeless Assistance Programs for the State Emergency Solutions Grant administered by the California Department of Housing and Community Development ('State Department') with funding received from the U.S. Department of Housing and Urban Development (HUD). The State ESG funds are to provide services in all areas of County of Riverside not currently eligible for Emergency Solutions Grant (ESG) funds through direct city ESG entitlement; these areas are referred to as Non-Entitlement cities.

### **Background**

The ESG Program is designed to be the first step in a continuum of assistance to prevent homelessness and to enable homeless individuals and families to move toward independent living.

The federal Emergency Solutions Grant Program ("ESG"), authorized by the McKinney-Vento Homeless Assistance Act, as amended by the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009, provides funding 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/individuals from becoming homeless.

The State Department's newly redesigned State ESG Program aims to align with local systems' federal ESG and HEARTH goals, invest in impactful activities based on key performance goals and outcomes, improve geographic distribution of funded activities and continuity of funded activities, and create a streamlined delivery mechanism. The program emphasizes the involvement of local Continuums of Care and ESG entitlement entities in the funding distribution process.

### **Program Priorities**

The County is conducting a fair and open competitive process pursuant to State Regulation Section 8403. The County will evaluate provider capacity and experience on the following criteria:

1. The ability of the provider to deliver services in non-entitlement areas.
2. Comprehensive and coordinated access throughout the Service Area.
3. Prioritized access for services for people with the most severe needs.
4. Low barrier access to services and consistency with Housing First practices.
5. Use of progressive engagement approach to services and financial assistance.

**Program Objectives**

The County of Riverside has been designated as an Administrative Entity (AE) for the State of California Department of Housing and Community Development for the purpose of administering State ESG funds within the State ESG Service Areas. All activities funded with the County's ESG funds must provide funding 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

**Funding for Services**

The total State ESG funds allocated to County of Riverside is \$631,929 which represents two Fiscal Years of funding received by the State for 2015-2016 and 2016-2017. The expenditure deadline is June 30, 2018.

Of this, the allocation is broken out by the following:

Total amount	Admin costs (DPSS)	40% required for Rapid rehousing	Total available for other activities
\$631,929	\$17,393	\$245,814	\$368,722

**Regulations**

The State ESG program regulations may be obtained at: <http://www.hcd.ca.gov/financial-assistance/emergency-solutions-grant-program/index.html>. Federal Emergency Shelter Grants (ESG) Program funds may be used for five program components: street outreach, emergency shelter, rapid re-housing assistance, and HMIS. The County's use of the State allocation must ensure access to ESG funds by households living in non-entitlement areas, and allocate a minimum of 40% of the funds for Rapid Re-housing activities.

ESG match is provided by the applicant on a dollar for dollar basis. The eligible applicant will be required to provide evidence of non-federal matching funds equal to at least One Hundred Percent (100%) of the ESG award. Proposals must clearly indicate the source and amount of matching funds. These matching funds may be provided through documented voluntary contributions of time or money. Contributions of volunteered time shall be valued, in alignment with State minimum wage rates, at Ten Dollars (\$10) per hour.

**TAB A - PROPOSAL CHECKLIST**

**Tab A Proposal Checklist**

**Instructions:**

- This section must be filled in and each item checked off to ensure all items requested by the County in this RFP have been submitted.
- Follow the instructions in each section of this RFP.
- Present all requested items in the index tabs ordered A through I as shown.
- Label each item presented and include additional items on your Table of Contents.
- All proposals must include a detailed description of each proposed service to be provided.
- Bidders that do not follow the bid instructions found in the Terms and Conditions document "Section 6.0 General Proposal Submittal" may be found to be "non-responsive" and disqualified from the bid process.

Name of Company: Coachella Valley Rescue Mission

Service to provide: (title) Emergency Shelter (ES)

**Proposal Submission Checklist**

**General Bidder Information**

Please provide one copy of the following items in your proposal. Indicate the page number where the item is located.

	<b>Page Number</b>
<input checked="" type="checkbox"/> Tab A – Proposal Checklist ( <i>this page</i> ).....	<u>4</u>
<input checked="" type="checkbox"/> Tab B – Proposal Cover Page ( <i>signed by Authorized Signatory</i> ).....	<u>6</u>
<input checked="" type="checkbox"/> Tab C – Company Profile/ Experience.....	<u>7</u>
<input checked="" type="checkbox"/> Tab D – Acknowledgements .....	<u>18</u>
<input checked="" type="checkbox"/> Tab E – Scope of Services.....	<u>19</u>
<input checked="" type="checkbox"/> Tab F – References.....	<u>27</u>

Tab G – Bidder Attachment ..... 28

Any response that Bidders are finding difficulty pasting into the "Bidders Response" boxes in any section of the RFP, bidders shall paste in Tab G. When pasting attachments to Tab G, label the attachments "Attachment 1", "Attachment 2" and so forth. Enter the corresponding Attachment Number into the Bidder's Response box with the words "See Tab G." List all attachments with an index tab.

List all attachments included in this Section. Please use additional pages to list attachments if necessary.

Attachment Number	Document Title	Page Number
Attachment 1	Articles of Incorporation	28
Attachment 2	Proof of Non-Profit Status	35
Attachment 3	Board Meeting Announcement	36
Attachment 4	ESG Performance Reports	37
Attachment 5	Organization Chart, CVRM Executive Staff & Board of Directors List	64
Attachment 6	Project Staff Resumes and Job Descriptions	68
Attachment 7	SAM Entity Overview for CVRM- Not on EPLS	120
Attachment 8	Volgistics Software Report- 2015 Volunteer Hours at CVRM	121
Attachment 9	MOU Match from Health to Hope – RRH & ES	124
Attachment 10	CVRM Emergency Shelter Intake Form	125
Attachment 11	CVRM Donor Perfect Report – Private Donations	152
Attachment 12		_____
Attachment 13	_____	_____
Attachment 14	_____	_____
Attachment 15	_____	_____
Attachment 16	_____	_____
Attachment 17	_____	_____
Attachment 18	_____	_____
Attachment 19	_____	_____
Attachment 20	_____	_____

**Cost and Financials**

Please provide Tabs H and I in a clearly marked, sealed envelope. These items should only be included in the Original Proposal.

- Tab H – Cost/Budget Narrative
- Tab I – Financial Statement



**TAB B – PROPOSAL COVER PAGE**

**ab B Proposal Cover Page**

This Proposal Cover Page must be signed by an authorized representative. Signature by an authorized representative of the company on the proposal cover page shall constitute a warranty, the falsity of which shall entitle the County of Riverside to pursue any remedy authorized by law, which shall include the right, at the option of the County of Riverside, of declaring any contract made as a result thereof, to be void.

**BIDDER TO COMPLETE ALL APPLICABLE AREAS**

Bidders are required to register (If not already registered) on the County of Riverside Purchasing website:  
[WWW.PURCHASING.CO.RIVERSIDE.CA.US](http://WWW.PURCHASING.CO.RIVERSIDE.CA.US)

The County of Riverside Department of Public Social Services on behalf of the Homeless Program Unit is soliciting proposals from qualified firms to provide:

1. Street Outreach
2. Emergency Shelter
3. Rapid Re-housing
4. Homeless Management Information Systems (HMIS)

There will be **NO** Bidder's Meetings for this RFP.

Please submit your Questions to [rconcepc@riversidedps.org](mailto:rconcepc@riversidedps.org) no later than August 22, 2016 by 1:30 p.m.

Responses to questions will be posted no later than (Friday, August 26, 2016) at:  
<http://dps.co.riverside.ca.us/homeless-programs/housing-and-urban-development>

**NO FAXED OR EMAILED PROPOSALS WILL BE ACCEPTED**

**PROPOSALS MUST BE DELIVERED ON 9/02/16, NO LATER THAN 1:30 P.M. TO:**

County of Riverside – Department of Public Social Services  
Attn: Bidder Proposal # DPARC-512 – 2016 State ESG Homeless  
4060 County Circle Drive  
Riverside, CA 92503

*"Execution hereof is certification that the undersigned has read and understands the terms and conditions hereof, and that the undersigned's principal is fully bound and committed."*

Company Name: Coachella Valley Rescue Mission

Mailing Address: PO BOX 10660

City: Indio State: CA Zip: 92202

Remit to Address: PO BOX 10660

City: Indio State: CA Zip: 92202

Phone # (760)347-3512 FAX # (760)347-8073

Contractor Website: [www.cvrn.org](http://www.cvrn.org)

Name: Darla Burkett Title: Executive Director

Signature: *Darla Burkett* Date: 9/1/2016

email: [dburkett@cvrm.org](mailto:dburkett@cvrm.org)

Please Check  Disabled Veteran



**TAB C – COMPANY PROFILE / EXPERIENCE**

**Tab C Company/Organization Profile and Experience**

This section of the proposal is designed to establish the bidder as an entity with the ability and experience to operate the program as specified in the RFP. The Company Profile should be concise and clear, and include descriptive information regarding service delivery. The following information must be provided as follows:

1. List bidder's legal business name and legal business status (i.e. partnership, corporation, etc.)

**BIDDER'S RESPONSE:**

Coachella Valley Rescue Mission (CVRM), corporation (See Tab G - Atch 1)

2. Provide bidder's proof of non-profit status, if applicable

**BIDDER'S RESPONSE:**

See Tab G, Attachment 2 for Proof of Non-Profit Status

3. Does bidder participate in the local CoC yes/no?

**BIDDER'S RESPONSE:**

Yes

4. Provide a brief history of the bidder's organization and participation of homeless persons in policy-making and operations.

**BIDDER'S RESPONSE:**

As an organization, CVRM started in 1971 as a soup kitchen for men only. In the 1980's services for underserved women & children were added. An emergency shelter program opened in 2004. In 2011, a 43,000 sq ft campus was added to provide 12 month residential programs designed to provide basic necessities along with life skills classes and case management. On 5/1/15, a 10,000 sq. ft. annex building opened as the permanent overnight shelter.

Homeless & formerly Homeless are encouraged to attend Board Meetings. (Please see Tab G - Attachment 3, Board Meeting Announcement.) Our program staff &

Executive Director have open door policies. Suggestion Boxes are located at multiple locations.

CVRM also strives to provide jobs to client in the kitchen, security, CVRM emergency shelter, transportation, and thrift stores.

5. Provide the bidder's organization's experience in operating a similar program. Also, identify its experience in serving the homeless population.

**BIDDER'S RESPONSE:**

CVRM was established as a soup kitchen for men. Services for women & children were added in the 1980's and emergency shelter as well as support services in 2004. In 2014, a new 43,000 square foot facility was completed to house clients and provide other emergency services. In May 2015, a new shelter Annex was opened immediately behind the main campus to increase emergency shelter housing square footage by 10,000 square feet. Support services such as life skills classes, recovery classes, transportation to Public Adult schools and other local agencies as well as food services (including public meals) and food boxes are also provided at our main campus. Rapid Re-House assistance was added to our spectrum of services in 2016.

In East Riverside County during the last two years, CVRM'S Street Outreach (SO) Team has been actively engaged in locating unsheltered individuals in a housing crisis through building trust, providing needed supplies (water, food, clothes, toiletries), connections to services, Emergency Shelter, and Housing Programs. CVRM'S SO Team has collaborated in the Coachella Valley with local city councils and law enforcement in Indio, Cathedral City, Palm Springs, and Desert Hot Springs as well as with the Riverside Sheriff's Homeless Outreach Team and Health to Hope Clinics (doctor, nurses, social workers, licensed counselors, and substance abuse counselors) to bring 47 willing individuals off the streets to the CVRM Emergency Shelter during the Summer of 2016.

CVRM has received ESG funding for Rapid Re-House Assistance in both 2015/2016 and 2016/2017 ESG funding cycles. CVRM has also received ESG funding for several years in support of our Emergency Food, Shelter and Support Services Programs which include meals, shelter, clothing, referrals, life skills classes, access to onsite non-emergency medical care provided by another local non-profit, food box distributions, and recovery classes.

6. Provide bidder's experience implementing HUD and/or other federally funded projects. Include the following:
- Description of bidder's HUD and/or other federally funded project
  - Performance Reports required of bidder's described project
  - Operational Years of bidder's described project

**BIDDER'S RESPONSE:**

a. CVRM was established as a soup kitchen for men. Services for women & children were added in the 1980's and emergency shelter as well as support services in 2004. In 2011, a new 43,000 square foot emergency shelter facility was completed. In May 2015, a new shelter Annex was opened to increase available emergency shelter housing space by an additional 10,000 square feet. Support services such as life skills classes, recovery classes, transportation to Public Adult schools and other local agencies as well as food services and food boxes are also provided at our main campus. Rapid Re-House assistance was added to our spectrum of services in 2016.

b. Please see Tab G, Attachment 3 – ESG Performance Reports

c. CVRM has received ESG funding for several years (2011/2012-2016/2017) in support of our Emergency Food, Shelter and Support Services Programs which include meals, shelter, clothing, referrals, life skills classes, access to onsite non-emergency medical care provided by another local non-profit, food box distributions, and recovery classes. CVRM has received ESG funding for Rapid Re-House Assistance in both 2015/2016 and 2016/2017 ESG funding cycles.

7. Does bidder have any unresolved monitoring or audit findings for any HUD grants (including ESG) operated by the bidder or its proposed subcontractor(s)? As applicable, enter either "Yes" or "No" in the bidder's response box below.

**BIDDER'S RESPONSE:**

No

8. If bidder replied "Yes" to question No. 7, bidder shall describe its unresolved HUD monitoring and/or audit findings below.

**BIDDER'S RESPONSE:**

N/A

Bidder shall provide a company overview for the following:

- a. Leadership/Management Structure (President, Vice President, Company Officers, etc.) and an organizational chart. The organizational chart shall clearly identify all staff members that will provide services under this contract.
- b. The number of years in business under the present business name, as well as prior business names.
- c. The number of years of experience providing the proposed, equivalent or related services.
- d. Company size - number of staff.
- e. Location of the office from which the work under this contract will be provided and the staff allocation at that office.

**BIDDER'S RESPONSE:**

- a. a. Please see Tab G – Attachment 5 – Organization Chart, CVRM Executive Staff & Board of Directors List
- b. 45 years, no prior business names
- c. 12 years, emergency food and shelter with support services; 15 months using VI-SPDAT Pre-Screen Housing Assessment; 4 months, Rapid Re-House Assistance; 2 years, street outreach
- d. Company Size: 27 Full Time & 25 Part Time Employees

e. 84110 Manila, Indio CA 92201 and 47470 Van Buren Street, Indio, CA 92201(adjacent buildings). Emergency Shelter Services Project Staff Allocation: 1 FTE Program Director, 2 FTE Services Managers, 1 Emergency Shelter Supervisor, 3 FTE & 5 Case Managers, 2 FTE & 2 PT Shelter Intake Staff, 4 PT Shelter Overnight Staff, 1 FT Shelter Assistant and 2 PT Shelter Security. (Proposing Funding for 3 FT and 3 PT Case Managers, 1 FT and 1 PT Shelter Intake Staff and 1 PT Shelter Overnight Staff.)

Staffing proposed is based on receipt of total amount proposed in this application. Actual staffing will be based on amount of funds received and cannot be determined until receipt of any funding resulting from this application is awarded.

9. Provide your company's mission statement.

**BIDDER'S RESPONSE:**

*"To serve those in need by sharing the saving grace of Jesus Christ through the provision of food, shelter, clothing and spiritual recovery."*

10. Please indicate whether the bidder holds controlling or interests in any other organization, or is owned or controlled by any other person or organization. If none, then state "None" in the response box. Governmental agencies are exempt from this requirement.

**BIDDER'S RESPONSE:**

None



11. Please indicate whether the bidder holds financial interests in any other business. Individuals who are personally performing the contracted services and governmental agencies are exempt from this requirement.

**BIDDER'S RESPONSE:**

No

12. Names of persons with whom the Bidder has been associated in business as partners or business associates in the last five years. Governmental agencies are exempt from this requirement.

**BIDDER'S RESPONSE:**

None

13. Provide an explanation of any litigation involving the Bidder or any principal officers thereof in connection with any contract.

**BIDDER'S RESPONSE:**

Neither CVRM nor its principal officers are involved in any litigation with any contract.

14. Bidders providing services to minors (i.e., family shelters) must conduct, at a minimum, a Department of Justice (DOJ) criminal background record check on all employees, subcontractors and volunteers. Provide the background checking policy and procedures for the bidder's company, and the company the bidder utilizes for this service.

**BIDDER'S RESPONSE:**

CVRM currently runs background checks on those who apply and step into supervisory positions, ie managers and supervisors.

If CVRM is awarded ESG project funding, CVRM will run DOJ criminal background record checks on all employees, subcontractors and volunteers working on this specific project and providing services to minors.

CVRM currently uses Welty's Postal Connection (42335 Washington St, Palm Desert, CA 92211) for print scanning and we have access to receive the background information.

15. **Credentials/Resumes/Certifications/Licenses**

This section shall state all employees/subcontractors responsible for administering or providing services. Bidder shall specifically provide the following information on all employees to be providing services related to this RFP:

- a. Position Title
- b. Responsibilities
- c. Qualifications/Experiences
- d. Certifications/licenses, if applicable
- e. Any other information, which will assist in evaluating qualifications.

**BIDDER'S RESPONSE:**

In support of the ESG Emergency Shelter project:

a. Please see attached resumes for Program Director, Services Managers, Emergency Shelter Supervisor, Case Managers, Shelter Intake Staff, Shelter Overnight Staff, Shelter Assistant and Shelter Security. Resumes may be found Tab G, Attachment 6. If we are funded, we will hire 1 additional qualified part time case manager to support project. Please also see the Project Organization Chart (Tab G, Attachment 5). Staff and TBD positions who work directly on this project are highlighted in pink on said organization chart.

b. Please see attached job descriptions, ( Tab G - Atch 6) for Program Director, Services Managers, Emergency Shelter Supervisor, Case Managers, Shelter Intake Staff, Shelter Overnight Staff, Shelter Assistant and Shelter Security

c. Please see attached resumes for Program Director, Services Managers, Emergency Shelter Supervisor, Case Managers, Shelter Intake Staff, Shelter Overnight Staff, Shelter Assistant and Shelter Security. Resumes may be found Tab G, Attachment 6. *(Proposing Funding for 3 FT and 3 PT Case Managers, 1 FT and 1 PT Shelter Intake Staff and 1 PT Shelter Overnight Staff)*

d. Please see attached resumes for Program Director, Services Managers, Emergency Shelter Supervisor, Case Managers, Shelter Intake Staff, Shelter Overnight Staff, Shelter Assistant and Shelter Security. Resumes may be found Tab G, Attachment 6. *(Proposing Funding for 3 FT and 3 PT Case Managers, 1 FT and 1 PT Shelter Intake Staff and 1 PT Shelter Overnight Staff)*

e. CVRM staff uses HMIS. All Program Staff has received VI-SPDT pre-survey trained and are Navigators. They have user names & passwords. They also are entering data into the Riverside County Homelink system.

*Bidder can add as many sections to this bid response box as they need to state all employees providing services.*

17. **Federal Exclusion List- System for Award Management (SAM)** - If this Request for Proposal is Federally or State funded, bidder's must go to the following website and submit with their proposal that the contractor is not listed on the System for Award Management (SAM) at <https://www.sam.gov> for:

- ✓ Central Contractor Registry (CCR)
- ✓ Federal Agency Registration (Fedreg)
- ✓ Online Representations and Certifications Application
- ✓ Excluded Parties List System (EPLS)

Excluded Parties Listing System (EPLS) (<http://www.epls.gov>) (Executive Order 12549, 7 CFR Part 3017, 45 CFR Part 76, and 44 CFR Part 17). The System for Award Management (SAM) is the Official U.S. Government system that consolidated the capabilities of CCR/FedReg, ORCA, and EPLS. If awarded a contract, awarded vendor must notify the County immediately if debarred at any time during the contract period.

**BIDDER'S RESPONSE:**

CVRM is listed on SAM. CVRM is not on the EPLS. (Please see Tab G – Attach 7) CVRM has submitted all necessary certs and reps.

DUNS: 790591929      CAGE CODE: 791H0      STATUS: Active

PURPOSE OF REGISTRATION: Federal Assistance Awards Only

18. **Indicate Type of Project(s) and Service(s), check all boxes that apply to your organization/agency**

<input checked="" type="checkbox"/> <b>Emergency Shelter Facilities</b>	<input type="checkbox"/> <b>Transitional Housing</b>
---	--

	Vouchers for Shelters	X	Outreach
X	Drop-In Center	X	Soup Kitchen/Meal Distribution
X	Food Pantry		Health Care
	Mental Health		HIV/AIDS Services
X	Alcohol/Drug Program		Employment
	Child Care		Homeless Prevention
	Other(Please List)		

Estimated number of people served for each activity:

19. Residential Services

Number Served:	Adults:	1394
Number Served:	Children:	79
Total Number Served Yearly:		1473

Non-residential Services

Number Served:	30,078
----------------	--------

20. Residential Services only (Indicate the number of estimated persons housed at any given time in each shelter type funded through the ESG program)

Shelter Type	Number of Persons Housed
Barracks:	25 (ESG ES- County of Riverside)
Group/Large House:	
Scattered site Apartment:	22 (ESG RR - County of Riverside.)
Single Family Detached House:	
Single Room Occupancy	
Mobile Home / Trailer:	
Hotel / Motel:	
Other:	

21. Describe the program's client intake and participation selection/assessment process. Explain how persons are accommodated on evenings and weekends, (e.g. 24-hour staffing at shelter, phone, monitoring, referral, etc).



**BIDDER'S RESPONSE:**

CVRM is open and staffed 24 hours/day, 365 days/year. Case management is provided Monday through Sunday from 7am-3:30pm to provide referrals. Phone calls are handled during the Mon-Sat by case management and in the evenings by Security staff who forward calls to appropriate program staff on call. Clients may make necessary calls.

CVRM clients 1st arriving register on a Sign-In sheet before meeting with case management to complete detailed intake documentation which is entered into the Homeless Management Information System. Shelter is provided on a 1st come, 1st serve basis at no cost. Clients may stay up to 90 consecutive days but there are exceptions/situations when a client needs to stay longer. In such cases, a client may stay up to 180 days. All services are at no charge and are provided without regard to gender, gender identification, national origin, ethnic background, social economic group, religion or age.

22. Select all support services that are provided to the Emergency Shelter client. Enter the number of clients that you anticipate serving in the categories that apply.

	Select all that apply	Number of clients served
Non-Referral Day Drop In Center	___ X ___	___ 3000 ___
24 Hrs. Non-Referral Drop In Center	___ ___	___ ___
Referral Only Overnight Shelter	___ ___	___ ___
Non-Referral Overnight Shelter	___ x ___	___ 2500 ___
Transitional Housing	___ ___	___ ___

23. Describe how the Emergency Solutions Grant program will be staffed including the ratio of caseworkers or counselors to client. Applicants are encouraged to discuss how shelter volunteers and/or clients provide services at the facility (e.g. facility maintenance, program outreach, program operation, etc.).

**BIDDER'S RESPONSE:**

Emergency Shelter (ES) Project Staff Allocation: Currently, the CVRM ES Project team consists of the Program Director, 1 FTE Program Director, 2 FTE Services Managers, 1 Emergency Shelter Supervisor, 3 FTE & 5 Case Managers, 2 FTE & 2 PT Shelter Intake Staff, 4 PT Shelter Overnight Staff, 1 FT Shelter Assistant and 2 PT Shelter Security. If CVRM is awarded the funding amount proposed, we will add 1 PT Case Manager positions.

The ratio of CVRM RRH housing staff (including TBD positions if fully funded) to proposed potential ES participants when shelter is at capacity of 250 will be approximately 1:10.

Individuals from the community volunteer by assisting with food prep, meal service, maintenance, and administration. Additionally, retired professionals lead on site life skills classes in subjects such as financial management, computer literacy, work search, grief share, GED tutoring, recovery/relapse prevention, anger management, parenting as well as health & hygiene.

Clients may participate in onsite work skill training assignments while at CVRM. Clients may receive training in our Administration, Security, Landscaping, Food Preparation, Housekeeping, Janitorial, Maintenance, Retail Sales, and Transportation (Box Truck Donation Pick Ups) departments. All receive job performance reviews every 30 days and may rotate assignments in order to build practical work experience and references to include on their resumes. Clients may also assist by helping with client laundry and toiletry distribution. Clients may volunteer by participating in CVRM mobile outreaches or at offsite local organizations such as The Narrow Door (Public Food Distribution).

24. In the last 12 months, what is the number of all clients who have exited your Program have moved into permanent, transitional, or sober living (overall placement rate)?

Number of persons placed/582 Total number served/2,589 (1473 clients served in Calendar Year 2015)

25. Describe what types of case management is provided after clients are no longer in your program. Is there any follow-up with these clients?

**BIDDER'S RESPONSE:**

Clients are welcome to return for case management services. Clients after leaving CVRM are tracked through social media as well encouraged to return to volunteer as well as to receive counseling if desired.

26. Bidder shall provide the type of facility, total number of beds (max. capacity), and number of beds to be created (in addition to current max. capacity).

*Bidders shall describe in detail the type of facility, shall provide total number of beds at maximum capacity and shall provide the number of beds to be created in addition to current maximum capacity.*

**BIDDER'S RESPONSE:**

CVRM is a designated Emergency Shelter.

Maximum capacity is 250. No additional beds shall be created in Emergency Shelter since maximum capacity may not exceed 250 per City of Indio Fire Marshall.

27. Bidder shall provide the total number of homeless clients proposed to be served per year.

**BIDDER'S RESPONSE:**

Overall, CVRM projects to serve 2700 emergency shelter clients during the period of performance to be funded by grants and donations received from all sources, including any ESG funding received as a result of this application.

28. Does your organization utilize the housing first model?

\_\_\_XXX Yes\_\_\_ No \_\_\_Not Applicable

29. Select Zone Area(s) Served. (For your reference the Geographical Zones are on page 14.)

- Zone 1 (Western County)  
 Zone 2 (Mid & Southwest County)  
 Zone 3 (Desert & Eastern County)  
 Zone 4 (Blythe)

<input type="checkbox"/> Check Zone 1		<input checked="" type="checkbox"/> Check Zone 2		<input checked="" type="checkbox"/> Check Zone 3	
Western County		Mid & Southwest County		Desert & Eastern County	
City	Zip Code	City	Zip Code	City	Zip Code
Colton	92324	Aguanga	92536	Cathedral City	92234
Corona	92879	Anza	92539	Cathedral City	92235
Corona	92881	Banning	92220	Coachella	92236
Corona	92882	Beaumont/ Cherry Valley	92223	Desert Center/Eagle Mountain	92239
Eastvale	92880	Cabazon	92230	Desert Hot Springs	92240
Elsinore	92530	Calimesa	92320	Indian Wells	92210
Elsinore	92531	Hemet	92543	Indio	92201
Elsinore	92532	Hemet	92545	Indio	92202
Homeland	92548	Hemet/Valle Vista	92544	Indio	92203
Jurupa Valley	91752	Idyllwild	92549	Indian Hills/DHS/ Sky Valley	92241
Jurupa Valley	92509	Menifee/Sun City	92584	La Quinta	92253
March AFB	92518	Mountain Center	92561	Mecca/North Shore	92254
Moreno Valley	92551	Murrieta	92562	Midland	92255
Moreno Valley	92552	Murrieta	92563	Palm Desert	92211
Moreno Valley	92553	San Jacinto	92581	Palm Desert	92260
Moreno Valley	92554	San Jacinto	92582	Palm Desert	92261
Moreno Valley	92555	San Jacinto/ Gilman Springs	92583	Palm Desert	92258
Moreno Valley	92556	Temecula	92590	Palm Desert	92262
Moreno Valley	92557	Temecula	92591	Palm Desert	92263
Norco	92860	Temecula	92592	Palm Desert	92264
Nuevo/Lakeview	92567	Temecula	92593	Rancho Mirage	92270
Perris	92570	Winchester	92596	Ripley	92272
Perris	92571			Thermal/Oasis/ Salton Sea	92274
Perris	92572			Thousand Palms	92276
Riverside	92501			Whitewater	92282
Riverside	92502				
Riverside	92503				
Riverside	92504				
Riverside	92505				
Riverside	92506				
Riverside	92507				
Riverside	92508				
Romoland	92585				
Sun City	92586				
Sun City/Canyon Lake/Quail Valley	92587				
Wildomar	92595				
				<input type="checkbox"/> Check Zone 4	
				Blythe	92225

**IDENTIFY COMMITTED SOURCES OF MATCHING FUNDING**

*(Attach documentation)*

<u>Funding Source</u>	<u>Amount of Funds</u>	<u>Date Funds Available</u>
Volunteers at CVRM	\$100,000	Gift In Service Match (18 mos service hrs based on 2015 volunteer hours actuals - See Tab G - Atch 8)
Health to Hope (GIS ES & RRH)	\$295,800*	1/1/2017-12/31/17 (See Tab G Atch 9)
Private Donations	\$72,200. Will use Private donations on a \$ for \$ Match basis. May also use additional private donation funding on a \$ for \$ Match basis if needed to meet necessary project match commit requirements	Immediately. Donations are received year round. See Tab-G Atch 11

\* Match Funding commit required for any Emergency Shelter funds received as a result of this application shall be matched from a portion of the valued Gift in Service amounts contained on the MOU from Health to Hope (See Tab G - Atch 7). The MOU was entered into with Health to Hope to support both State ESG Rapid Rehouse as well as State ESG Emergency Shelter projects.

**TAB D - ACKNOWLEDGEMENTS**



**ab D Acknowledgements**

**1. Clarifications, Exceptions, or Deviations**

All bidder(s) shall describe any exception or deviation from the requirements of the RFP. Each clarification, exceptions, or deviation must be clearly identified. If your firm has no clarification, exceptions, or deviation, a statement to that effect shall be included in this section. The sample service agreement is attached as Exhibit A (which is located in the Terms and Conditions Document) and incorporated herein by this reference.

The following contractual terms are non-negotiable.

- Indemnification
- All insurance terms prior to the start of the agreement
- Termination
- Ownership/Use of Contract Materials and Products
- Disputes
- Governing Law
- Confidentiality
- Subcontractors
- Reporting Requirements

*Do you have any other exceptions/deviations? If so, please provide an explanation:*

**BIDDER'S RESPONSE:** CVRM takes no exceptions.

**2. Evidence of Insurability/Business Licenses**

All bidder(s) shall submit evidence of all required insurance. An Accord cover page will suffice and if awarded the contract the Bidder has ten (10) calendar days to produce the required insurances including a certified endorsement naming the County as additionally insured. The bidder shall certify to the possession of any and all current required licenses or certifications. Do not purchase additional insurance until this bid has been awarded. Provide a copy of current business license or other applicable licenses.

**CERTIFICATIONS**

I, Darla Burkett, a duly authorized agent of Coachella Valley Rescue Mission

Printed Name of Agent/Officer

Name of Organization

hereby certify that Coachella Valley Rescue Mission by submission of this proposal in response to the  
Name of Organization

Professional Services RFP, agree upon contract award to carry out the requirements specified and obligations set forth therein.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Title of Agent/Officer Executive Director

**TAB E- SCOPE OF SERVICES**

**ab E Scope of Services**

This RFP has a space provided under each question the County has of the Bidder. This RFP is available for electronic download at <http://dpss.co.riverside.ca.us/homeless-programs/housing-and-urban-development>.

**BIDDERS INSTRUCTIONS:** Bidders must address all points in this section. Bidders must make all responses in the Bidder's Response Box at the end of each point. All questions/points to be addressed are made in *italicized font* in the Bidder's Response Box.

DPSS seeks proposals for the following four (4) Eligible Emergency Solutions Grant (ESG) Activities:

1. Street Outreach
2. Emergency Shelter
3. Rapid Re-housing
4. Homeless Management Information Systems (HMIS)

Bidders may submit a proposal for each activity. Bidders wishing to submit a proposal must submit separate proposals per eligible activity. Proposals for multiple activities made on one bid will be rejected.

**Street Outreach (24 CFR 576.101)**

ESG funds may be used for Street Outreach (SO) activities which include the costs of providing essential services necessary to reach out to unsheltered homeless people, connecting these individuals with ES, housing or critical services, and providing urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access ES, housing or an appropriate health facility.

Eligible activities include engagement, case management, emergency health and mental health services, transportation, and services for special populations, as defined in the federal regulations. ESG-funded SO activities must operate for at least as long as the term of the ESG grant, and must comply with the requirements at 24 CFR 576.101, which address maintenance of effort requirements to ensure ESG funds are not replacing local government funds during the immediately preceding 12-month period.

While SO is an eligible stand-alone activity, it may also be proposed in conjunction with Rapid Rehousing (RR) or Emergency Shelter (ES). The intention of including this activity with these activities is to facilitate reaching and prioritizing persons experiencing homelessness that are unsheltered and living in places not designed for human habitation for services, consistent with Core Practices.

1. Bidder shall have engagement activities 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.

*Bidders shall describe in detail the engagement activities 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.*

**BIDDER'S RESPONSE:**



2. Bidder shall provide case management activities to assess housing needs, and arranging/coordinating/monitoring the delivery of individualized services.

*Bidders shall describe in detail the case management activities to assess housing needs, and arranging/coordinating/monitoring the delivery of individualized services.*

**BIDDER'S RESPONSE:**

3. Bidder shall provide emergency health services such as outpatient treatment of urgent medical conditions by licensed medical professionals in community-based settings (e.g., streets, parks, and campgrounds) to those eligible participants unwilling or unable to access emergency shelter or health care facility.

*Bidders shall describe in detail the emergency health services such as outpatient treatment of urgent medical conditions by licensed medical professionals in community-based settings (e.g., streets, parks, and campgrounds) to those eligible participants unwilling or unable to access emergency shelter or health care facility.*

**BIDDER'S RESPONSE:**

4. Bidder shall provide emergency mental health services such as outpatient treatment of urgent mental health conditions by licensed professionals in community-based settings (e.g., streets, parks, and campgrounds).

*Bidders shall describe in detail the emergency mental health services such as outpatient treatment of urgent mental health conditions by licensed professionals in community-based settings (e.g., streets, parks, and campgrounds).*

**BIDDER'S RESPONSE:**

5. Bidder shall provide transportation by outreach workers, social workers, medical professionals, or other service providers during the provision of eligible street outreach services.

*Bidders shall describe in detail the transportation provided by outreach workers, social workers, medical professionals, or other service providers during the provision of eligible street outreach services.*

**BIDDER'S RESPONSE:**

6. Bidder shall provide services to special populations and address the needs of homeless youth, victims of domestic violence and related crimes/threats, and/or people living with HIV/AIDS that are homeless.

*Bidders shall describe in detail the services provided to special populations and address the needs of homeless youth, victims of domestic violence and related crimes/threats, and/or people living with HIV/AIDS that are homeless.*

**BIDDER'S RESPONSE:**

**Emergency Shelter (24 CFR 576.102; 25 CCR 8408)**

7. ESG funds may be used for costs of providing essential services and shelter operations, as defined in federal regulations, to homeless families and individuals in an ES. An ES is any facility where the primary purpose is to provide a temporary shelter for general or specific populations experiencing homelessness, and which does not require occupants to sign leases or occupancy agreements. Hotel or motel vouchers may only be used if there is no other appropriate ES available for a homeless family or individual.

Federal regulations prohibit involuntary family separation based on the age of a child under age 18. ESG-funded ES activities must operate for at least as long as the term of the ESG grant, and must comply with all requirements of 24 CFR 576.101, which address maintenance of effort requirements to ensure ESG funds are not replacing local government funds during the immediately preceding 12-month period.

**Day Shelters:** A day shelter must meet the criteria in the ES definition and will compete as an ES. The primary purpose of a day shelter must be to provide temporary shelter for persons experiencing homelessness. Facilities such as multi-purpose centers or stand-alone soup kitchens do not qualify as ES. Day shelters must target people who are sleeping on the streets, or in ES. Clients experiencing such homelessness must be permitted to stay at the day shelter during all hours it is open for shelter.

*Bidders shall describe in detail the emergency services provided to individuals and families that are in an emergency shelter, case management, life skills, child care, education services, employment assistance and job training, outpatient health services, legal services, mental health services, substance abuse treatment services, transportation, services for special populations, security, insurance, fuel, utilities, equipment, food, furnishings, maintenance (including minor repairs), supplies necessary for operating an emergency shelter and also provide other emergency lodging (hotel/motel voucher) when appropriate.*

**BIDDER'S RESPONSE:**

All people, with the exception of those arriving for food boxes, arriving at CVRM for overnight emergency shelter, meals, referrals and other assistance are enrolled in the Emergency Services Program. After meeting with CVRM case management, they may continue to be housed in the CVRM Emergency Services Program Shelter or select referral and transfer to another agency /organization. CVRM uses a "Housing First" approach and the Coordinated Entry System to assist individuals experiencing a housing crisis. Case Management provides referrals and helps locate affordable permanent housing solutions either through Government Housing Programs such as Rapid Re-House or self-resolve. CVRM Case Management and Housing departments also work to refer clients to other organizations / agencies who may assist with Permanent Supportive Housing or other subsidized housing programs. The Riverside Housing Authority has assisted CVRM clients by providing hotel/motel vouchers when circumstances make that avenue necessary. (Recently in the case of an 82 year old man in a housing crisis upon release from an assisted care facility for a medical issue, CVRM had arranged for RRH housing but there was a 2 week gap between his release date and the 1<sup>st</sup> day he could move into his new apartment. The Housing authority

assisted by providing hotel vouchers for the 2 week gap period.) The initial intake process is essential to ensure that case management has sufficient time to work with each client arriving in need to provide best-fit referrals to either in-house program services or other public agencies / organizations with the goal to restore the client to self-sufficient living in the community

CVRM provided emergency shelter (1/1/15-12/31/15) to 1473 unduplicated individuals - men, women and children. Of these 1473 people, 31% are women, 11% youth ages 18-24, 6% elderly, 6% Veterans and 12% are domestic violence survivors. In 2015, we expect to shelter 2500 unduplicated individuals in our Emergency Overnight Annex Shelter based on HMIS service reports for the past 12 months.. Also with the addition of our new dedicated Annex shelter on 5/1/15, clients may shelter 24 hrs per day while case management works to provide referrals.

Participants receive 3 meals daily, showers, toiletries, clean clothing, and case management services at no charge. The shelter is secured and is a designated safehouse. CVRM program management staff works closely with other agencies including law enforcement to provide survivors of domestic violence and human trafficking with immediate shelter. The CVRM emergency shelter is monitored by onsite security (including security cameras) and emergency shelter staff 24 hours per day.

Clients have access to life skills classes, job skills training, as well as secondary education. Case management meets with each client at least 3 times weekly for the first 2 months and then once monthly to review progress towards completing case plan milestones as well as achieving personal goals. (Clients are encouraged to request to meet with case management more frequently if desired.) At present, 250 people stay in our emergency shelter. Clients may enroll in math, English, financial management, grief recovery, computer literacy, work search strategies and parenting classes as well as many other classes that are taught onsite primarily by volunteer retired professionals. Those on worksearch may also request to be transported to the EDD Work Development Center for seminars on job search and interviewing skills.

In 2015, we expanded the opportunities for those wishing to pursue completion of their high school education. In the past, only GED prep certification classes were offered. Now, clients have the option of enrolling at the Coachella Valley Adult Public School to earn the necessary credits to graduate. All are supported by dedicated volunteer tutors who assist with homework and test preparation. This is in addition to the classes mentioned previously. Counseling and mentoring services are provided. CVRM programs are designed to provide clients with the tools and life skills necessary to successfully return to the community as self-supporting and independent individuals.

Nearly all CVRM clients arrive without jobs having not worked in years, if ever. 98% of 2015 CVRM residential program clients had obtained employment, built savings and bridged to permanent housing prior to leaving CVRM. Our Employment Assistance Hours Program is integral in the success of CVRM program assistance. Clients have this opportunity to receive onsite job skills training to acquire a range of marketable skills thus improving their work prospects. Clients may receive training in our Administration, Security, Landscaping, Food Preparation & Catering, Housekeeping, Retail Sales, and Transportation (Box Truck Donation Pick Ups) departments. Each client receives job performance reviews every 30 days from a CVRM staff member in order to build practical work experience and references to include on their resumes.

Transportation is provided to school, daycare and offsite appointments. We also work clients to help them obtain Social Security, MediCal, Food Stamps and State Identification.

Clients have access to an onsite clinic which is staffed by licensed professionals from Health to Hope Clinics who provides free non-emergency medical services as well as behavioral health counseling onsite. (We team with the Riverside County Department of Mental Health to make sure clients get the behavioral health care they may need.) Support and recovery groups (CODA, AA, NA, CMA) are held onsite and are open to the public.

CVRM participates as a non-profit stakeholder along with local law enforcement, Department of Social Services, and other local agencies in the Community Outreach Resource Program (CORP) that is designed to reward positive change and assist participants with reintegration in society by alleviating financial burdens due to misdemeanors associated with chronic homelessness and other obstacles to future job prospects. CVRM also teams with other organizations to leverage existing community resources to maximize opportunities available to each client. These

organizations / agencies include but are not limited to the Salvation Army (provides some clients with security deposit assistance), Olive Crest (foster care services for at-risk children), Health to Hope (CVRM onsite medical and mental health), The Narrow Door (food distribution), Catholic Charities (utility assistance), Jewish Family Services (Permanent Support Housing), Shelter from the Storm (survivors of domestic violence and human trafficking), Mama's House (CVRM provides case management & assists with housing for women and newborns), Riverside County Housing Authority (Permanent Supportive Housing) and County of Riverside Department of Mental Health (CVRM onsite mental health counseling).

CVRM is also a part of the Riverside County Continuum of Care of non-profits and agencies serving the underserved by teaming together to pool resources and leverage resources so as to assist people who are experiencing or are at-risk of becoming homeless to individuals with the goal of ending homelessness.

**Homeless Prevention (24 CFR 576.103)**

8. HP activities are not eligible in this NOFA as a stand-alone activity, but may be proposed in conjunction with ES (for example, to facilitate shelter diversion) or with RR activities (for example, to facilitate preventing homelessness of a previously assisted individual or household who is experiencing instability after RR assistance has ended).

ESG funds can provide housing relocation and stabilization services and short or medium term rental assistance to someone who is "at risk of homelessness," as defined in 24 CFR 576.2, but only to the extent to help the participant regain housing stability.

*Bidders shall describe in detail the services it will provide for housing relocation and stabilization and short or medium term rental assistance to someone who is "at risk of homelessness", and how the participant will regain housing stability.*

***BIDDER'S RESPONSE:***

*The CVRM day drop in center is open daily from 7am to 3:30 pm, Monday through Sunday. Case managers are available to provide referrals to services available at CVRM such as public meals which are offered twice daily, food boxes containing enough food to feed a family of 4 for 4 days, and referrals to other local agencies / organizations including but not limited to Salvation Army, FIND (assistance with food stamp cards), Galilee Center, Catholic Charities, Jewish Family Services and The Narrow Door.*

**Rapid Re-housing 24 CFR 576.104; 25 CCR 8408)**

9. ESG funds may be used to provide housing relocation and stabilization services and short- or medium-term rental assistance as necessary to help a homeless individual or family move as quickly as possible into permanent housing and achieve stability in that housing. RR activities must meet all of the HUD requirements specified at 24 CFR 576.104 including requirements for:

- eligible program participants;
- eligible costs, including financial assistance costs and services costs;
- maximum amounts and periods of assistance;
- use with other subsidies;
- limitations on maximum rent levels;
- rental assistance agreement with owner;

- lease agreement between owner and participant; and
- condition of housing where assistance is provided.

*Bidder shall describe in detail how it plans to help homeless persons living on the streets or in an emergency shelter transition as quickly as possible into permanent housing and help such persons achieve stability.*

**BIDDER'S RESPONSE:**

**Homeless Management Information Systems (HMIS) (24 CFR 576.107; 25 CCR 8408)**

10. ESG can pay for HMIS activities associated with contributing data associated with RR, ES, SO, and HP activities. As defined in State regulations, HMIS includes the use of a comparable database as permitted by HUD. In no case can costs exceed ten percent of the total amount requested per application. HMIS activities must comply with HUD's standards on participation, data collection, and reporting. See federal regulations for complete lists of eligible HMIS costs. Provision under this category applies to hardware, equipment and software costs, and staffing.

*Bidder acknowledges that it shall utilize the HMIS database or a comparable database to document all individuals receiving assistance through the Emergency Solutions Grant program, as well as provide accurate, complete and timely data.*

**BIDDER'S RESPONSE:**

CVRM acknowledges that CVRM shall utilize the HMIS database to document all individuals receiving assistance through the Emergency Solutions Grant program, as well as provide accurate, complete and timely data.

**IMPLEMENTATION REQUIREMENTS**

**Core Practices (25 CCR 8409)**

**Use of Coordinated Entry:** Unless exempted by federal rules, all ESG-funded activities shall utilize a coordinated entry system established by the CoC in a manner that promotes the following:

- comprehensive and coordinated access to assistance regardless of where an individual or family is located in the CoC Service Area. Local systems should be easy to navigate and have protocols in place to ensure immediate access to assistance for people who are experiencing homelessness or most at-risk;
- prioritized access to assistance for people with the most urgent and severe needs, including, but not limited to, survivors of domestic violence. ESG-funded activities shall seek to prioritize people who:
- are unsheltered and living in places not designed for human habitation,
- have experienced the longest amount of time homeless; and
- have multiple and severe service needs that inhibit their ability to quickly identify and secure housing on their own; and
- for HP activities, people who are at greatest risk of becoming literally homeless without an intervention and are at greatest risk of experiencing a longer time in shelter or on the street should they become homeless.

**Housing First Practices:** All ESG-assisted projects shall operate in a manner consistent with housing first practices as reflected in the CoC written standards and progressive engagement and assistance practices, including the following:

- ensuring low-barrier, easily accessible assistance to all people, including, but not limited to, people with no income or income history, and people with active substance abuse or mental health issues;
- helping participants quickly identify and resolve barriers to obtaining and maintaining housing;
- seeking to quickly resolve the housing crisis before focusing on other non-housing related services;
- allowing participants to choose the services and housing that meets their needs, within practical and funding limitations;
- connecting participants to appropriate support and services available in the community that foster long-term housing stability;
- offering financial assistance and supportive services in a manner which offers a minimum amount of assistance initially, adding more assistance over time if needed to quickly resolve the housing crisis by either ending homelessness, or avoiding an immediate return to literal homelessness or the imminent risk of literal homelessness. The type, duration, and amount of assistance offered shall be based on an individual assessment of the household, and the availability of other resources or support systems to resolve their housing crisis and stabilize them in housing.

**Written Standards (24 CFR 576.400(e); 25 CCR 8409)**

Funded activities must operate consistent with written standards currently adopted by the CoC and applicable to all similar activities. In general, written standards address such things as policies and procedures for evaluating eligibility, for targeting and prioritizing services, for length and terms of assistance, for coordination among services, and for participation in HMIS. Consult the federal regulations for what should be addressed in written standards for each activity.



**TAB F- REFERENCES**



**Tab F References**

**References**

All bidder(s) must include present and past performance information with a minimum of three (3) references of recent similar projects. References cannot include Riverside County Elected Officials, Department Directors, or Department of Public Social Services staff as a reference. However, references can include other county agencies that are not partaking in this RFP. Please verify that all reference information is correct.

Reference 1	
Company name:	County of Riverside, EDA
Address:	3403 Tenth Street, Suite 400, Riverside, CA 92501
Contact person:	Sterlon Sims
Email address:	SSims@rivcieda.org
Telephone address:	951-955-3141
Project name:	ESG Emergency Shelter
Dates worked performed:	2012/2013, 2013/2014, 2014/2015, 2015/2016, 2016/2017
Summary of scope of services:	Provide Emergency Food & Shelter with case management and wrap-around supportive services.
Project cost:	\$40,000 (2012/2013), \$20,000 (2013/2014), \$30,000 (2014/2015), \$30,000 (2015/2016), \$30,000 (2016/2017)

Reference 2	
Company name:	City of Indian Wells
Address:	44-950 Eldorado Drive, Indian Wells, CA 92110
Contact person:	Nancy Samuelson
Email address:	nsamuelson@IndianWells.com
Telephone address:	760-346-2489
Project name:	Indian Wells – Grants In Aid
Dates worked performed:	2013/2014, 2014/2015, 2015/2016
Summary of scope of services:	Emergency Services Program for Underserved with Case Management and Referrals
Project cost:	\$20,000 (2013/2014), \$25,000 (2014/2015), \$30,000 (2015/2016)

Reference 3	
Company name:	City of Indio
Address:	1. 100 Civic Center Mall 2. PO Box Drawer 1788 Indio, CA 92202

Contact person:	Jesus Gomez
Email address:	jgomez@indio.org
Telephone address:	760-541-4260
Project name:	CDBG Food and Emergency Shelter
Dates worked performed:	2013/2014, 2014/2015, 2015/2016, 2016/2017
Summary of scope of services:	Emergency Food and Shelter with Case Management and referrals
Project cost:	\$42,000 (2013/2014), \$42,000 (2014/2015) \$42,000 (2015/2016), \$42,000 (2016/2017)

1. Provide a list detailing contracts that your company has been awarded during the last five years, showing year, type of services, dollar amounts of services provided, location, contracting company, contact name, and phone number.

**BIDDER'S RESPONSE: none**

2. Provide details of any failure or refusal to complete a contract. If none, that must be stated.

**BIDDER'S RESPONSE: none**

TAB H



**Tab H Cost Proposal**

Bidder must include a budget narrative see H-2 that describes each line item.

Budget Instructions: Double click inside of the budget table to activate the Excel Spreadsheet and fill in proposed budget for all eligible program costs related to the proposed project.

**2016-17 FISCAL YEAR PROJECTED BUDGET**

PROPOSED BUDGET ACTIVITY CATEGORY BUDGET LINE ITEMS	FTE	AMOUNT TO BE PAID BY ESG FUNDS TOTAL BUDGET REQUEST	MATCH	TOTAL BUDGET	DESCRIPTION AND EXPLANATION MONTHLY COST. EXPAND THE AMOUNT OF INFORMATION IN EACH CELL, AS NEEDED. (INCLUDE TOTAL LINE ITEM)
<b>HMIS (H)</b>					
HARDWARE, EQUIPMENT, AND SOFTWARE COSTS					
DIRECT STAFF SALARIES FOR OPERATING HMIS					
TRAINING AND OVERHEAD- TECHNICAL SUPPORT, LEASING SPACE, AND UTILITIES FOR SPACE USED BY HMIS STAFF					
		\$0.00	\$0.00	\$0.00	
<b>STREET OUTREACH (SO)</b> Unsheltered individuals and families, meaning those who qualify under the definition of "homeless."					
ENGAGEMENT					
DIRECT STAFF SALARIES					
CASE MANAGEMENT					
EMERGENCY HEALTH SERVICES					
EMERGENCY MENTAL SERVICES					
TRANSPORTATION					
SERVICES TO SPECIAL POPULATION					
		\$0.00	\$0.00	\$0.00	
<b>EMERGENCY SHELTER (ES)</b> Individuals and families who are experiencing homelessness.					
TRANSPORTATION		\$5,000	\$45,000	\$50,000	ESG Monthly budget of \$275 = \$4,950 for bus tickets
DIRECT STAFF SALARIES	7.1	1. \$284,600 2. \$41,600	1. \$161,100 2. \$28,600	1. \$445,700 2. \$70,600	ESG Monthly 1. Wages / Salaries \$14,900 2. Worker's comp / PR Taxes \$2550

EQUIPMENT/FURNITURE/ HOUSEHOLD SUPPLIES		-0-			
REPAIR/MAINTENANCE SUPPLIES		-0-			
FOOD		-0-			
UTILITIES					
REHABILITATION AND RENOVATION (MAX \$5,000)		-0-	-0-	-0-	
Administration (10% Indirect Cost)		\$36,800	20,430	\$57,230	
		<b>\$368,000</b>	<b>\$ 255,130</b>	<b>\$623,530</b>	
INITIAL RENT (1 <sup>st</sup> Month)					
Additional Rent (Months 2- 4) / Services					
DIRECT STAFF SALARIES / Services					
PAYMENTS IN ARREARS					
UTILITY ASSISTANCE					
TRAVEL					
<b>RAPID RE-REHOUSING (RR)</b>					
Individuals and families who are literally homeless.					
Short-up to 3 months and medium 4-24 months rental assistance and housing relocation and stabilization services.					
INITIAL RENT (1 <sup>st</sup> Month)					
UTILITY ASSISTANCE					
SERVICES					
		\$0.00	\$0.00	\$0.00	



**H-2 Budget Narrative**

In the space below please detail the budget narrative:

**BIDDER'S RESPONSE:**

**Direct Staff Salaries**

Total Project Direct Staff payroll estimated project costs follow for the period of performance of 1/1/17-6/30/18:

3 FT Case workers	1/1/17-12/31/17 = @ 37.5 hrs /wk	=	\$77,849
	1/1/18-06/30/18 = @ 37.5 hrs /wk	=	\$40,092
3 PT Case workers	1/1/17-12/31/17 = @ 28 hrs /wk	=	\$56,862
	1/1/18-06/30/18 = @ 28 hrs /wk	=	\$29,284
1 FT Intake	1/1/17-12/31/17 = @ 37.5 hrs /wk	=	\$24,402
	1/1/18-06/30/18 = @ 37.5 hrs /wk	=	\$12,413
1 PT Intake	1/1/17-12/31/17 = @ 26 hrs /wk	=	\$14,196
	1/1/18-06/30/18 = @ 26 hrs /wk	=	\$ 7,437
1 PT Shelter staff	1/1/17-12/31/17 = @ 26.5 hrs /wk	=	\$14,489
	1/1/18-06/30/18 = @ 26.5 hrs /wk	=	<u>\$ 7,578</u>
			<b>\$284,600</b>

Payroll Taxes, Worker's Compensation, and Employee Benefits of Life and Health Insurance for staff listed above = \$41,600 (Cost submitted for reimbursement will include detailed cost backup and will be charged at actual and reasonable)

Total Direct Staff Costs = \$284,600 + \$41,600 = \$326,200

Actual Staffing proposed is based on receipt of total amount proposed in this application. Actual staffing will be based on amount of funds awarded.

**Bus Passes**

Propose purchasing 50 x \$34 for 31 day bus passes	= \$1700
Purchase 330 x \$10 for 10 day bus passes	= \$3300

**Administrative costs**

Administrative costs = \$36,800

We anticipate serving 2500 people based on assumptions above.

[Empty response box]

**H-3 Financial Accounting System**

In the space below, include evidence of internal and external coordination and an adequate financial accounting system.

**BIDDER'S RESPONSE:**

Coachella Valley Rescue Mission (CVRM) follows GAAP and has been a member of the Evangelical Council of Financial Accountability since 2007. CVRM submits a detailed Profit / Loss Comparison to Budget and Last Year, reports by classification, Balance Sheet, and a variation to budget report to the Board Finance committee monthly. The Board Treasurer covers these reports at the subsequent Board meeting. Monthly financials are also submitted to our offsite CPA for review. An independent audit is completed each year on annual financials and the audit is presented to the Audit committee & the Board of Directors. CVRM uses QuickBooks for recording all financial transactions by classification and identifies funding sources and expenses related to the funding source.

**Budget:** The annual budget by program and expense classification is prepared by the Associate Director based on the prior year's activities, Executive Director's recommendations for growth and the Board Finance committee's oversight and recommendations. Once the Finance Committee has reviewed the detailed budget, they make a recommendation to the full Board for review and approval.

**Recording income & expenses:** Incoming mail and online credit card donations are processed by the Remittance office and posted on an in input sheet for recording by the Accounting Coordinator. The Accounting Coordinator posts the deposits to QuickBooks by classification and memo to identify funding source. The coordinator balances the bank statements monthly.

Purchase invoices are submitted by Purchasing to the Accounting Coordinator for coding in the proper accounts and memo to identify expenses to funding sources. Invoices charged to a funding source are stamped with source identification. The Associate or Executive Director reviews the invoices and coding for approval prior to payment. A weekly review of current payables and funds available is completed and approved checks are signed either the

Associate or Executive Director who did not approve the invoice.

The consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Please see Tab I – Financial Statement & Audit for more info:

**INDEPENDENT AUDITORS' REPORT,  
CONSOLIDATED FINANCIAL STATEMENTS**

**CERTIFICATIONS**

I, Darla Burkett, a duly authorized agent of Coachella Valley Rescue Mission  
Printed Name of Agent/Officer Name of Organization

herby certify that Coachella Valley Rescue Mission by submission of this proposal in response to the  
Name of Organization

Professional Services RFP, agree upon contract award to carry out the requirements specified and obligations set forth therein.

Signature Darla Burkett Date 9-1-16

Title of Agent/Officer Executive Director

**Tab 1 Financial Statement**

Please place financials in a separate envelope and mark "Financial Statement - Confidential" if Bidder's company requires this to be kept confidential. The financial documents should be in the original binder only and not in the proposal copies. The County cannot guarantee that the financials submitted will be kept confidential.

Financial statements should only be included in the binder marked "Original" (Financial statements will be removed and submitted to the Accounting Office for review, then placed in a sealed envelope and marked "Confidential.")

The bidder must submit financial statements (balance sheet and income statement) for its business that are dated no more than twelve (12) months prior to the date of the proposal submission and cover a period of at least one (1) year. These statements should clearly identify the financial status and condition of the bidder's entire business entity.

Financials should provide sufficient detail to assure the County of Riverside that bidder can support services being offered and as a Contractor the firm will not seek early payment for services delivered, expedited payments or checks delivered by any means other than regular mail through the County Auditor/Controller's Office.

TAB 1



**COACHELLA VALLEY RESCUE MISSION AND**  
**CVRM NMTC PROJECT HOLDINGS**  
**INDIO, CALIFORNIA**

**INDEPENDENT AUDITORS' REPORT,**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2015 AND 2014**



LUND & GUTTRY LLP / CERTIFIED PUBLIC ACCOUNTANTS  
36917 COOK STREET • SUITE 102 • PALM DESERT, CA 92211  
Telephone (760) 568-2342 • Fax (760) 346-8891  
www.lundandguttry.com

## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Coachella Valley Rescue Mission and  
CVRM NMTC Project Holdings  
Indio, California

We have audited the accompanying consolidated statements of financial position of Coachella Valley Rescue Mission and CVRM NMTC Project Holdings (collectively, the Organization) as of December 31, 2015 and 2014, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the year ended December 31, 2015, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Coachella Valley Rescue Mission and CVRM NMTC Project Holdings (collectively, the Organization) as of December 31, 2015 and 2014, and the changes in net assets and cash flows for the year ended December 31, 2015 in accordance with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating statements of financial position and consolidating statements of activities and changes in net assets are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedure applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

#### **Report on Summarized Comparative Information**

We have previously audited the Coachella Valley Rescue Mission and CVRM NMTC Project Holdings (collectively, the Organization) 2014 financial statements, and our report dated March 23, 2015 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Lead & Hutton*

April 25, 2016

**COACHELLA VALLEY RESCUE MISSION AND  
CYRM NMTC PROJECT HOLDINGS**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2015 AND 2014**

<b><u>ASSETS</u></b>	<u>2015</u>	<u>2014</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 758,332	\$ 339,152
Cash - board designated	120,134	72,071
Cash - restricted	305,626	873,204
Investments	295,788	948,263
Accounts receivable	54,384	21,052
Pledges receivable	8,267	388,018
Other receivables	-	13,910
Prepaid expenses	44,229	23,940
Total current assets	<u>1,586,760</u>	<u>2,679,610</u>
<b>PROPERTY AND EQUIPMENT</b>		
Land	267,455	20,000
Building	11,109,503	8,856,967
Improvements	291,040	276,283
Equipment and fixtures	1,302,247	1,129,997
Vehicles	290,122	297,122
Construction in progress	-	1,196,059
	<u>13,260,367</u>	<u>11,776,428</u>
Less accumulated depreciation	<u>(1,884,011)</u>	<u>(1,399,690)</u>
Total property and equipment	<u>11,376,356</u>	<u>10,376,738</u>
<b>OTHER ASSETS</b>		
Land held for development	-	247,455
Capitalized costs, net	354,901	368,729
Note receivable	8,143,746	8,143,746
Security deposit	16,406	16,406
Total other assets	<u>8,515,053</u>	<u>8,776,336</u>
<b>TOTAL ASSETS</b>	<u>\$ 21,478,169</u>	<u>\$ 21,832,684</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 54,548	\$ 487,141
Accrued expenses	120,510	71,858
Total current liabilities	<u>175,058</u>	<u>558,999</u>
<b>LONG TERM LIABILITIES</b>		
Notes payable	10,982,400	10,982,400
Total liabilities	<u>11,157,458</u>	<u>11,541,399</u>
<b>NET ASSETS</b>		
Unrestricted	10,286,340	9,412,019
Temporarily restricted	34,371	879,266
Total net assets	<u>10,320,711</u>	<u>10,291,285</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 21,478,169</u>	<u>\$ 21,832,684</u>

(The accompanying notes are an integral part of these consolidated financial statements)

**COACHELLA VALLEY RESCUE MISSION AND  
CYRM NMTG PROJECT HOLDINGS**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2014**

	2015	2014 Memorandum Only
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ 29,426	\$ (176,353)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation and amortization	528,981	449,751
Loss on disposal of property	56,706	-
Unrealized loss on investments	2,465	15,303
Changes in operating assets and liabilities		
Accounts receivable	(33,332)	44,378
Pledges receivable	379,751	(367,668)
Other assets	(6,379)	(20,083)
Accounts payable	(432,593)	(16,376)
Accrued expenses	(48,652)	(41,167)
Net cash provided (used) by operating activities	476,373	(112,215)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment - net	(1,228,018)	(735,758)
Proceeds from sale of property	1,300	-
(Increase) decrease in investments	650,010	(9)
Net cash used by investing activities	(576,708)	(735,767)
<b>NET DECREASE IN CASH</b>	(100,335)	(847,982)
<b>CASH - BEGINNING OF YEAR</b>	1,284,427	2,132,409
<b>CASH - END OF YEAR</b>	\$ 1,184,092	\$ 1,284,427
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Cash consisted of the following at December 31:		
Cash	\$ 758,332	\$ 339,152
Cash - board designated	120,134	72,071
Cash - restricted	305,626	873,204
	\$ 1,184,092	\$ 1,284,427

(The accompanying notes are an integral part of these consolidated financial statements)



**COACHELLA VALLEY RESCUE MISSION AND**  
**CVRM NMTC PROJECT HOLDINGS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

**1. ORGANIZATION**

The Coachella Valley Rescue Mission (the Organization) was organized on March 30, 1971 as a California non-profit Organization and is presently located near Indio. The primary purpose of the Organization is to operate a Christian mission and to provide food and shelter to the homeless in the Coachella Valley. The main sources of revenues are private donations and grants as well as reimbursements from the County of Riverside for services provided at the county overnight shelter.

In August 2011, the Organization entered into a New Markets Tax Credit (NMTC) transaction to help finance the construction of its new facility. The new 43,000 square foot facility opened in November 2011. The Mission created CVRM NMTC Project Holdings (NMTC) for the sole purpose of facilitating the NMTC transaction as a Qualified Active Low Income Community Business (QALICB). NMTC Project Holdings holds the project property to be leased back to the Mission for the Mission's sole purpose of operating its business and furthering its mission to aid those less fortunate.

The New Markets Tax Credit Program was designed to stimulate investment and economic growth in low-income communities by offering a seven-year, 39% federal tax credit for Qualified Equity Investments (QEI) made through investment vehicles known as Community Development Entities (CDE). CDEs use capital derived from tax credits to make loans to or investments in businesses and projects in low-income areas.

As part of the transaction, the Organization committed to lend \$8,143,746 to LCD New Markets Fund X, LLC, the Investment Fund. The amount borrowed at closing on August 25, 2011 amounted to \$8,143,746, referred to as "Loan A". (See Note 5 for terms on the loans.)

Neither the Mission nor NMTC Project Holdings controls or has economic interest in the assets of either QEI or the CDEs. The QEI is controlled and wholly owned by Chase Bank and the Investment Fund controls and funds the CDE.

To earn the tax credit the QEI must remain invested in the CDE for a seven-year period. The Mission and Chase Bank have entered into a put/call option agreement to take place at the end of the seven-year period. Under the agreement, Chase Bank can exercise a put option to sell all interest in the QEI for \$1,000 to the Mission. If Chase Bank does not exercise the put option within 90 days of the seven-year period, the Mission can exercise a call option to purchase the interest of the QEI at an appraised fair market value.

See Notes 3, 5 and 6 for further disclosure on NMTC transaction.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Principles of Consolidation**

The consolidated financial statements include all the accounts of Coachella Valley Rescue Mission and CVRM NMTC Project Holdings. All intra-entity transactions have been eliminated.

**Basis of Accounting**

The consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**COACHELLA VALLEY RESCUE MISSION AND**  
**CYRM NMTG PROJECT HOLDINGS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Net Asset Classification**

To ensure compliance with restrictions placed on its resources, the Organization's accounts are maintained in accordance with the principles of fund accounting. This is the procedure by which resources are classified for accounting reporting into funds established according to their nature and purposes.

In financial statements, funds that have similar characteristics are combined into three net asset categories: unrestricted, temporarily restricted and permanently restricted.

Unrestricted net assets are not restricted, or the donor-imposed restrictions have expired.

The Organization records contributions as temporarily restricted if they are received with stipulations that limit their use either through purpose or time restrictions. When restrictions expire, that is, when a time restriction ends or a purpose restriction is fulfilled, temporarily restricted net assets are reported in the statement of activities as net assets released from restrictions. At December 31, 2015, the Organization had \$34,371 of temporarily restricted funds consisting of \$15,000 for a vehicle purchase and \$19,371 for various other purposes. At December 31, 2014, the Organization had \$879,266 in temporarily restricted funds consisting of \$864,266 relating to the Annex construction and \$15,000 relating to a vehicle purchase.

Permanently restricted net assets contain donor-imposed restrictions that stipulate the resources be maintained permanently, but permit the Organization to use, or expend part or all of the income derived from the donated assets for either specified or unspecified purposes. There are no permanently restricted net assets at December 31, 2015 and 2014.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

**Cash – Board Designated**

Board designated cash represents unrestricted funds set aside for future capital asset and land purchases.

**Cash – Restricted**

Restricted cash represents funds restricted by the bank relating to the transaction discussed further in Note 1 and funds held for completion of the Annex Building discussed in Note 7.

**Income Taxes**

The Organization is a not-for-profit organization that is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3), and from California franchise taxes under related state tax regulations and classified by the Internal Revenue Service as other than a private foundation. The Organization may be subject to tax on income from any unrelated business operations. The Organization does not currently have any unrelated business operations.

**COACHELLA VALLEY RESCUE MISSION AND  
CVRM NMTC PROJECT HOLDINGS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Income Taxes** - (continued)

The Organization's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

**Investments**

The Organization has investments consisting of mutual funds. The investments are recorded at fair market value \$295,788 and \$948,263 with corresponding costs of \$324,196 and \$989,606 at December 31, 2015 and 2014, respectively.

The Organization's broker account also includes \$202,520 of cash funds held at December 31, 2015.

**Contributions**

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

**Property and Equipment**

Property and equipment are stated at cost and are being depreciated using the straight-line and accelerated methods over their estimated useful lives.

The Organization capitalizes assets with original costs greater than \$500 and estimated useful lives greater than one year. Donations of property and equipment are recorded at their estimated fair value.

The estimated useful lives of property and equipment are as follows:

Building	25 - 39 years
Improvements	15 - 25 years
Equipment and fixtures	5 - 7 years
Vehicles	5 years

**Capitalized Costs**

Capitalized costs related to the financing of NMTC in 2011 are stated at cost and amortized on the straight-line method over thirty years. Amortization expense for the years ended December 31, 2015 and 2014 amounted to \$13,827 for each year.

**Functional Allocation of Expense**

The costs of providing the various programs and other services have been summarized on a functional basis in the statement of activities. Accordingly, certain indirect costs have been allocated among the programs and supporting services benefited.

**Volunteers**

A number of volunteers have made significant contributions of time to the Organization's program and support functions. The value of this contributed time does not meet the criteria for recognition of contributed services and accordingly, is not reflected in the accompanying financial statements.

**COACHELLA VALLEY RESCUE MISSION AND**  
**CVRM NMTIC PROJECT HOLDINGS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

**8. SUBSEQUENT EVENTS**

The Organization evaluated all potential subsequent events as of April 25, 2016 when the financial statements were authorized and available to be issued. No additional subsequent events or transactions were identified after December 31, 2015 or as of April 25, 2016 that require disclosure to the financial statements.

**SUPPLEMENTARY INFORMATION**



**COACHELLA VALLEY RESCUE MISSION AND  
CYRM NMTC PROJECT HOLDINGS**

**SCHEDULE 1 - CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2015**

	<u>Coachella Valley Rescue Mission</u>	<u>CVRM NMTC Project Holdings</u>	<u>Eliminating Entries</u>	<u>Consolidated Total</u>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash	\$ 726,738	\$ 31,594	\$ -	\$ 758,332
Cash - board designated	120,134	-	-	120,134
Cash - restricted	120,875	184,751	-	305,626
Investments	295,788	-	-	295,788
Accounts receivable	54,384	-	-	54,384
Pledges receivable	8,267	-	-	8,267
Other receivables	-	-	-	-
Prepaid expenses	44,229	-	-	44,229
Total current assets	<u>1,370,415</u>	<u>216,345</u>	<u>-</u>	<u>1,586,760</u>
<b>PROPERTY AND EQUIPMENT</b>				
Land	267,455	-	-	267,455
Building	2,602,049	8,507,454	-	11,109,503
Improvements	89,474	201,566	-	291,040
Equipment and fixtures	213,430	1,088,817	-	1,302,247
Vehicles	290,122	-	-	290,122
	<u>3,462,530</u>	<u>9,797,837</u>	<u>-</u>	<u>13,260,367</u>
Less accumulated depreciation	(415,709)	(1,468,302)	-	(1,884,011)
Total property and equipment	<u>3,046,821</u>	<u>8,329,535</u>	<u>-</u>	<u>11,376,356</u>
<b>OTHER ASSETS</b>				
Capitalized costs, net	-	354,901	-	354,901
Note receivable	8,143,746	-	-	8,143,746
Investment - NMTC	356,185	-	(356,185)	-
Intangible asset, net	-	647,023	(647,023)	-
Security deposit	16,406	-	-	16,406
Total other assets	<u>8,516,337</u>	<u>1,001,924</u>	<u>(1,003,208)</u>	<u>8,515,053</u>
<b>TOTAL ASSETS</b>	<u>\$ 12,933,573</u>	<u>\$ 9,547,804</u>	<u>\$ (1,003,208)</u>	<u>\$ 21,478,169</u>

Continued

**COACHELLA VALLEY RESCUE MISSION AND  
CVRM NMTC PROJECT HOLDINGS**

**SCHEDULE 1 - CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2015**

Continued

	<u>Coachella Valley Rescue Mission</u>	<u>CVRM NMTC Project Holdings</u>	<u>Eliminating Entries</u>	<u>Consolidated Total</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 46,730	\$ 7,818	\$ -	\$ 54,548
Accrued expenses	120,510	-	-	120,510
Deferred income on sale of ground lease	647,023	-	(647,023)	-
Total current liabilities	<u>814,263</u>	<u>7,818</u>	<u>(647,023)</u>	<u>175,058</u>
<b>LONG TERM LIABILITIES</b>				
Notes payable	-	10,982,400	-	10,982,400
Total liabilities	<u>814,263</u>	<u>10,990,218</u>	<u>(647,023)</u>	<u>11,157,458</u>
<b>NET ASSETS</b>				
Unrestricted	12,084,939	(1,442,414)	(356,185)	10,286,340
Temporarily restricted	34,371	-	-	34,371
Total net assets	<u>12,119,310</u>	<u>(1,442,414)</u>	<u>(356,185)</u>	<u>10,320,711</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 12,933,573</u>	<u>\$ 9,547,804</u>	<u>\$ (1,003,208)</u>	<u>\$ 21,478,169</u>

**COACHELLA VALLEY RESCUE MISSION AND  
CVRM NMTC PROJECT HOLDINGS**

**SCHEDULE 2 - CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2014**

	<u>Coachella Valley Rescue Mission</u>	<u>CVRM NMTC Project Holdings</u>	<u>Eliminating Entries</u>	<u>Consolidated Total</u>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash	\$ 320,544	\$ 18,608	\$ -	\$ 339,152
Cash - board designated	72,071	-	-	72,071
Cash - restricted	642,905	230,299	-	873,204
Investments	948,263	-	-	948,263
Accounts receivable	21,052	-	-	21,052
Pledges receivable	388,018	-	-	388,018
Other receivables	13,910	-	-	13,910
Prepaid expenses	23,940	-	-	23,940
Due from CVRM	-	-	-	-
Due from NMTC	-	-	-	-
Total current assets	<u>2,430,703</u>	<u>248,907</u>	<u>-</u>	<u>2,679,610</u>
<b>PROPERTY AND EQUIPMENT</b>				
Land	20,000	-	-	20,000
Building	291,358	8,565,609	-	8,856,967
Improvements	74,786	201,497	-	276,283
Equipment and fixtures	96,930	1,033,067	-	1,129,997
Vehicles	297,122	-	-	297,122
Construction in progress	1,196,059	-	-	1,196,059
	1,976,255	9,800,173	-	11,776,428
Less accumulated depreciation	(300,473)	(1,099,217)	-	(1,399,690)
Total property and equipment	<u>1,675,782</u>	<u>8,700,956</u>	<u>-</u>	<u>10,376,738</u>
<b>OTHER ASSETS</b>				
Land held for development	247,455	-	-	247,455
Capitalized costs, net	-	368,729	-	368,729
Note receivable	8,143,746	-	-	8,143,746
Investment - NMTC	356,185	-	(356,185)	-
Intangible asset, net	-	659,793	(659,793)	-
Security deposit	16,406	-	-	16,406
Total other assets	<u>8,763,792</u>	<u>1,028,522</u>	<u>(1,015,978)</u>	<u>8,776,336</u>
<b>TOTAL ASSETS</b>	<u>\$ 12,870,277</u>	<u>\$ 9,978,385</u>	<u>\$ (1,015,978)</u>	<u>\$ 21,832,684</u>

Continued

**COACHELLA VALLEY RESCUE MISSION AND  
CVRM NMTC PROJECT HOLDINGS**

**SCHEDULE 2 - CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2014**

Continued

	<u>Coachella Valley Rescue Mission</u>	<u>CVRM NMTC Project Holdings</u>	<u>Eliminating Entries</u>	<u>Consolidated Total</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 487,141	\$ -	\$ -	\$ 487,141
Accrued expenses	71,858	-	-	71,858
Deferred income on sale of ground lease	659,793	-	(659,793)	-
Total current liabilities	<u>1,218,792</u>	<u>-</u>	<u>(659,793)</u>	<u>558,999</u>
<b>LONG TERM LIABILITIES</b>				
Notes payable	-	10,982,400	-	10,982,400
Total liabilities	<u>1,218,792</u>	<u>10,982,400</u>	<u>(659,793)</u>	<u>11,541,399</u>
<b>NET ASSETS</b>				
Unrestricted	10,772,219	(1,004,015)	(356,185)	9,412,019
Temporarily restricted	879,266	-	-	879,266
Total net assets	<u>11,651,485</u>	<u>(1,004,015)</u>	<u>(356,185)</u>	<u>10,291,285</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 12,870,277</u>	<u>\$ 9,978,385</u>	<u>\$ (1,015,978)</u>	<u>\$ 21,832,684</u>

**COACHELLA VALLEY RESCUE MISSION AND  
CVRM NMTC PROJECT HOLDINGS**

**SCHEDULE 3 - CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Coachella Valley Rescue Mission	CVRM NMTC Project Holdings	Eliminating Entries	Consolidated Total
<b>SUPPORT AND REVENUES</b>				
Contributions and other cash donations	\$ 2,378,155	\$ -	\$ -	\$ 2,378,155
Special events	259,549	-	-	259,549
Program income	98,857	-	-	98,857
Grants and contracts	402,407	-	-	402,407
Non-cash donations	2,313,977	-	-	2,313,977
Sales	515,378	-	-	515,378
Other income	113,423	119,000	(161,770)	70,653
<b>Total support and revenues</b>	<u>6,081,746</u>	<u>119,000</u>	<u>(161,770)</u>	<u>6,038,976</u>
<b>EXPENSES</b>				
Program services	4,462,939	441,100	(161,770)	4,742,269
General and administrative	553,034	116,511	-	669,545
Fundraising	543,030	-	-	543,030
Special events	53,592	-	-	53,592
<b>Total expenses</b>	<u>5,612,595</u>	<u>557,611</u>	<u>(161,770)</u>	<u>6,008,436</u>
<b>NON-OPERATING INCOME (EXPENSE)</b>				
Interest income	64,372	212	-	64,584
Bad debt expense	(6,527)	-	-	(6,527)
Loss on disposal of property	(56,706)	-	-	(56,706)
Unrealized loss on investments	(2,465)	-	-	(2,465)
<b>Total non-operating income (expense)</b>	<u>(1,326)</u>	<u>212</u>	<u>-</u>	<u>(1,114)</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	467,825	(438,399)	-	29,426
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>11,651,485</u>	<u>(1,004,015)</u>	<u>(356,185)</u>	<u>10,291,285</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 12,119,310</u>	<u>\$ (1,442,414)</u>	<u>\$ (356,185)</u>	<u>\$ 10,320,711</u>

**COACHELLA VALLEY RESCUE MISSION AND  
CVRM NMTC PROJECT HOLDINGS**

**SCHEDULE 4 - CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Coachella Valley Rescue Mission	CVRM NMTC Project Holdings	Eliminating Entries	Consolidated Total
<b>SUPPORT AND REVENUES</b>				
Contributions and other cash donations	\$ 2,236,293	\$ -	\$ -	\$ 2,236,293
Special events	130,592	-	-	130,592
Program income	147,100	-	-	147,100
Grants and contracts	261,205	-	-	261,205
Non-cash donations	2,019,709	-	-	2,019,709
Sales	414,351	-	-	414,351
Other income	117,856	119,000	(161,770)	75,086
Total support and revenues	<u>5,327,106</u>	<u>119,000</u>	<u>(161,770)</u>	<u>5,284,336</u>
<b>EXPENSES</b>				
Program services	4,014,931	433,217	(161,770)	4,286,378
General and administrative	516,314	116,511	-	632,825
Fundraising	578,564	-	-	578,564
Special events	44,090	-	-	44,090
Total expenses	<u>5,153,899</u>	<u>549,728</u>	<u>(161,770)</u>	<u>5,541,857</u>
<b>NON-OPERATING INCOME (EXPENSE)</b>				
Interest income	96,423	253	-	96,676
Bad debt expense	(235)	-	-	(235)
Unrealized loss on investments	(15,303)	-	-	(15,303)
Total non-operating income (expense)	<u>80,885</u>	<u>253</u>	<u>-</u>	<u>81,138</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<u>254,092</u>	<u>(430,475)</u>	<u>-</u>	<u>(176,383)</u>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>11,397,393</u>	<u>(584,487)</u>	<u>(345,238)</u>	<u>10,467,668</u>
<b>EQUITY TRANSFER - NET</b>	<u>-</u>	<u>10,947</u>	<u>(10,947)</u>	<u>-</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 11,651,485</u>	<u>\$ (1,004,015)</u>	<u>\$ (356,185)</u>	<u>\$ 10,291,285</u>



**EXHIBIT B**

**ATTACHMENT A  
BIDDER PROPOSAL RESPONSE**

**2016 COMPETITION  
REQUEST FOR PROPOSAL # DPARC-512**

**STATE EMERGENCY SOLUTIONS GRANT HOMELESS ASSISTANCE PROGRAM**



Contact:

Rowena Concepcion, Supervising Program Specialist  
Riverside County – Homeless Program Unit  
4060 County Circle Drive  
Riverside, CA 92503  
(951) 358-5638 / (951) 358-7755 (fax)  
Email: [rconcepc@riversidedpss.org](mailto:rconcepc@riversidedpss.org)

NIGP Code(s): 95237, 95249, 95255, and 95278

This RFP and any ensuing Addendums are available at the following link:  
<http://dpss.co.riverside.ca.us/homeless-programs/housing-and-urban-development>  
and  
[www.publicpurchase.com](http://www.publicpurchase.com)

**NOTE: BIDDERS ARE RESPONSIBLE TO READ ALL INFORMATION THAT IS STATED IN THIS  
REQUEST FOR PROPOSAL AND PROVIDE A RESPONSE AS REQUIRED**

**Tab H Cost Proposal**

Bidder must include a **budget narrative** see H-2 that describes each line item.  
Budget Instructions: Double click inside of the budget table to activate the Excel Spreadsheet and fill in proposed budget for all eligible program costs related to the proposed project.

**2016-17 FISCAL YEAR PROJECTED BUDGET**

PROPOSED BUDGET ACTIVITY CATEGORY BUDGET LINE ITEMS	FTE	AMOUNT TO BE PAID BY ESG FUNDS TOTAL BUDGET REQUEST	MATCH	TOTAL BUDGET	DESCRIPTION AND EXPLANATION MONTHLY COST. EXPAND THE AMOUNT OF INFORMATION IN EACH CELL, AS NEEDED. (INCLUDE TOTAL LINE ITEM)
<b>HMIS (H)</b>					
HARDWARE, EQUIPMENT, AND SOFTWARE COSTS					
DIRECT STAFF SALARIES FOR OPERATING HMIS					
TRAINING AND OVERHEAD- TECHNICAL SUPPORT, LEASING SPACE, AND UTILITIES FOR SPACE USED BY HMIS STAFF					
		\$0.00	\$0.00	\$0.00	
<b>STREET OUTREACH (SO)</b> Unsheltered individuals and families, meaning those who qualify under the definition of "homeless."					
ENGAGEMENT					
DIRECT STAFF SALARIES					
CASE MANAGEMENT					
EMERGENCY HEALTH SERVICES					
EMERGENCY MENTAL SERVICES					
TRANSPORTATION					
SERVICES TO SPECIAL POPULATION					
		\$0.00	\$0.00	\$0.00	

<b>EMERGENCY SHELTER (ES)</b>					
<b>Individuals and families who are experiencing homelessness.</b>					
TRANSPORTATION		\$5,000	\$5,000		ESG Monthly budget of \$275 = \$4,950 for bus tickets
DIRECT STAFF SALARIES	2.6	1. \$83,928 2. \$10,472	\$83,928 \$10,472		ESG Monthly \$ 1. Wages / Salaries \$4,662 2. Worker's comp / PR Taxes \$582
EQUIPMENT/FURNITURE/HOUSEHOLD SUPPLIES		-0-			
REPAIR/MAINTENANCE SUPPLIES		-0-			
FOOD		-0-			
UTILITIES		\$7,849	\$7,849		
REHABILITATION AND RENOVATION (MAX \$5,000)		-0-	-0-	-0-	
Administration (10% Indirect Cost)		\$200	\$200		
		<b>\$107,449</b>	<b>\$107,499</b>	<b>\$</b>	
<b>INITIAL RENT (1<sup>st</sup> Month)</b>					
<b>Additional Rent (Months 2-4) / Services</b>					
<b>DIRECT STAFF SALARIES / Services</b>					
<b>PAYMENTS IN ARREARS</b>					
<b>UTILITY ASSISTANCE</b>					
<b>MILEAGE</b>					
<b>RAPID RE-REHOUSING (RR)</b>					
<b>Individuals and families who are literally homeless.</b>					
<b>Short-up to 3 months and medium 4-24 months rental assistance and housing relocation and stabilization services.</b>					
<b>INITIAL RENT (1<sup>st</sup> Month)</b>					
<b>UTILITY ASSISTANCE</b>					
<b>SERVICES</b>					
		<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	

**H-2 Budget Narrative**

In the space below please detail the budget narrative:

**BIDDER'S RESPONSE:**

**Direct Staff Salaries**

Total Project Direct Staff payroll estimated project costs follow for the period of performance of 1/1/17-6/30/18:

1 PT Case workers	1/1/17-12/31/17 = @ 28 hrs /wk	=	\$17,472
	1/1/18-06/30/18 = @ 26 hrs /wk	=	\$ 8,736
2 PT Intake	1/1/17-12/31/17 = @ 26 hrs /wk	=	\$27,040
	1/1/18-06/30/18 = @ 26 hrs /wk	=	\$13,520
1 PT Shelter staff	1/1/17-12/31/17 = @ 22 hrs /wk	=	\$11,440
	1/1/18-06/30/18 = @ 22 hrs /wk	=	<u>\$ 5,720</u>
			<b>\$83,928</b>

Payroll Taxes and Worker's Compensation for staff listed above = \$10,472 (Cost submitted for reimbursement will include detailed cost backup and will be charged at actual and reasonable)

Total Direct Staff Costs = \$83,928 + \$10,472 = \$94,400

Actual Staffing proposed is based on receipt of total amount proposed in this application. Actual staffing will be based on amount of funds awarded.

**Bus Passes**

Propose purchasing 50 x \$34 for 31 day bus passes = \$1700

Purchase 330 x \$10 for 10 day bus passes = \$3300

**Utilities**

Utilities (Utility Cost is \$14,697/month) = \$10,800

**Administrative costs**

Administrative costs = \$200

We anticipate serving 2500 people based on assumptions above.

itor/Controller's Office.

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

24 CFR Parts 91 and 576

[Docket No. FR-5474-1-01]

RIN 2506-AC29

**Homeless Emergency Assistance and Rapid Transition to Housing; Emergency Solutions Grants Program and Consolidated Plan Conforming Amendments**

**AGENCY:** Office of the Assistant Secretary for Community Planning and Development, HUD.

**ACTION:** Interim rule.

**SUMMARY:** The Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act), enacted into law on May 20, 2009, consolidates three of the separate homeless assistance programs administered by HUD under the McKinney-Vento Homeless Assistance Act into a single grant program, and revises the Emergency Shelter Grants program and renames it as the Emergency Solutions Grants (ESG) program. The HEARTH Act also codifies into law the Continuum of Care planning process, a longstanding part of HUD's application process to assist homeless persons by providing greater coordination in responding to their needs.

This interim rule revises the regulations for the Emergency Shelter Grants program by establishing the regulations for the Emergency Solutions Grants program, which replaces the Emergency Shelter Grants program. The change in the program's name, from Emergency Shelter Grants to Emergency Solutions Grants, reflects the change in the program's focus from addressing the needs of homeless people in emergency or transitional shelters to assisting people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness.

**DATES:** Effective date: January 4, 2012.

Comment Due Date: February 3, 2012.

**ADDRESSES:** Interested persons are invited to submit comments regarding this rule to the Regulations Division, Office of General Counsel, 451 7th Street SW., Room 10276, Department of Housing and Urban Development, Washington, DC 20410-0500.

Communications must refer to the above docket number and title. There are two methods for submitting public comments. All submissions must refer to the above docket number and title.

1. *Submission of Comments by Mail.* Comments may be submitted by mail to

the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW., Room 10276, Washington, DC 20410-0500.

2. *Electronic Submission of Comments.* Interested persons may submit comments electronically through the Federal eRulemaking Portal at <http://www.regulations.gov>. HUD strongly encourages commenters to submit comments electronically. Electronic submission of comments allows the commenter maximum time to prepare and submit a comment, ensures timely receipt by HUD, and enables HUD to make them immediately available to the public. Comments submitted electronically through the <http://www.regulations.gov> Web site can be viewed by other commenters and interested members of the public. Commenters should follow the instructions provided on that site to submit comments electronically.

**Note:** To receive consideration as public comments, comments must be submitted through one of the two methods specified above. Again, all submissions must refer to the docket number and title of the rule.

*No Facsimile Comments.* Facsimile (FAX) comments are not acceptable.

*Public Inspection of Public Comments.* All properly submitted comments and communications submitted to HUD will be available for public inspection and copying between 8 a.m. and 5 p.m. weekdays at the above address. Due to security measures at the HUD Headquarters building, an advance appointment to review the public comments must be scheduled by calling the Regulations Division at (202) 708-3055 (this is not a toll-free number). Individuals with speech or hearing impairments may access this number through TTY by calling the Federal Relay Service at (800) 877-8339. Copies of all comments submitted are available for inspection and downloading at <http://www.regulations.gov>.

**FOR FURTHER INFORMATION CONTACT:** Ann Marie Oliva, Director, Office of Special Needs Assistance Programs, Office of Community Planning and Development, Department of Housing and Urban Development, 451 7th Street SW., Washington, DC 20410-7000; telephone number (202) 708-4300 (this is not a toll-free number). Hearing- and speech-impaired persons may access this number through TTY by calling the Federal Relay Service at (800) 877-8339 (this is a toll-free number).

**SUPPLEMENTARY INFORMATION:**

**I. Background—HEARTH Act**

On May 20, 2009, the President signed into law "An Act to Prevent Mortgage Foreclosures and Enhance Mortgage Credit Availability," which became Public Law 111-22. This law implements a variety of measures directed toward keeping individuals and families from losing their homes. Division B of this law is the HEARTH Act, which consolidates and amends three separate homeless assistance programs carried out under title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11371 *et seq.*) (McKinney-Vento Act) into a single grant program that is designed to improve administrative efficiency and enhance response coordination and effectiveness in addressing the needs of homeless persons. The HEARTH Act codifies into law and enhances the Continuum of Care planning process, the coordinated response for addressing the needs of homelessness established administratively by HUD in 1995. The single Continuum of Care program established by the HEARTH Act consolidates the following programs: the Supportive Housing program, the Shelter Plus Care program, and the Moderate Rehabilitation/Single Room Occupancy program. The Emergency Shelter Grants program is renamed the Emergency Solutions Grants program and revised to broaden existing emergency shelter and homelessness prevention activities and to add short- and medium-term rental assistance and services to rapidly re-house homeless people. In addition the new Rural Housing Stability program replaces the Rural Homelessness Grant program.

HUD commenced the process to implement the HEARTH Act with a proposed rule, which was published on April 20, 2010, (75 FR 20541) and titled "Defining Homeless." That proposed rule sought to clarify and elaborate upon the new McKinney-Vento Act definitions for "homeless" and "homeless individual with a disability." In addition, the proposed rule included recordkeeping requirements related to the revised definition of "homeless." The final rule for the "homeless" definition and the related recordkeeping requirements appears elsewhere in today's Federal Register. Today's publication of the final rule for the homeless definition and this interim rule for the Emergency Solutions Grants program, which includes corresponding amendments to the Consolidated Plan, will be followed by separate proposed rules for the Continuum of Care program and the Rural Housing Stability program to implement other HEARTH Act



amendments to the McKinney-Vento Act. HUD will also soon publish a proposed rule establishing regulations for Homeless Management Information Systems (HMIS). The definition of "homeless" in this interim rule for the Emergency Solutions Grants program and the corresponding recordkeeping requirements are not the subject of further public comment. Public comment for this definition and the corresponding recordkeeping requirements were addressed in the Defining Homeless final rule published elsewhere in today's *Federal Register*.

## II. This Interim Rule

This interim rule revises the regulations for the Emergency Shelter Grants program at 24 CFR part 576 by establishing the new requirements for the Emergency Solutions Grants program and making corresponding amendments to HUD's Consolidated Plan regulations found at 24 CFR part 91. The Emergency Solutions Grants (ESG) program builds upon the existing Emergency Shelter Grants program, but places greater emphasis on helping people quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. The key changes that reflect this new emphasis are the expansion of the homelessness prevention component of the program and the addition of a new rapid re-housing assistance component. The homelessness prevention component includes various housing relocation and stabilization services and short- and medium-term rental assistance to help people avoid becoming homeless. The rapid re-housing assistance component includes similar services and assistance to help people who are homeless move quickly into permanent housing and achieve stability in that housing.

In developing regulations for the ESG program, HUD is relying substantially on its experience with its administration, and that of HUD's grantees, of the Homelessness Prevention and Rapid Re-Housing Program (HPRP), authorized and funded by the American Recovery and Reinvestment Act of 2009 (Recovery Act) (Pub. L. 111-5, approved February 17, 2009). The Recovery Act language that created HPRP was directly drawn from the proposed HEARTH Act, which was under consideration by Congress at the time the Recovery Act was enacted. HPRP is the first HUD program to fund, on a large scale (\$1.5 billion), homelessness prevention and rapid re-housing assistance. HUD is therefore drawing from its recent program experience with HPRP, a temporary

program, to establish the regulations for the ESG program, a permanent program. Because HPRP activities will continue, the interim rule is also directed at ensuring continuity between HPRP and ESG. This interim rule provides HPRP program recipients with an opportunity to comment on the policies implemented under HPRP and continued under the ESG program.

This interim rule also implements HUD's longstanding interest in making its McKinney-Vento Act programs consistent, where appropriate, with other HUD programs such as the Community Development Block Grant (CDBG) program, the HOME Investment Partnerships (HOME) program, and the Housing Choice Voucher (HCV) program. To the extent that similar requirements in these programs can be made consistent, communities may be better able to implement coordinated plans and projects to prevent and end homelessness, while decreasing the administrative burden for recipients and subrecipients.

This interim rule will become effective 30 days after today's date. Grantees are receiving two allocations of Fiscal Year (FY) 2011 funds. The first allocation was made and is subject to the Emergency Shelter Grants program regulations. The second allocation will be made after publication of this Emergency Solutions Grants program rule and must exclusively be used for homelessness prevention assistance, rapid re-housing assistance, Homeless Management Information Systems (HMIS), and administration, in accordance with this interim rule. Each recipient may use up to 7.5 percent of its total FY 2011 amount for administrative costs as provided under this interim rule. In addition, if a recipient wishes to reprogram some or all of its first allocation funds to carry out homelessness prevention assistance, rapid re-housing assistance, or HMIS, the recipient must amend its consolidated plan in accordance with the requirements of the consolidated plan regulations as amended by this interim rule.

The following sections of this overview highlight significant differences between the interim rule and the existing regulations for the Emergency Shelter Grants program. This overview does not address every regulatory provision of the interim rule. However, the reader is requested to review the entire interim rule, and HUD welcomes comment on all aspects of the rule. As previously mentioned, the definition of "homeless" and the recordkeeping requirements related to that definition are included in a final

rule published elsewhere in today's *Federal Register*. Note that the new definition of "homeless" and the related recordkeeping requirements are not subject to further public comment. Therefore, the new definition and related reporting requirements are not included in this interim rule, so as to avoid any confusion that HUD is reopening these provisions for additional public comment through this rule.

### A. Emergency Solutions Grants Program Regulations (24 CFR Part 576)

This interim rule amends the regulations at 24 CFR part 576, which have governed the Emergency Shelter Grants program and will govern, as revised, the Emergency Solutions Grant (ESG) program.

This interim rule reflects HUD's comprehensive review and revision of part 576. In addition to making changes to implement the HEARTH Act amendments to the McKinney-Vento Act, this interim rule includes changes to reorganize the regulations in part 576 to make the regulations more intuitive and user-friendly; removes the cross-references to the McKinney-Vento Act; provides greater elaboration of existing requirements where necessary or useful; updates requirements to reflect changes to the underlying law, such as the removal of Indian tribes as eligible grantees/recipients; builds from HUD's experience in developing and administering both the existing Emergency Shelter Grants program and HPRP; aligns the ESG program with the new Continuum of Care and Rural Housing Stability programs, to the extent feasible, in order to facilitate coordination and foster efficient use of resources; and align the requirements of the ESG program with HUD's other formula programs and rental assistance programs, to the extent feasible and beneficial, in order to increase efficiency and coordination among the different programs.

In developing the regulations for the ESG program and other programs authorized under title IV of the revised McKinney-Vento Act, HUD has sought to provide grantees with the programmatic framework to: maximize communitywide planning and strategic use of resources to prevent and end homelessness; improve coordination and integration with mainstream services to marshal all available resources, capitalize on existing strengths, and increase efficiency; improve coordination within each community's homeless services, including services funded by other programs targeted to homeless people;

build on lessons learned from years of practice and research, so that more resources are invested in demonstrated solutions to end homelessness, such as rapid re-housing; expand resources and services available to prevent homelessness; realign existing programs and systems to focus on shortening homelessness; direct funding to the most critical services to help people achieve long-term housing stability and avoid becoming homeless again; standardize eligibility determinations and improve the targeting of resources to help those most in need; improve data collection and performance measurement; and allow each community to tailor its program to the particular strengths and challenges within that community.

#### General Provisions (Subpart A)

The major changes to this subpart include new definitions required by the HEARTH Act amendments and revisions to existing definitions where needed to conform to the new program requirements or to improve administration of the program.

#### Definitions (Section 576.2)

*At Risk of Homelessness.* The interim rule clarifies the definition of "at risk of homelessness" under section 401(1) of the McKinney-Vento Act. The definition includes three categories under which an individual or family may qualify as "at risk of homelessness." For an individual or family to qualify as "at risk of homelessness" under the first category of the definition, the individual or family must meet two threshold criteria and must exhibit one or more specified risk factors. The two threshold criteria, as provided in the statute, are: (1) The individual or family has income below 30 percent of median income for the geographic area; and (2) the individual or family has insufficient resources immediately available to attain housing stability. Under the interim rule, the first criterion refers specifically to annual income and to median family income for the area, as determined by HUD. The second criterion is interpreted as, "the individual or family does not have sufficient resources or support networks, e.g., family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the homeless definition [in § 576.2]." These clarifications are consistent with HUD's practice in administering its homeless assistance programs and will help ensure consistent application of these criteria.

To further ensure consistency of interpretation, the interim rule also clarifies several of the risk factors that pertain to the first category of individuals and families who qualify as "at risk of homelessness." As provided under the statute, the pertinent risk factors are as follows: (1) Has moved frequently because of economic reasons; (2) is living in the home of another because of economic hardship; (3) has been notified that their right to occupy their current housing or living situation will be terminated; (4) lives in a hotel or motel; (5) lives in severely overcrowded housing; (6) is exiting an institution; or (7) otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness.

Under the interim rule, the words "has moved frequently" in the first risk factor are interpreted as "2 or more times during the 60 days immediately preceding the application for homelessness prevention assistance." This interpretation is consistent with HUD's interpretation of similar language in the "homeless" definition. However, HUD is still considering whether and how to clarify "economic reasons" in the first risk factor and "economic hardship" in the second risk factor. HUD believes at times, "economic reasons" and "economic hardship" can have the same meaning, HUD specifically requests comments regarding these terms.

The third risk factor, "has been notified that their right to occupy their current housing or living situation will be terminated," is clarified by adding that the notice has to be in writing and that the termination has to be within 21 days after the date of application for assistance.

The fourth risk factor, "lives in a hotel or motel," is clarified by adding "and the cost of the hotel or motel is not paid for by federal, state, or local government programs for low-income individuals or by charitable organizations." This change is being made to avoid overlap with the conditions under which an individual or family living in a hotel or motel qualifies as homeless under paragraph (1)(ii) of the "homeless" definition (section 103(a)(3) of the McKinney-Vento Act).

The fifth risk factor, "lives in severely overcrowded housing," is interpreted as "lives in a single-room occupancy or efficiency apartment unit in which more than two persons, on average, reside or another type of housing in which there reside more than 1.5 persons per room, as defined by the U.S. Census Bureau."

The sixth risk factor, "is exiting an institution," is interpreted as "a

publicly funded institution or system of care, such as a health-care facility, mental health facility, foster care or other youth facility, or correction program or institution." This language is derived from section 406 of the McKinney-Vento Act to include all public institutions and systems of care from which people may be discharged into homelessness.

The seventh risk factor, "otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness," remains as is, but requires the particular housing characteristics to be identified in the recipient's HUD-approved consolidated plan. This requirement strives to balance the need for consistent application of this risk factor with sensitivity to the differences in the conditions of each community's housing stock.

The second and third categories under which individuals and families may qualify as "at risk of homelessness" are based on the last sentence of section 401(1) of the McKinney-Vento Act, which provides that the term "at risk of homelessness" includes all families with children and youth defined as homeless under other federal statutes. The term "families with children and youth defined as homeless under other federal statutes" is defined under section 401(7) of the McKinney-Vento Act. Section 401(7) provides that this term means "any children or youth that are defined as 'homeless' under any Federal statute other than this subtitle, but are not defined as homeless under section 103, and shall also include the parent, parents, or guardian of such children or youth under subtitle B of title VII this Act (42 U.S.C. 11431 *et seq.*)." For the sake of clarity, the definition of "at risk of homelessness" this interim rule uses separate categories to describe the children and youth defined as homeless under other federal statutes and to describe the children and youth defined as homeless under subtitle B of title VII of the McKinney-Vento Act and their parent(s) or guardian(s). In light of comments received in response to the proposed rule concerning the definition of "homeless" HUD has provided specific citations to the other federal statutes that are applicable to the first of these two categories. As for the last category, the interim rule clarifies that the parent(s) or guardian(s) of the children or youth defined as homeless under subtitle B of title VII of the McKinney-Vento Act must be living with those children or youth to qualify as "at risk of homelessness" under that category.

**Emergency shelter.** This interim rule revises certain definitions currently found in the existing part 576 regulations. The definition of "emergency shelter" has been revised to distinguish this type of shelter from transitional housing. This distinction is necessitated by the McKinney-Vento Act's explicit distinction between what activities can or cannot be funded under the Continuum of Care program and the Rural Housing Stability program (see section 423(a)(2) and section 491(b)(1)(E) of the McKinney-Vento Act). However, under the definition, any project that received funding in FY 2010 as an emergency shelter may continue to be funded under the ESG program, regardless of whether the project meets the revised definition.

**Homeless.** The interim rule includes the definition of "homeless" which is made final by the Defining Homeless rule, published elsewhere in today's *Federal Register*. No further public comment is being solicited or taken on this definition.

**Metropolitan city.** This interim rule revises the definition of "metropolitan city" to clarify that the definition includes the District of Columbia, since the McKinney-Vento Act includes the District of Columbia in both its definitions of "state" and "metropolitan city". HUD has decided to resolve this conflict in favor of treating the District of Columbia under the ESG program as a metropolitan city. This interpretation will provide the District of Columbia with the flexibility afforded to metropolitan cities and urban counties for carrying out activities directly, rather than being compelled to subgrant all ESG funds. In addition, the definition of "territory" in 24 CFR 576.3 has been updated to exclude the Trust Territory of the Pacific Islands, which is no longer a U.S. territory.

**Private nonprofit organization; unit of general purpose local government.** The changes to the definitions of "private nonprofit organization" and "unit of general local government" are intended to make clear that governmental organizations, such as public housing agencies or state or local housing finance agencies, are not eligible subrecipients under the ESG program. To recognize these entities under either definition would be inconsistent with section 411 of the McKinney-Vento Act, which refers specifically to "private nonprofit organizations" and "unit of general purpose local government."

**Recipient and subrecipient.** In the interim rule, the terms "recipient" and "subrecipient" replace the existing terminology for entities that received grants and subgrants under the ESG

program. Under the McKinney-Vento Act, "recipient" means "any governmental or private nonprofit entity approved by the Secretary [of HUD] as to financial responsibility" (Sec. 42 U.S.C. 11371(6)). The interim rule clarifies that "recipient" means any state, territory, metropolitan city, or urban county, or in the case of reallocation, any unit of general purpose local government, approved by HUD to assume financial responsibility and which enters into a grant agreement with HUD to administer Emergency Solutions Grant (ESG). Private nonprofit organizations are excluded from the definition, because they are not direct recipients under the program. The interim rule defines "subrecipient" as any unit of general purpose local government or private nonprofit organization to which a recipient awards ESG grant funds.

#### Allocation of Funding (Section 576.3)

Under the interim rule, the existing set-aside of funding for the territories has been changed for the Emergency Solutions Grant program to "up to 0.2 percent, but not less than 0.1 percent" of the total fiscal year appropriation for Emergency Solutions Grant (ESG). This change provides HUD with greater administrative discretion if there are significant increases in the annual appropriations for ESG. In addition, the formula for distributing the set-aside among the territories has been modified for this program to incorporate the rate at which each territory has completed its expenditures by the previous expenditure deadline. In all other respects, the allocation of funding will remain the same as the current practice.

#### Eligible Activities (Subpart B)

The major changes to this subpart of part 576 include the addition of an annual funding cap on street outreach and emergency shelter activities; clarification of the eligible costs for street outreach and emergency shelter activities; the expansion of the homelessness prevention component of the program and addition of a new rapid re-housing assistance component, which both include rental assistance and housing relocation and stabilization services; expansion of the range of eligible administrative costs; and the addition of a new category of eligible activities for Homeless Management Information Systems (HMIS), to the extent that costs are necessary to meet the new HMIS participation requirement under the McKinney-Vento Act.

**General Provisions.** In general, the interim rule allows ESG funds to be

used for five program components (street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, and HMIS) and necessary administrative costs. However, in accordance with the McKinney-Vento Act, some restrictions apply to the amounts that can be spent on street outreach, emergency shelter, and administrative costs. Funds used for street outreach and emergency shelter activities will be limited to the greater of 60 percent of the recipient's total fiscal year grant for ESG or the hold-harmless amount established by the section 415(b) of the McKinney-Vento Act ("the amount expended by [the recipient] for such activities during fiscal year most recently completed before effective date under section 1503 of the [HEARTH Act]"). To reasonably and practicably implement the statute's hold-harmless language, the interim rule makes the hold-harmless amount the amount of FY 2010 grant funds committed for street outreach and emergency shelter activities in FY 2010.

In accordance with the amendments to the McKinney-Vento Act, the interim rule provides that the total funds that can be spent on administrative activities are 7.5 percent of the recipient's ESG grant. In addition, the interim rule clarifies that, subject to the cost principles in Office of Management and Budget (OMB) Circulars A-87 (2 CFR part 225) and A-122 (2 CFR part 230),<sup>1</sup> employee compensation and other overhead costs directly related to carrying out street outreach, emergency shelter, homelessness prevention, rapid re-housing, and HMIS activities are eligible costs of those activities and not subject to the spending limit for administrative costs. This clarification is in response to questions and concerns raised by HPRP grantees and subgrantees and the recent U.S. Government Accountability Office (GAO) study, *Homelessness: Information on Administrative Costs for HUD's Emergency Shelter Grants Program* (GAO-10-491).<sup>2</sup>

**Street outreach and emergency shelter components.** Consistent with section 415(a)(2) of the McKinney-Vento Act, the interim rule clarifies that the costs of essential services related to street outreach are eligible costs under the ESG program. The eligible costs for street outreach activities differ from the eligible costs for essential services

<sup>1</sup> OMB Circular A-87 and the regulations at 2 CFR part 225 pertain to "Cost Principles for State, Local, and Indian Tribal Governments." OMB Circular A-122 and the regulations codified at 24 CFR part 230 pertain to "Cost Principles for Non-Profit Organizations."

<sup>2</sup> See <http://www.gao.gov/new.items/d10491.pdf>.

related to emergency shelter, as they are limited to those necessary to provide emergency care on the street. To the extent possible, essential services related to emergency shelter and street outreach are the same as the eligible costs for supportive services under the Continuum of Care program. This consistency across these three sets of services is intended to improve understanding of the programs' requirements, facilitate coordination, and maximize efficiency.

The interim rule revises the eligible costs for operating emergency shelters by removing the limit on staff costs, adding the cost of supplies, and allowing the cost of a hotel or motel stay under certain conditions.

The interim rule clarifies the "maintenance of effort" requirement in two respects. First, the references to new service and quantifiable increase in services are eliminated in favor of simply prohibiting a unit of general purpose local government from using ESG funds to replace funds the local government provided for street outreach or emergency shelter services during the immediately preceding 12-month period, unless HUD determines that the unit of general purpose local government is in a severe financial deficit. Second, the interim rule specifies how this determination would be made.

**Homelessness Prevention and Rapid Re-Housing Components.** HUD has interpreted sections 415(a)(4) and (5) of the McKinney-Vento Act to authorize ESG funds to be used for short- and medium-term rental assistance and housing relocation and stabilization services for homelessness prevention and rapid re-housing of homeless individuals and families into permanent housing. Consistent with this interpretation and to serve HUD's programmatic goals, the interim rule categorizes the eligible activities under sections 415(a)(4) and (5) of the McKinney-Vento Act under two program components—one for homelessness prevention and one for rapid re-housing assistance. This organization is intended to be function/outcome-focused and helps emphasize the integral relationship between rental assistance and housing relocation and stabilization services in both homelessness prevention and rapid re-housing assistance. This organization also provides for differentiation between the conditions for providing homelessness prevention and the conditions for providing rapid re-housing assistance. These conditions are intended to facilitate the strategic and efficient targeting of resources.

**Housing Relocation and Stabilization Services.** The eligible costs and requirements for providing housing relocation and stabilization services are based on HUD's experience in developing and administering HPRP. For the purpose of determining compliance with the statutory limit on street outreach and emergency shelter activities, housing stability case management and legal services are distinguished from the case management and legal services in the essential services sections of street outreach and emergency shelter by when and for what purpose the case management and legal services are provided. Note that "housing relocation and stabilization services," the name of which comes from section 415(a)(5) of the McKinney-Vento Act, are not to be confused with the relocation assistance and payments required under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4601–4655). Costs arising under the URA are eligible for federal financial assistance in the same manner and to the same extent as other program or project costs (see 42 U.S.C. 4631(a)), and are separately listed at § 576.102 of this interim rule.

**Short-term and Medium-term Rental Assistance.** Consistent with HPRP, HUD has interpreted short-term rental assistance to be up to 3 months of assistance. Unlike HPRP, HUD has interpreted medium-term rental assistance to be up to 24 months. This change is intended for consistency with the period for transitional housing in the Continuum of Care (CoC) program.

The requirements for short- and medium-term rental assistance require that a program participant and a housing owner have a written lease for the provision of rental assistance. In addition, the interim rule also requires a rental assistance agreement between the recipient or subrecipient and the housing owner. Similar to HPRP, the interim rule gives Emergency Solutions Grant (ESG) recipients broad discretion in determining the type, amount, and duration of rental assistance a program participant can receive for homelessness prevention or rapid re-housing assistance. But where HPRP allows only tenant-based rental assistance, the interim rule allows rental assistance to be tenant-based or project-based, as provided under section 415(a)(4) of the McKinney-Vento Act. However, the requirements for project-based rental assistance under this interim rule have been specially designed to accommodate both the impermanent nature of the rental assistance and the program goal of helping people quickly

re-enter permanent housing and achieve long-term stability in that housing. For example, instead of requiring an individual or family to move from an assisted unit when the individual or family's assistance ends, the interim rule provides for the assistance to be suspended, terminated, or transferred to another unit.

HUD specifically requests comments on how short- to medium-term project-based rental assistance can best be fashioned to avoid forcing each program participant to move at the end of the program participant's term of assistance and to make project-based rental assistance a feasible and useful alternative to tenant-based rental assistance.

Similar to the rules of other HUD housing programs, the interim rule prohibits rental assistance from being provided for a housing unit, unless the total rent for the unit does not exceed the fair market rent established by HUD, as provided under 24 CFR 982.503, and complies with HUD's standard of rent reasonableness, as established under 24 CFR 982.507. These rent restrictions are intended to make sure that program participants can remain in their housing after their ESG assistance ends.

**HMIS Component.** Section 416(f) of the McKinney-Vento Act requires for the first time that projects receiving funding under Emergency Solutions Grant (ESG) program participate in an HMIS. The interim rule makes certain HMIS costs eligible to the extent necessary to enable this participation. HUD will soon be publishing a proposed rule on HMIS to establish in 24 CFR part 580, the regulations that will govern HMIS. In addition to establishing HMIS regulations in a new part 580 provisions, the HMIS rule will propose corresponding amendments to this interim rule regarding the use of Emergency Solutions Grant (ESG) funds for HMIS and the incorporation of the requirements under part 580 that will apply to ESG recipients.

**Administrative Activities.** Under this interim rule, the eligible costs for administrative activities have been expanded to reflect most of the eligible administrative costs under the CDBG program. The revisions to the sharing requirement also clarify that, although not required, funds for administrative costs may be shared with private nonprofit organizations, and a reasonable amount must be shared with units of general purpose local government. This clarification is made in response to grantee and subgrantee concerns and questions raised through the recent GAO report, *Homelessness: Information on Administrative Costs for*

**HUD's Emergency Shelter Grants Program (GAO-10-491).**

**Indirect Costs.** This interim rule reflects HUD's decision to adopt a consistent policy for indirect costs for the Emergency Solutions Grant (ESG), Continuum of Care and Rural Housing Stability Programs, in response to further grantee and subgrantee questions and concerns. The interim rule provides that Emergency Solutions Grant (ESG) funds may be used to pay indirect costs in accordance with OMB Circulars A-87 (2 CFR part 225) and A-122 (2 CFR part 230), as applicable. Indirect costs may be allocated to each eligible activity, so long as the allocation is consistent with an indirect cost rate proposal developed in accordance with OMB Circulars A-87 (2 CFR part 225) and A-122 (2 CFR part 230), as applicable. The indirect costs charged to an activity subject to an expenditure limit must be added to the direct costs charged for that activity when determining the total costs subject to the expenditure limit.

**Award and Use of Grant Amounts (Subpart C)**

The major changes to this subpart include clarification of the submission requirements for territories, elaboration of the matching requirements, clarification of the obligation requirements, and the addition of minimum requirements for making timely drawdowns and payments to subrecipients.

**Submission Requirements.** The application requirements generally remain the same as the current application requirements, except that territories will be required to submit a consolidated plan in accordance with the requirements that apply to local governments under HUD's Consolidated Plan regulations codified in 24 CFR part 91. The interim rule also clarifies that certain changes in the recipients' Emergency Solutions Grant (ESG) programs require an amendment to the consolidated plan in accordance with 24 CFR 91.505.

**Matching Requirements.** The revisions to the matching contribution requirements (and recordkeeping requirements related to the matching requirements) integrate the matching requirements in 24 CFR 85.24<sup>3</sup> and provide further clarification on how matching contributions must be counted. The interim rule also specifies that program income is to be used as a match, rather than being treated as an

<sup>3</sup> HUD's regulations in 24 CFR part 85 address administrative requirements for grants and cooperative agreements to state, local, and federally recognized Indian tribal governments.

addition to the (ESG) grant, because of the sizable matching requirement in Emergency Solutions Grant (ESG).

**Obligation, expenditure, and payment requirements.** The interim rule clarifies the obligation of funds requirements and imposes new expenditure-of-funds requirements. The interim rule requires the recipient to draw down its funds from each year's allocation not less than once during each quarter of the recipient's program year. This requirement is based on HUD's experience in administering homeless assistance grants, and is intended to ensure the timely reimbursements from HUD to recipients. In addition, the recipient (and its subrecipients that are units of general purpose local government) will be required to make timely payments to each of its subrecipients within 30 days after the date of receiving the subrecipient's complete payment request. This requirement is also based on HUD's experience in administering homeless assistance grants and is intended to ensure timely payment of private nonprofit organizations, which may not be able to cover their expenses for as long a period as state and local governments. As in the Emergency Shelter Grants program, all of the recipient's grant must be expended for eligible activity costs within 24 months after the date HUD signs the grant agreement with the recipient.

**Reallocation (Subpart D)**

The interim rule makes substantial changes to the Emergency Solutions Grant (ESG) reallocation provisions in order to improve administrative efficiency. For example, if the amount of unused or returned funds is not sufficient to justify the administrative burden of reallocating those funds, whether for HUD or ESG recipients, the interim rule provides for those funds to be added to the next fiscal year allocation.

**Program Requirements (Subpart E)**

The major changes to this subpart include the addition of new requirements that facilitate coordination at the state and local levels as a means to prevent and reduce homelessness; elaboration on the requirements concerning the integration and use of appropriate assistance and services, termination of assistance, habitability standards, and conflicts of interest; modification of the homeless participation requirement to reasonably and practicably implement the statutory requirement; and clarification of the applicable requirements under other federal laws and regulations.

**Systems coordination.** Consistent with sections 402(f) and 413(b) of the McKinney-Vento Act, the interim rule contains a new requirement for Emergency Solutions Grant (ESG) recipients to consult with Continuums of Care in allocating funds for eligible activities; developing performance standards, evaluating outcomes of (ESG)-assisted projects and developing funding, policies, and procedures for the administration and operation of the HMIS. This requirement will be discussed in further detail in regard to the revisions of the consolidated planning requirements at 24 CFR part 91 (section II.B of this preamble).

The interim rule requires ESG recipients and subrecipients to coordinate and integrate, to the maximum extent practicable, ESG-funded activities with other programs targeted toward homeless people, as well as mainstream housing, health, social services, employment, education, and youth programs for which families and individuals at risk of homelessness and homeless individuals and families may be eligible. These requirements are consistent with recurring HUD appropriations language for the homeless assistance grants and with the *Federal Strategic Plan to Prevent and End Homelessness (FSP)*.<sup>4</sup>

**Centralized or coordinated assessment.** This interim rule introduces a proposed requirement for ESG recipients and subrecipients to use a centralized or coordinated system to initially assess the eligibility and needs of each individual or family who seeks homeless assistance or homelessness prevention assistance. This centralized or coordinated assessment system would be developed and implemented by the Continuum of Care in accordance with minimum requirements to be established by HUD. HUD is currently developing its minimum requirements for these systems and will present these requirements for public review and comment in the upcoming proposed rule for the Continuum of Care program. Please note that this interim rule does not require any ESG recipient or subrecipient to use a centralized or coordinated assessment system until the Continuum of Care program final rule has been published and until the Continuum of Care for the area develops and implements a system that meets the minimum requirements in that final rule.

Through the administration of the Rapid Re-Housing for Families Demonstration program and the

<sup>4</sup> See [http://www.usich.gov/PDF/OpeningDoors\\_2010\\_FSPPreventEndHomeless.pdf](http://www.usich.gov/PDF/OpeningDoors_2010_FSPPreventEndHomeless.pdf).

Homelessness Prevention and Rapid Re-Housing Program, as well as best practices identified in communities, HUD has learned that centralized or coordinated assessment systems are important in ensuring the success of homeless assistance and homeless prevention programs in communities. In particular, such assessment systems help communities systematically assess the needs of program participants and effectively match each individual or family with the most appropriate resources available to address that individual or family's particular needs.

Therefore, HUD intends to require each Continuum of Care to develop and implement a centralized or coordinated assessment system in its geographic area. Such a system must be designed locally in response to local needs and conditions. For example, rural areas will have significantly different systems than urban ones. While the common thread between typical models is the use of a common assessment tool (such as a vulnerability index), the form, detail, and use of that tool will vary from one community to the next. Some examples of centralized or coordinated assessment systems include: A central location or locations within a geographic area where individuals and families must present for homeless services; a 211 or other hotline system that screens and directly connects callers to appropriate homeless housing/service providers in the area; a "no wrong door" approach in which a homeless family or individual can present at any homeless service provider in the geographic area but is assessed using the same tool and methodology so that referrals are consistently completed across the Continuum of Care; a specialized team of case workers that provides assessment services to providers within the Continuum of Care; or in larger geographic areas, a regional approach in which "hubs" are created within smaller geographic areas.

HUD recognizes that imposing a requirement for a centralized or coordinated assessment system may have certain costs and risks. Among the risks that HUD wishes specifically to address are the risks facing individuals and families fleeing domestic violence, dating violence, sexual assault, and stalking. In developing the baseline requirements for a centralized or coordinated intake system, HUD is considering whether victim service providers should be exempt from participating in a local centralized or coordinated assessment process, or whether victim service providers should have the option to participate or not. HUD is seeking comment specifically

from ESG-funded victim service providers on this question. HUD also plans to require each Continuum of Care to develop a specific policy on how its particular system will address the needs of individuals and families who are fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, or stalking, but who are seeking shelter or services from non-victim service providers. These policies could include reserving private areas at an assessment location for evaluations of individuals or families who are fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, or stalking; a separate "track" within the assessment framework that is specifically designed for domestic violence victims; or the co-location of victim service providers with centralized assessment teams.

HUD invites suggestions for ensuring that the requirements it imposes regarding centralized or coordinated assessment systems will best help communities use their resources effectively and best meet the needs of all families and individuals who need assistance. Some specific questions HUD asks commenters to address are: What barriers to accessing housing/services might a centralized or coordinated intake system pose to victims of domestic violence? How can those barriers be eliminated? What specific measures should be implemented to ensure safety and confidentiality for individuals and families who are fleeing or attempting to flee domestic violence situations? How should those additional standards be implemented to ensure that victims of domestic violence have immediate access to housing and services without increasing the burden on those victims? For communities that already have centralized or coordinated assessment systems in place, are victims of domestic violence and/or domestic violence service providers integrated into that system? In either scenario (they are integrated into an assessment process or they are not integrated into it), how does your community ensure the safety and confidentiality of this population, as well as access to homeless housing and services? What HUD-sponsored training would be helpful to assist communities in completing the initial assessment of victims of domestic violence in a safe and confidential manner?

In addition to comments addressing the needs of victims of domestic violence, dating violence, sexual assault, and stalking, HUD invites general comments on the use of a centralized or coordinated assessment

system, particularly from those in communities that have already implemented one of these systems who can share both what has worked well and how these systems could be improved. HUD specifically seeks comment on any additional risks that a centralized or coordinated assessment system may create for victims of domestic violence, dating violence, sexual assault, or stalking who are seeking emergency shelter services due to immediate danger, regardless of whether they are seeking services through a victim service provider or non-victim service provider.

*Standards for administering assistance and minimum assistance requirements.* As discussed later in this preamble with respect to the revisions to HUD's Consolidated Plan regulations in 24 CFR part 91, this interim rule requires a number of written standards to be established by recipients and subrecipients for administering ESG assistance, in order to balance the broad discretion given to recipients in developing street outreach, emergency shelter, rapid re-housing, and homelessness prevention programs to accommodate the unique needs, strengths, and other characteristics of their communities.

The interim rule also specifies that all program participants must be assisted as needed in obtaining services and financial assistance through other homeless and public assistance programs. Furthermore, each program participant receiving homelessness prevention or rapid re-housing assistance must be required to meet regularly with a case manager (except where prohibited by Violence Against Women Act (VAWA) and the Family Violence Prevention and Services Act (FVPSA)), and the assistance provider must develop an individualized plan to help that program participant retain permanent housing after the ESG assistance ends. These requirements are intended to help ensure that the ESG-funded emergency, short-term or medium-term assistance will be effective in helping program participants regain long-term housing stability and avoid relapses into homelessness.

*Terminating Assistance.* If a program participant who receives ESG assistance violates program requirements, the recipient or subrecipient may terminate the assistance in accordance with a formal process established by the recipient or subrecipient that protects the rights of the individuals affected. This applies to all forms of ESG assistance. In this interim rule, HUD enhances the minimum process



requirements for the termination of homelessness prevention or rapid rehousing assistance, in order to reflect the process set forth in the Supportive Housing Program (SHP) regulations. These enhanced process requirements are prompted by the longer duration and higher expectations involved in homelessness prevention and rapid rehousing assistance, as compared to the duration and expectations involved in street outreach or emergency shelter activities.

To terminate rental assistance or housing relocation and stabilization services to a program participant, the minimum required formal process must consist of a written notice to the program participant containing a clear statement of the reasons for termination, a review of the decision, and a prompt written notice of the final decision to the program participant. The review of the decision must give the program participant 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. In addition, the interim rule provides that the recipient or subrecipient may resume assistance to a family or individual whose assistance has been terminated.

**Shelter and Housing Standards.** The revised habitability standards incorporate lead-based paint remediation and disclosure requirements. The revised standards for emergency shelters require all shelters to meet minimum habitability standards adopted from the SHP regulations and current Emergency Solutions Grant guidance. Shelters renovated with ESG funds are also required to meet state or local government safety and sanitation standards, as applicable, include energy-efficient appliances and materials. If ESG funds are used to help a program participant remain in or move into permanent housing, that housing must meet habitability standards.

**Conflicts of Interest.** This interim rule clarifies the existing personal conflicts-of-interest provision by incorporating language from the CDBG program regulation. In addition, the interim rule adds a new provision to reduce organizational conflicts of interest, based on HUD's experience in administering HPRP.

**Homeless Participation.** The interim rule revises the current homeless participation requirement so that if a recipient is unable to meet the participation of homeless individuals requirement in section 416(d) of the McKinney-Vento Act, the recipient need not submit and obtain HUD approval of

a formal waiver request, so long as the recipient develops 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 ESG funding; includes the plan in its annual action plan to be submitted under 24 CFR part 91; and obtains HUD's approval of its annual action plan. This revision is intended to reduce administrative burden to both recipients and to HUD.

**Other Federal Requirements.** In general, the revisions to the section on "other Federal requirements" clarify the degree to which certain requirements are applicable, remove certain requirements that are redundant or moved elsewhere in the rule for improved organizational purposes, and change certain requirements to correspond with changes in the McKinney-Vento Act or other changes made by this interim rule. Chief among these changes is the change to the environmental review requirements in accordance with the HEARTH Act's repeal of section 443 of the McKinney-Vento Act. Under this interim rule, Emergency Solutions Grant (ESG) activities would be made subject to environmental review by HUD under HUD's environmental regulations in 24 CFR part 50, and HUD's environmental regulations in 24 CFR part 58 will no longer be applicable to such activities.

The interim rule does not retain the provision in the current Emergency Shelter Grants program regulation specifying that for purposes of this program, the term "dwelling units" under 24 CFR part 8 includes "sleeping accommodations." The language is being removed because it did not provide grantees with direction on how to apply this provision. Nevertheless, Section 504 of the Rehabilitation Act of 1973 and HUD's implementing regulations at 24 CFR part 8 apply to the Emergency Solutions Grants program, including accessibility requirements under Subpart C—Program Accessibility. A recipient shall operate each existing program or activity receiving federal financial assistance so that the program or activity, when viewed in its entirety, is readily accessible to and usable by individuals with disabilities. Grantees are also required to provide reasonable accommodations for persons with disabilities in order to enable program participants with a disability to have an equal opportunity to participate in the program or activity.

Grantees that undertake alterations to shelters may be subject to additional accessibility requirements in accordance

with 24 CFR part 8. In certain instances, recipients undertaking alterations may be required to ensure that 5 percent of the total sleeping areas, such as 5 percent (or at least one) of the sleeping rooms where a number of sleeping rooms are provided, and 5 percent (or at least one) of the total number of sleeping areas, such as beds, where a number of beds are provided in a room, are accessible for persons with mobility impairments and that an additional 2 percent of the total individual sleeping areas are accessible for persons with visual impairments. The Americans with Disabilities Act may also apply and require a greater level of accessibility in certain shelters.

**Relocation and Acquisition.** The interim rule updates the relocation and acquisition requirements and makes them more consistent with the requirements in other HUD programs. Section 576.102 specifies that the cost of providing relocation assistance and payments arising out of the Uniform Act (URA) is an eligible activity, as per section 211 of the URA (42 U.S.C. 4631(a)). Temporary relocation and other alternatives to minimize displacement in other HUD programs that provide permanent housing are inapplicable due to the nature of the ESG program. Emergency shelters assisted under the ESG program provide temporary shelter for the homeless. Existing tenants would not fall within the program definition of "homeless." Section 576.408(b) provides that temporary relocation is not an available alternative to permanently displacing a tenant who moves as a direct result of acquisition, demolition, or rehabilitation for a project assisted with ESG funds. Additionally, § 576.408(b) provides that an agency cannot avoid treating such tenant as a displaced person by offering the tenant a unit in the same building/complex upon project completion. Finally, § 576.408(d) of the interim rule clearly states that the URA applies to an acquisition undertaken in connection with an ESG-assisted project irrespective of the source of funding for the acquisition.

#### Grant Administration (Subpart F)

The changes to this subpart substantially revise the Emergency Solutions Grant (ESG) recordkeeping and reporting requirements and the enforcement provisions. The changes to the recordkeeping requirements include the addition of specific documentation requirements to demonstrate compliance with ESG regulations, as well as new requirements regarding record retention periods, confidentiality, and rights of access to

records. The reporting requirements and the enforcement provisions are each expanded and further clarified.

**Recordkeeping and reporting requirements.** Grant recipients under the ESG program have always been required to show compliance with the program's regulations through appropriate records. However, the existing regulations for the Emergency Shelter Grants program are not specific about the records to be maintained. The interim rule elaborates upon the recordkeeping requirements to provide sufficient notice and clarify the documentation that HUD requires for assessing compliance with the new requirements of the program. The recordkeeping requirements for documenting homeless status were published in the proposed rule for the homeless definition.<sup>5</sup> Recordkeeping requirements with similar levels of specificity will apply to documentation of "at risk of homelessness" and "annual income." Further requirements are modeled after the recordkeeping requirements for the HOME Investment Partnerships program (24 CFR 92.508) and other HUD regulations.

Included along with these changes are new or expanded requirements regarding confidentiality, rights of access to records, record retention periods, and reporting requirements. Most significantly, to protect the safety and privacy of all program participants, the interim rule broadens program's confidentiality requirements. The McKinney-Vento Act only requires procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under the ESG program. The interim rule requires written procedures to ensure the security and confidentiality of all records containing personally identifying information of any individual or family who applies for and/or receives Emergency Solutions Grant (ESG) assistance.

**Enforcement.** The interim rule revises the sanctions section under the existing regulations for the Emergency Shelter Grants program, including the heading of the section on sanctions, to strengthen the enforcement procedures and the array of remedial actions and sanctions for recipients and subrecipients of Emergency Solutions Grant (ESG) funds. These revisions draw from the requirements at 24 CFR 85.43 and other HUD program regulations.

**B. Consolidated Submissions for Community Planning and Development Programs (24 CFR Part 91)**

In addition to revising regulations for the Emergency Shelter Grants program at 24 CFR part 576 to establish the regulations for Emergency Solutions Grant (ESG), this interim rule revises selected sections of the consolidated planning regulations at 24 CFR part 91, in order to reflect both the HEARTH Act amendments to the McKinney-Vento Act and significant developments in HUD's homelessness policies and program administration over the last 15 years. In developing and implementing the Continuum of Care concept through the annual notices of funding availability (NOFAs) for its competitive programs, HUD sought to establish and standardize complementary planning requirements between the homeless components of the Consolidated Plan and the annual submission of the Continuum of Care Plan. The structure of the annual Continuum of Care Plan (CoC) plan and the plan's sections on community participation, needs assessment, inventory of housing and services, strategies, annual application, and performance were developed to harmonize with the Consolidated Plan's homelessness components. Many communities closely aligned the Consolidated Plan and the Continuum of Care Plan (CoC) Plan covering their jurisdiction.

The HEARTH Act amendments to the McKinney-Vento Act contain provisions requiring coordination, collaboration, and consultation between Continuums of Care and ESG state and local government recipients. The McKinney-Vento Act requires "collaborative applicants" under the Continuum of Care program to participate in the Consolidated Plan for the geographic areas they serve and analyze patterns of use and evaluate outcomes for ESG projects in those areas. ESG recipients in turn must consult with these collaborative applicants on the allocation of ESG funds and participate in HMIS, which the collaborative applicants are required to establish.

In describing these and related requirements for cross-program coordination, this interim rule uses the term "Continuum of Care" instead of "collaborative applicant." The interim rule defines "Continuum of Care" as the group composed of representatives of relevant organizations, which generally includes nonprofit homeless providers; victim service providers; faith-based organizations; governments; businesses; advocates; public housing agencies; school districts; social service providers;

mental health agencies; hospitals; universities; affordable housing developers; law enforcement; organizations that serve homeless and formerly homeless veterans, and homeless and formerly homeless persons that are organized to plan for and provide, as necessary, a system of outreach, engagement, and assessment; emergency shelter; rapid re-housing; transitional housing; permanent housing; and prevention strategies to address the various needs of homeless persons and persons at risk of homelessness for a specific geographic area.

The use of "Continuum of Care" instead of "collaborative applicant" is intended to maintain consistency with the terminology HUD has established and grantees have become familiar with in the Continuum of Care planning process for the Supportive Housing program, the Shelter Plus Care program, and the Moderate Rehabilitation/Single Room Occupancy program. The term "collaborative applicant," as used in the McKinney-Vento Act, covers two distinct entities under the existing Continuum of Care planning process: One entity whose function is planning and facilitating collaboration and another entity whose function is applying for and managing the homeless assistance grant. Because HUD has always called the planning entity the Continuum of Care, HUD is continuing that practice in this interim rule.

The interim rule strengthens and standardizes the homelessness elements affecting all jurisdictions required to submit a Consolidated Plan. The changes to the Consolidated Plan sections on homelessness have been guided by the larger purposes of the HEARTH Act and the principles and priorities put forth in the *Federal Strategic Plan to Prevent and End Homelessness (FSP)*. The changes to the Consolidated Plan will foster closer coordination between not only Emergency Solutions Grant (ESG) and Continuum of Care (CoC) programs, but other mainstream housing and services programs that can provide greater resources to homeless persons and people at imminent risk of homelessness.

**Definitions.** The Consolidated Plan regulations are modified to add and revise this section to conform to definitions used in this interim rule for 24 CFR part 576 and the proposed rule that will soon be published for the Continuum of Care program. A definition of rapid re-housing assistance is added to bring coverage of general homeless assistance models in 24 CFR part 91 up-to-date. Other definitions are

<sup>5</sup> See the April 20, 2010, edition of the Federal Register at 75 FR 20544.

eliminated because they will no longer be used in part 91 after the changes in the regulations to the McKinney-Vento Act programs.

HUD specifically invites comments regarding the definition of chronically homeless. The McKinney-Vento Act defines "chronically homeless" as an individual or family who: (i) Is homeless and lives or resides in a place not meant for human habitation, a safe haven, or in an emergency shelter; (ii) has been homeless and living or residing in a place not meant for human habitation, a safe haven, or in an emergency shelter continuously for at least 1 year or on at least 4 separate occasions in the last 3 years; and (iii) has an adult head of household (or a minor head of household if no adult is present in the household) with a diagnosable substance use disorder, serious mental illness, developmental disability (as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15002)), post traumatic stress disorder, cognitive impairments resulting from a brain injury, or chronic physical illness or disability, including the co-occurrence of 2 or more of those conditions. Additionally, the statutory definition includes as chronically homeless a person who currently lives or resides in an institutional care facility, including a jail, substance abuse or mental health treatment facility, hospital or other similar facility, and has resided there for fewer than 90 days if such person met the other criteria for homeless prior to entering that facility. (See 42 U.S.C. 11360(2))

The regulatory definition of "chronically homeless" does not elaborate significantly on the statutory definition. However, HUD has determined that when an individual or family has not been continuously homeless for at least one year but has been homeless on at least four separate occasions in the last 3 years, each separate occasion must be at least 15 days in duration to ensure consistency for counting and eligibility purposes. HUD has determined that the 15-day minimum is an appropriate measure to distinguish the chronically homeless from the homeless population in general, so as to recognize chronically homeless people who have spent a significant amount of time as homeless.

The regulatory definition also clarifies that a family will qualify as chronically homeless if the head of household has met all of the requirements in paragraphs (i) through (iii) of the statutory definition, given that a family's composition may fluctuate

during the course of the head of household's homeless experience.

*Consultation: Local Governments/States.* The interim rule revises the consultation requirements in 24 CFR part 91 to implement the McKinney-Vento Act's new requirement that ESG recipients consult with Continuums of Care when allocating their ESG funds to carry out eligible activities. In response to the concerns of prospective grantees under the Continuum of Care program, the interim rule includes several requirements to make it easier for Continuums of Care to meet their requirements under the McKinney-Vento Act, including participating in the Consolidated Plan for their jurisdiction and designing a collaborative process for evaluating the outcomes of ESG projects. Similar changes to facilitate the participation of Continuums of Care (CoCs) in the Consolidated Planning process are also made to the sections on citizen participation at 24 CFR 91.105 and 91.115.

The consultation sections were also revised to conform to the FSP's emphasis not only on chronically homeless people, but on families with children, veterans and their families, and unaccompanied youth, and the FSP's emphasis on strengthening collaboration with programs and entities beyond the programs targeted to homeless people. The consultation sections refer specifically to "publicly funded institutions and systems of care that may discharge people into homelessness (such as health-care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions)." This is done to be consistent with the emphasis on discharge planning in section 406 of the McKinney-Vento Act. For this same reason, HUD also refers to these publicly funded institutions and systems of care in each section of the interim rule that specifically addresses the prevention of homelessness.

*Housing Needs Assessment; Local Governments/States.* The interim rule adds a new category of persons for whom states and local jurisdictions are required to assess housing assistance needs: Formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance. The addition of this category is intended to help focus communities on helping these families stay housed after their rapid re-housing assistance ends.

*Homeless Needs Assessment; Local Government/States.* The changes under the interim rule increase HUD's flexibility in establishing and modifying

standards for collecting data on homeless populations and subpopulations and performance measures. The changes also provide additional definition to the description of the characteristics and needs of persons who are currently housed but threatened with homelessness. These changes permit HUD to more closely harmonize data included in each jurisdiction's Consolidated Plan with data that the Continuum(s) of Care for that jurisdiction will be required to collect and submit under the Continuum of Care program. The collection of consistent homeless needs data in these two planning processes will permit local and national assessment of progress in meeting the goals set forth in the FSP.

*Housing Market Analysis; Facilities, Housing, and Services for Homeless Persons; Local Governments/States.* The interim rule allows HUD to establish and modify descriptions of the facilities, housing, and services for homeless persons to increase consistency between the Consolidated Plan and the Continuum of Care Plan. The interim rule adds mainstream services to the inventory of services meeting the needs of homeless persons, consistent with the overall emphasis on using and collaborating with mainstream assistance programs to prevent and end homelessness. Similar to changes made to other sections, the special focus accorded to chronically homeless people is broadened to include families with children, veterans and their families, and unaccompanied youth, in order to reflect the priorities in the FSP.

*Strategic Plan; Homelessness Strategies; Local Government/States.* The interim rule refocuses the general homelessness-related strategies on the ultimate goals of reducing and ending homelessness and aligns them with Continuum of Care planning strategies and performance measures, such as shortening the period of time that persons experience homelessness and helping persons who were recently homeless avoid becoming homeless again. The changes under the interim rule also emphasize the priorities of the FSP. The strategic framework set out in this section is carried through in conforming changes to the Action Plan and performance reporting sections of the Consolidated Plan.

*Action Plan; Local Government/States.* The changes to the Action Plan sections for local governments and States require the ESG recipient to consult with applicable Continuums of Care when allocating funds in the area(s) served by the Continuum(s) of Care and the ESG recipient and when

developing the performance standards for the assisted activities. These changes reflect the McKinney-Vento Act requirements that ESG recipients consult with Continuums of Care on their allocation of ESG funds and that Continuums of Care in turn analyze patterns of use of ESG funds and help evaluate outcomes for ESG-funded projects. These changes are also consistent with the statutory scheme of the HEARTH Act, which generally requires increased collaboration between Continuums of Care and ESG recipients.

The changes under the interim rule for the ESG portion of the action plan require each local government seeking an ESG grant to specify the standards under which homelessness prevention and rapid re-housing assistance will be administered and describe the centralized or coordinated assessments system(s) that will be used. By helping to ensure that the program is administered fairly and methodically, these requirements provide balance to the broad discretion that ESG recipients are given in the design of their ESG programs. Including these standards in the action plan allows the program design to be strengthened as the plan is developed and refined through the consultation and citizen participation stages in the planning process. The requirements for states differ slightly from those that apply to local governments, in order to accommodate for the restrictions on states' use of ESG funds and the variety of areas and Continuums of Care their programs encompass. Under the state programs, the written standards for providing ESG assistance may vary by subrecipient, Continuum of Care, or the geographic area over which services are coordinated.

**Certifications.** The changes to the ESG certifications clarify the certifications and bring them into closer conformance with the corresponding requirements under part 576 and the McKinney-Vento Act.

### III. Justification for Interim Rulemaking

In accordance with its regulations on rulemaking at 24 CFR part 10, HUD generally publishes its rules for advance public comment. Notice and public procedures may be omitted, however, if HUD determines that, in a particular case or class of cases, notice and public procedure are "impracticable, unnecessary, or contrary to the public interest." (See 24 CFR 10.1.)

In this case, HUD has determined that it would be contrary to the public interest to delay promulgation of the

regulations for the Emergency Solutions Grants program because Congress has provided funding for this new program in the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (Pub. L. 112-10, approved April 15, 2011) (FY 2011 Appropriations Act). The FY 2011 Appropriations Act appropriates, in section 2241 of the statute, \$1,905,000,000 for homeless assistance grants, of which at least \$225,000,000 shall be for the Emergency Solutions Grant program. While many federal programs, including HUD programs, received a reduction in funding in the FY 2011 Appropriations Act, Congress increased funding for HUD's homeless assistance grants, and for the first time, authorized funding for a program, (the Emergency Solutions Grants program). HUD interprets this increase in funding as recognition by Congress of the significant needs that remain to help America's homeless population and the expectation of Congress that HUD will move expediently to expend this funding to assist and serve the homeless through its programs. HUD interprets the substantial funding, a minimum of \$225,000,000, for the Emergency Solutions Grant program, as recognition by Congress that this program, which is an expansion of the predecessor Emergency Shelter Grants program, and includes features that were part of the Recovery Act's HPRP, is one that can have an immediate impact in helping the homeless.

Given what HUD sees as a congressional charge to move expediently, HUD is issuing this rule providing for regulations for the Emergency Solutions Grants program as an interim rule. Interim regulations in place will allow HUD to move forward in making FY 2011 funds available to grantees. As has been discussed in this preamble, the foundation for the regulations for the Emergency Solutions Grants program are those of its predecessor program, the Emergency Shelters Grant program, regulations with which HUD grantees are well familiar. HUD grantees are also familiar with the requirements of the HPRP and, as the preamble has highlighted, this interim rule adopts many of the features and requirements of HPRP.

Although for the reasons stated above, HUD is issuing this rule to take immediate effect, HUD welcomes all comments on this interim rule and all comments will be taken into consideration in the development of the final rule.

### IV. Findings and Certifications

#### *Regulatory Planning and Review*

OMB reviewed this rule under Executive Order 12866, *Regulatory Planning and Review*. This rule was determined to be a "significant regulatory action," as defined in section 3(f) of the order (although not an economically significant regulatory action under the order). As discussed earlier in this preamble, this interim rule establishes the regulations for the Emergency Solutions Grants program, which is the successor program to the Emergency Shelter Grants program. In establishing the regulations for the Emergency Solutions Grants program, the interim rule uses as its base the regulations for the Emergency Shelter Grants program and makes such changes as necessary to reflect the changes and focus of the Emergency Solutions Grants program. While emergency shelter remains an important component of the Emergency Solutions Grants program, the new Emergency Solutions Grants program places a greater focus on homelessness prevention for persons at risk of homelessness and rapid re-housing assistance for homeless persons. Accordingly, the rule does not alter the fundamental goal of the program, which is to assist those who are homeless and in danger of becoming homeless. Therefore, the administrative changes made by this rule do not result in an economic effect equal to \$100 million, which would be approximately half of the program's funding (\$225 million). HUD believes that the administrative changes made by the interim rule would also have no discernible impact upon the economy.

The slight shift in emphasis from emergency shelter in the Emergency Shelter Grants program to homelessness prevention and rapid rehousing assistance in the Emergency Solutions Grants program does not represent a significant regulatory change. Rapid rehousing is already familiar to HUD's homeless grantee providers from funding received under the HPRP, a temporary program funded through the American Recovery and Reinvestment Act of 2009, and their experience with this program which continues to today. Because HPRP activities will continue through September 30, 2012, the interim rule is directed to ensuring continuity between HPRP and Emergency Solutions Grant (ESG) program.

The docket file is available for public inspection in the Regulations Division, Office of the General Counsel, 451 7th Street SW., Room 10276, Washington, DC 20410-0500. Due to security measures at the HUD Headquarters

building, please schedule an appointment to review the docket file by calling the Regulations Division at (202) 708-3055 (this is not a toll-free number). Individuals with speech or hearing impairments may access this number via TTY by calling the Federal Relay Service at (800) 877-8339.

**Environmental Impact**

A Finding of No Significant Impact (FONSI) with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The Finding of No Significant Impact is available for public inspection between the hours of 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW., Room 10276, Washington, DC 20410-0500. Due to security measures at the HUD Headquarters building, please schedule an appointment to review the FONSI by calling the Regulations Division at (202) 708-3055 (this is not a toll-free number). Individuals with speech or hearing impairments may access this number via TTY by calling the Federal Information Relay Service at (800) 877-8339.

**Unfunded Mandates Reform Act**

The Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531-1538) (UMRA) establishes requirements for federal agencies to assess the effects of their regulatory actions on state, local, and tribal governments and on the private

sector. This interim rule does not impose a federal mandate on any state, local, or tribal government, or on the private sector, within the meaning of UMRA.

**Regulatory Flexibility Act**

The Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) generally requires an agency to conduct a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements, unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. This rule solely addresses the allocation and use of grant funds under the new McKinney-Vento Act homeless assistance programs as consolidated and amended by the HEARTH Act. As discussed in the preamble, the majority of the regulatory provisions in this rule track the regulatory provisions of the existing Emergency Shelter Grants program, with which prospective recipients of Emergency Solutions Grant (ESG) are familiar. Accordingly, the transition from the Emergency Shelter Grants program to the Emergency Solutions Grant program, in regard to funding and program requirements, should raise minimal issues because applicants and grantees are well-familiar with these requirements and, through the years, in soliciting information on the burden of the Emergency Solutions Grant requirements, grantees have not advised that such requirements are burdensome. Therefore, HUD has determined that this rule would not have a significant

economic impact on a substantial number of small entities.

Notwithstanding that determination, HUD specifically invites comments regarding any less burdensome alternatives to this rule that will meet HUD's objectives as described in this preamble.

**Executive Order 13132, Federalism**

Executive Order 13132 (entitled "Federalism") prohibits an agency from publishing any rule that has federalism implications if the rule either: (1) Imposes substantial direct compliance costs on state and local governments and is not required by statute, or (2) preempts state law, unless the agency meets the consultation and funding requirements of section 6 of the Executive Order. This final rule does not have federalism implications and does not impose substantial direct compliance costs on state and local governments nor preempt state law within the meaning of the executive order.

**Paperwork Reduction Act**

The information collection requirements contained in this interim rule have been submitted to OMB under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520). In accordance with the Paperwork Reduction Act, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information, unless the collection displays a currently valid OMB control number.

The burden of the information collections in this interim rule is estimated as follows:

**REPORTING AND RECORDKEEPING BURDEN**

Information collection	Number of respondents	Response frequency (average)	Total annual responses	Burden hours per response	Total annual hours
576.400(a) Consultation With Continuums of Care .....	360	1	360	6.00	2,160
576.400(b) Coordination With Other Targeted Homeless Services .....	2,360	1	2,360	8.00	18,880
576.400(c) System and Program Coordination With Mainstream Resources .....	2,360	1	2,360	16.00	37,760
576.400(d) Centralized or Coordinated Assessment .....	2,000	1	2,000	3.00	6,000
576.400(e) Written Standards for Determining the Amount of Assistance .....	808	1	808	5.00	4,040
576.400(f) Participation in HMIS .....	78,000	1	78,000	0.50	39,000
576.401(a) Initial Evaluation .....	50,000	1	30,000	1.00	30,000
576.401(b) Recertification .....	20,000	2	40,000	0.50	20,000
576.401(d) Connection to Mainstream Resources .....	78,000	3	234,000	0.25	58,500
576.401(e) Housing Retention Plan .....	50,000	1	50,000	0.75	37,500
576.402 Terminating Assistance .....	808	1	808	4.00	3,232
576.403 Habitability Review .....	52,000	1	52,000	0.6	31,200
576.405 Homeless Participation .....	2,360	12	28,320	1.00	28,320
576.500 Recordkeeping Requirements .....	2,360	1	2,360	12.75	30,009
576.501(b) Remedial Actions .....	20	1	20	8.00	160
576.501(c) Recipient Sanctions .....	360	1	360	12.00	4,320
576.501(c) Subrecipient Response .....	2,000	1	2,000	8.00	16,000

REPORTING AND RECORDKEEPING BURDEN—Continued

Information collection	Number of respondents	Response frequency (average)	Total annual responses	Burden hours per response	Total annual hours
Total .....	.....	.....	.....	.....	367,081

Total estimated burden hours: 367,081.

In accordance with 5 CFR 1320.8(d)(1), HUD is soliciting comments from members of the public and affected agencies concerning this collection of information to:

(1) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the affected agency, including whether the information will have practical utility;

(2) Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information;

(3) Enhance the quality, utility, and clarity of the information to be collected; and

(4) Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

Interested persons are invited to submit comments regarding the information collection requirements in this rule. Comments must refer to the proposal by name and docket number (FR-5474-I-01) and be sent to: HUD Desk Officer, Office of Management and Budget, New Executive Office Building, Washington, DC 20503, Fax: (202) 395-6947, and Reports Liaison Officer, Office of the Assistant Secretary for Community Planning and Development, Department of Housing and Urban Development, Room 7233, 451 Seventh Street SW., Washington, DC 20410-7000.

Interested persons may submit comments regarding the information collection requirements electronically through the Federal eRulemaking Portal at <http://www.regulations.gov>. HUD strongly encourages commenters to submit comments electronically. Electronic submission of comments allows the commenter maximum time to prepare and submit a comment, ensures timely receipt by HUD, and enables HUD to make them immediately available to the public. Comments submitted electronically through the <http://www.regulations.gov> Web site can be viewed by other commenters and interested members of the public. Commenters should follow the

instructions provided on that site to submit comments electronically.

**List of Subjects**

*24 CFR Part 91*

Aged, Grant programs—housing and community development, Homeless, Individuals with disabilities, Low- and moderate-income housing, Reporting and recordkeeping requirements.

*24 CFR Part 576*

Community facilities, Emergency solutions grants, Grant programs—housing and community development, Grant program—social programs, Homeless, Reporting and recordkeeping requirements.

Accordingly, for the reasons described in the preamble, parts 91 and 576 of title 24 of the Code of Federal Regulations are amended as follows:

**PART 91—CONSOLIDATED SUBMISSIONS FOR COMMUNITY PLANNING AND DEVELOPMENT PROGRAMS**

■ 1. The authority citation for 24 CFR part 91 continues to read as follows:

**Authority:** 42 U.S.C. 3535(d), 3601-3619, 5301-5315, 11331-11388, 12701-12711, 12741-12756, and 12901-12912.

■ 2. In § 91.2, paragraph (a)(2) is revised to read as follows:

**§ 91.2 Applicability.**

(a) \* \* \*

(2) The Emergency Solutions Grants (ESG) program (see 24 CFR part 576);

■ 3. In § 91.5, the definitions of “Chronically homeless person,” “Disabling condition,” “Homeless family with children,” and “Homeless subpopulations” are removed; the definition of “Emergency shelter” is revised; and the definitions of “At risk of homelessness,” “Chronically homeless,” “Continuum of Care,” “Homeless Management Information System (HMIS),” “Rapid re-housing assistance,” and “Victim service provider” are added to read as follows:

**§ 91.5 Definitions.**

\* \* \* \* \*

*At risk of homelessness.* (1) An individual or family who:

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

(ii) Does not have sufficient resources or support networks, e.g., family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the “Homeless” definition in this section; and

(iii) Meets one of the following conditions:

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

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

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

(D) Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable 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 people per room, as defined by the U.S. Census Bureau;

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

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

(2) A child or youth who does not qualify as “homeless” under this section, but qualifies as “homeless” under section 387(3) of the Runaway and Homeless Youth Act (42 U.S.C. 5732a(3)), section 637(11) of the Head Start Act (42 U.S.C. 9832(11)), section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2(6)), section 330(h)(5)(A) of the Public Health Service Act (42 U.S.C.



254b(h)(5)(A)), section 3(m) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(m)), or section 17(b)(15) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(15)); or

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

\* \* \* \* \*  
**Chronically homeless.** (1) An individual who:

(i) Is homeless and lives in a place not meant for human habitation, a safe haven, or in an emergency shelter; and

(ii) Has been homeless and living or residing in a place not meant for human habitation, a safe haven, or in an emergency shelter continuously for at least one year or on at least four separate occasions in the last 3 years, where each homeless occasion was at least 15 days; and

(iii) Can be diagnosed with one or more of the following conditions: substance use disorder, serious mental illness, developmental disability (as defined in section 102 of the Developmental Disabilities Assistance Bill of Rights Act of 2000 (42 U.S.C. 15002)), post-traumatic stress disorder, cognitive impairments resulting from brain injury, or chronic physical illness or disability;

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

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

\* \* \* \* \*  
**Continuum of Care.** The group composed of representatives of relevant organizations, which generally includes nonprofit homeless providers, victim service providers, faith-based organizations, governments, businesses, advocates, public housing agencies, school districts, social service providers, mental health agencies, hospitals, universities, affordable housing developers, law enforcement, organizations that serve homeless and

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

**Emergency shelter.** Any facility, the primary purpose of which is to provide a temporary shelter for the homeless in general or for specific populations of the homeless, and which does not require occupants to sign leases or occupancy agreements.

\* \* \* \* \*  
**Homeless Management Information System (HMIS).** The information system designated by the Continuum of Care to comply with HUD's data collection, management, and reporting standards and used to collect client-level data and data on the provision of housing and services to homeless individuals and families and persons at risk of homelessness.

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

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

\* \* \* \* \*  
 ■ 4. In § 91.100, paragraph (a)(2) is revised and a new paragraph (d) is added to read as follows:

**§ 91.100 Consultation; local governments.**

(a) \* \* \*  
 (2) When preparing the portions of the consolidated plan describing the jurisdiction's homeless strategy and the resources available to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) and persons at risk of homelessness, the jurisdiction must consult with:

(i) The Continuum(s) of Care that serve(s) the jurisdiction's geographic area;

(ii) Public and private agencies that address housing, health, social service, victim services, employment, or education needs of low-income individuals and families; homeless individuals and families, including homeless veterans; youth; and/or other persons with special needs;

(iii) Publicly funded institutions and systems of care that may discharge persons into homelessness (such as health-care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and

(iv) Business and civic leaders.

\* \* \* \* \*  
 (d) **Emergency Solutions Grants (ESG).** A jurisdiction that receives an ESG grant must consult with the Continuum of Care in determining how to allocate its ESG grant for eligible activities; in developing the performance standards for, and evaluating the outcomes of, projects and activities assisted by ESG funds; and in developing funding, policies, and procedures for the operation and administration of the HMIS.

\* \* \* \* \*  
 ■ 5. In § 91.105, paragraph (a)(2) is revised to read as follows:

**§ 91.105 Citizen participation plan; local governments.**

(a) \* \* \*

(2) **Encouragement of citizen participation.**

(i) The citizen participation plan must provide for and encourage citizens to participate in the development of any consolidated plan, any substantial amendment to the consolidated plan, and the performance report. These requirements are designed especially to encourage participation by low- and moderate-income persons, particularly those living in slum and blighted areas and in areas where CDBG funds are proposed to be used, and by residents of predominantly low- and moderate-income neighborhoods, as defined by the jurisdiction. A jurisdiction is also expected to take whatever actions are appropriate to encourage the participation of all its citizens, including minorities and non-English speaking persons, as well as persons with disabilities.

(ii) The jurisdiction shall encourage the participation of local and regional institutions, the Continuum of Care and other organizations (including businesses, developers, nonprofit organizations, philanthropic organizations, and community-based

and faith-based organizations) in the process of developing and implementing the consolidated plan.

(iii) The jurisdiction shall encourage, in conjunction with consultation with public housing agencies, the participation of residents of public and assisted housing developments, in the process of developing and implementing the consolidated plan, along with other low-income residents of targeted revitalization areas in which the developments are located. The jurisdictions shall make an effort to provide information to the public housing agency (PHA) about consolidated plan activities related to its developments and surrounding communities so that the PHA can make this information available at the annual public hearing required for the PHA Plan.

(iv) The jurisdiction should explore alternative public involvement techniques and quantitative ways to measure efforts that encourage citizen participation in a shared vision for change in communities and neighborhoods, and the review of program performance; e.g., use of focus groups and the Internet.

\* \* \* \* \*

■ 6. Section 91.110 is revised to read as follows:

**§ 91.110 Consultation; States.**

(a) When preparing the consolidated plan, the State shall consult with other public and private agencies that provide assisted housing (including any state housing agency administering public housing), health services, and social and fair housing services (including those focusing on services to children, elderly persons, persons with disabilities, persons with HIV/AIDS and their families, and homeless persons) during preparation of the consolidated plan.

(b) When preparing the portions of the consolidated plan describing the State's homeless strategy and the resources available to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) and persons at risk of homelessness, the State must consult with:

(1) Each Continuum of Care within the state;

(2) Public and private agencies that address housing, health, social services, victim services, employment, or education needs of low-income individuals and families; of homeless individuals and families, including homeless veterans; youth; and/or of other persons with special needs;

(3) Publicly funded institutions and systems of care that may discharge persons into homelessness (such as health-care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and

(4) Business and civic leaders.

(c) When preparing the portion of its consolidated plan concerning lead-based paint hazards, the State shall consult with state or local health and child welfare agencies and examine existing data related to lead-based paint hazards and poisonings, including health department data on the addresses of housing units in which children have been identified as lead-poisoned.

(d) When preparing its method of distribution of assistance under the CDBG program, a State must consult with local governments in nonentitlement areas of the state.

(e) The State must also consult with each Continuum of Care within the state in determining how to allocate its ESG grant for eligible activities; developing the performance standards for, and evaluating the outcomes of, projects and activities assisted by ESG funds; and developing funding, policies, and procedures for the operation and administration of the HMIS.

■ 7. In § 91.115, paragraph (a)(2) is revised to read as follows:

**§ 91.115 Citizen participation plan; States.**

(a) \* \* \*

(2) *Encouragement of citizen participation.* (i) The citizen participation plan must provide for and encourage citizens to participate in the development of the consolidated plan, any substantial amendments to the consolidated plan, and the performance report. These requirements are designed especially to encourage participation by low- and moderate-income persons, particularly those living in slum and blighted areas and in areas where CDBG funds are proposed to be used, and by residents of predominantly low- and moderate-income neighborhoods. A State is also expected to take whatever actions are appropriate to encourage the participation of all its citizens, including minorities and non-English speaking persons, as well as persons with disabilities.

(ii) The State shall encourage the participation of local, regional, and statewide institutions, Continuums of Care, and other organizations (including businesses, developers, nonprofit organizations, philanthropic organizations, and community-based and faith-based organizations) that are involved with or affected by the programs or activities covered by the

consolidated plan in the process of developing and implementing the consolidated plan.

(iii) The state should explore alternative public involvement techniques that encourage a shared vision of change for the community and the review of program performance; e.g., the use of focus groups and the Internet.

\* \* \* \* \*

■ 8. In § 91.200, paragraph (b) is revised to read as follows:

**§ 91.200 General.**

\* \* \* \* \*

(b) The jurisdiction shall describe:

(1) The lead agency or entity responsible for overseeing the development of the plan and the significant aspects of the process by which the consolidated plan was developed;

(2) The identity of the agencies, groups, organizations, and others who participated in the process; and

(3) A jurisdiction's consultations with:

(i) The Continuum of Care that serves the jurisdiction's geographic area;

(ii) Public and private agencies that address housing, health, social services, employment, or education needs of low-income individuals and families, of homeless individuals and families, of youth, and/or of other persons with special needs;

(iii) Publicly funded institutions and systems of care that may discharge persons into homelessness (such as health-care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions);

(iv) Other entities.

\* \* \* \* \*

■ 9. In § 91.205, paragraph (b)(1) and paragraph (c) are revised to read as follows:

**§ 91.205 Housing and homeless needs assessment.**

\* \* \* \* \*

(b)(1)(i) The plan shall estimate the number and type of families in need of housing assistance for:

(A) Extremely low-income, low-income, moderate-income, and middle-income families;

(B) Renters and owners;

(C) Elderly persons;

(D) Single persons;

(E) Large families;

(F) Public housing residents;

(G) Families on the public housing and Section 8 tenant-based waiting list;

(H) Persons with HIV/AIDS and their families;

(I) Victims of domestic violence, dating violence, sexual assault, and stalking;

(J) Persons with disabilities; and  
 (K) Formerly homeless families and individuals who are receiving rapid rehousing assistance and are nearing the termination of that assistance.

(ii) The description of housing needs shall include a concise summary of the cost burden and severe cost burden, overcrowding (especially for large families), and substandard housing conditions being experienced by extremely low-income, low-income, moderate-income, and middle-income renters and owners compared to the jurisdiction as a whole. (The jurisdiction must define in its consolidated plan the terms "standard condition" and "substandard condition but suitable for rehabilitation.")

(c) *Persons who are homeless or at risk of homelessness.* (1) The plan must describe, in a form prescribed by HUD, the nature and extent of unsheltered and sheltered homelessness, including rural homelessness, within the jurisdiction. At a minimum, the recipient must use data from the Homeless Management Information System (HMIS) and data from the Point-In-Time (PIT) count conducted in accordance with HUD standards.

(i) The description must include, for each category of homeless persons specified by HUD (including chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth), the number of persons experiencing homelessness on a given night, the number of persons who experience homelessness each year, the number of persons who lose their housing and become homeless each year, the number of persons who exit homelessness each year, the number of days that persons experience homelessness, and other measures specified by HUD.

(ii) The plan also must contain a brief narrative description of the nature and extent of homelessness by racial and ethnic group, to the extent information is available.

(2) The plan must include a narrative description of the characteristics and needs of low-income individuals and families with children (especially extremely low-income) who are currently housed but threatened with homelessness. This information may be evidenced by the characteristics and needs of individuals and families with children who are currently entering the homeless assistance system or appearing for the first time on the streets. The description must also specify particular housing characteristics that have been

linked with instability and an increased risk of homelessness.

\* \* \* \* \*  
 10. In § 91.210, paragraph (c) is revised to read as follows:

**§ 91.210 Housing market analysis.**

\* \* \* \* \*  
 (c) *Facilities, housing, and services for homeless persons.* The plan must include a brief inventory of facilities, housing, and services that meet the needs of homeless persons within the jurisdiction, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth.

(1) The inventory of facilities and housing (e.g., emergency shelter, transitional housing, and permanent supportive housing) must be presented in a form specified by HUD.

(2) The inventory of services must include both services targeted to homeless persons and mainstream services, such as health, mental health, and employment services to the extent those services are used to complement services targeted to homeless persons.

\* \* \* \* \*  
 ■ 11. In § 91.215, paragraphs (b), (d), (k), and (l) are revised to read as follows:

**§ 91.215 Strategic plan.**

\* \* \* \* \*  
 (b) *Affordable housing.* With respect to affordable housing, the consolidated plan must include the priority housing needs table prescribed by HUD and must do the following:

(1) The affordable housing section shall describe how the characteristics of the housing market and the severity of housing problems and needs of extremely low-income, low-income, and moderate-income renters and owners, persons at risk of homelessness, and homeless persons identified in accordance with § 91.205 provided the rationale for establishing allocation priorities and use of funds made available for rental assistance, production of new units, rehabilitation of existing units, or acquisition of existing units (including preserving affordable housing units that may be lost from the assisted housing inventory for any reason). Household and income types may be grouped together for discussion where the analysis would apply to more than one of them. If the jurisdiction intends to use HOME funds for tenant-based assistance, the jurisdiction must specify local market conditions that led to the choice of that option.

(2) The affordable housing section shall include specific objectives that

describe proposed accomplishments, that the jurisdiction hopes to achieve and must specify the number of extremely low-income, low-income, and moderate-income families, and homeless persons to whom the jurisdiction will provide affordable housing as defined in 24 CFR 92.252 for rental housing and 24 CFR 92.254 for homeownership over a specific time period.

\* \* \* \* \*  
 (d) *Homelessness.* The consolidated plan must include the priority homeless needs table prescribed by HUD and must describe the jurisdiction's strategy for reducing and ending homelessness through:

(1) Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs;

(2) Addressing the emergency shelter and transitional housing needs of homeless persons;

(3) Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again; and

(4) Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are:

(i) Likely to become homeless after being discharged from publicly funded institutions and systems of care into homelessness (such as health-care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions) or

(ii) Receiving assistance from public and private agencies that address housing, health, social services, employment, education, or youth needs.

\* \* \* \* \*  
 (k) *Institutional structure.* The consolidated plan must provide a concise summary of the institutional structure, including private industry; nonprofit organizations; community and faith-based organizations; philanthropic organizations; the Continuum of Care; and public institutions, departments and agencies through which the jurisdiction will carry out its housing, homeless, and community development plan; a brief assessment of the strengths

and gaps in that delivery system; and a concise summary of what the jurisdiction will do to overcome gaps in the institutional structure for carrying out its strategy for addressing its priority needs.

(l) *Coordination.* The consolidated plan must provide a concise summary of the jurisdiction's activities to enhance coordination among the Continuum of Care, public and assisted housing providers, and private and governmental health, mental health, and service agencies. The summary must address the jurisdiction's efforts to coordinate housing assistance and services for homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) and persons who were recently homeless but now live in permanent housing. With respect to the public entities involved, the plan must describe the means of cooperation and coordination among the State and any units of general local government in the metropolitan area in the implementation of its consolidated plan. With respect to economic development, the jurisdiction should describe efforts to enhance coordination with private industry, businesses, developers, and social service agencies.

■ 12. In § 91.220, paragraph (i) is revised and a new paragraph (l)(4) is added to read as follows:

**§ 91.220 Action plan.**

\* \* \* \* \*

(i) *Homeless and other special needs activities.* (1) The jurisdiction must describe its one-year goals and specific actions steps for reducing and ending homelessness through:

(i) Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs;

(ii) Addressing the emergency shelter and transitional housing needs of homeless persons; and

(iii) Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again; and

(iv) Helping low-income individuals and families avoid becoming homeless,

especially extremely low-income individuals and families who are:

(A) Being discharged from publicly funded institutions and systems of care, such as health-care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions; or

(B) Receiving assistance from public and private agencies that address housing, health, social services, employment, education, or youth needs.

(2) The jurisdiction must specify the activities that it plans to undertake during the next year to address the housing and supportive service needs identified in accordance with § 91.215(e) with respect to persons who are not homeless but have other special needs.

\* \* \* \* \*

(l) \* \* \*

(4) *ESG.* (i) The jurisdiction must include its written standards for providing ESG assistance. The minimum requirements regarding these standards are set forth in 24 CFR 576.400(e)(1) and (e)(3).

(ii) If the Continuum of Care for the jurisdiction's area has established a centralized or coordinated assessment system that meets HUD requirements, the jurisdiction must describe that centralized or coordinated assessment system. The requirements for using a centralized or coordinated assessment system, including the exception for victim service providers, are set forth under 24 CFR 576.400(d).

(iii) The jurisdiction must identify its process for making subawards and a description of how the jurisdiction intends to make its allocation available to private nonprofit organizations (including community and faith-based organizations), and in the case of urban counties, funding to participating units of local government.

(iv) If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering and making policies and decisions regarding any facilities or services that receive funding under ESG.

(v) The jurisdiction must describe the performance standards for evaluating ESG activities.

(vi) The jurisdiction must describe its consultation with each Continuum of Care that serves the jurisdiction in determining how to allocate ESG funds each program year; developing the performance standards for, and evaluating the outcomes of, projects and

activities assisted by ESG funds; and developing funding, policies, and procedures for the administration and operation of the HMIS.

■ 13. In § 91.225, paragraph (c) is revised to read as follows:

**§ 91.225 Certifications.**

\* \* \* \* \*

(c) *ESG.* For jurisdictions that seek ESG funding under 24 CFR part 576, the following certifications are required:

(1) If an emergency shelter's rehabilitation costs exceed 75 percent of the value of the building before rehabilitation, the jurisdiction will maintain the building as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed rehabilitation;

(2) If the cost to convert a building into an emergency shelter exceeds 75 percent of the value of the building after conversion, the jurisdiction will maintain the building as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed conversion;

(3) In all other cases where ESG funds are used for renovation, the jurisdiction will maintain the building as a shelter for homeless individuals and families for a minimum of 3 years after the date the building is first occupied by a homeless individual or family after the completed renovation;

(4) In the case of assistance involving shelter operations or essential services related to street outreach or emergency shelter, the jurisdiction will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure, so long as the jurisdiction serves the same type of persons (e.g., families with children, unaccompanied youth, disabled individuals, or victims of domestic violence) or persons in the same geographic area;

(5) Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary;

(6) The jurisdiction will assist homeless individuals in obtaining permanent housing, appropriate supportive services (including medical and mental health treatment, victim services, counseling, supervision, and other services essential for achieving independent living), and other Federal, State, local, and private assistance available for these individuals;

(7) The jurisdiction will obtain matching amounts required under 24 CFR 576.201;

(8) The jurisdiction has established and is implementing procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project, except with the written authorization of the person responsible for the operation of that shelter;

(9) To the maximum extent practicable, the jurisdiction will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under the ESG program, in providing services assisted under the program, and in providing services for occupants of facilities assisted under the program;

(10) All activities the jurisdiction undertakes with assistance under ESG are consistent with the jurisdiction's consolidated plan; and

(11) The jurisdiction will establish and implement, to the maximum extent practicable and where appropriate, policies and protocols for the discharge of persons from publicly funded institutions or systems of care (such as health-care facilities, mental health facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent this discharge from immediately resulting in homelessness for these persons.

\* \* \* \* \*

■ 14. In § 91.300, paragraph (b) is revised to read as follows:

**§ 91.300 General.**

\* \* \* \* \*

(b) The State shall describe:

(1) The lead agency or entity responsible for overseeing the development of the plan and the significant aspects of the process by which the consolidated plan was developed;

(2) The identity of the agencies, groups, organizations, and others who participated in the process;

(3) The State's consultations with:

(i) Continuums of Care;

(ii) Public and private agencies that address housing, health, social services, employment, or education needs of low-income individuals and families, homeless individuals and families, youth, and/or other persons with special needs;

(iii) Publicly funded institutions and systems of care that may discharge persons into homelessness (such as health-care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and

(iv) Other entities.

\* \* \* \* \*

■ 15. In § 91.305, paragraphs (b)(1) and (c) are revised to read as follows:

**§ 91.305 Housing and homeless needs assessment.**

\* \* \* \* \*

(b)(1)(i) The plan shall estimate the number and type of families in need of housing assistance for:

(A) Extremely low-income, low-income, moderate-income, and middle-income families;

(B) Renters and owners;

(C) Elderly persons;

(D) Single persons;

(E) Large families;

(F) Public housing residents;

(G) Families on the public housing and Section 8 tenant-based waiting list;

(H) Persons with HIV/AIDS and their families;

(I) Victims of domestic violence, dating violence, sexual assault, and stalking;

(J) Persons with disabilities; and

(K) Formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance.

(ii) The description of housing needs shall include a concise summary of the cost burden and severe cost burden, overcrowding (especially for large families), and substandard housing conditions being experienced by extremely low-income, low-income, moderate-income, and middle-income renters and owners compared to the state as a whole. (The state must define in its consolidated plan the terms "standard condition" and "substandard condition but suitable for rehabilitation.")

\* \* \* \* \*

(c) *Persons who are homeless or at risk of homelessness.* (1) The plan must describe, in a form prescribed by HUD, the nature and extent of homelessness, including rural homelessness, within the state.

(i) The description must include, for each category of homeless persons specified by HUD (including chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth), the number of persons experiencing homelessness on a given night, the number of persons who

experience homelessness each year, the number of persons who lose their housing and become homeless each year, the number of persons who exit homelessness each year, and the number of days that persons experience homelessness, and any other measures specified by HUD.

(ii) The plan also must contain a brief narrative description of the nature and extent of homelessness by racial and ethnic group, to the extent that information is available.

(2) The plan must include a narrative description of the characteristics and needs of low-income individuals and families with children (especially extremely low-income) who are currently housed but threatened with homelessness. This information may be evidenced by the characteristics and needs of individuals and families with children who are currently entering the homeless assistance system or appearing for the first time on the streets. The description must also include specific housing characteristics linked to instability and an increased risk of homelessness.

\* \* \* \* \*

■ 16. In § 91.310, paragraph (b) is revised to read as follows:

**§ 91.310 Housing market analysis.**

\* \* \* \* \*

(b) *Facilities, housing, and services for homeless persons.* The plan must include a brief inventory of facilities and services that meet the needs of homeless persons within the state, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth.

(1) The inventory of facilities and housing (e.g., emergency shelter, transitional housing, and permanent supportive housing) must be presented in a form specified by HUD.

(2) The inventory of services must include both services targeted to homeless persons and mainstream services, such as health, mental health, and employment services to the extent those services are used to complement services targeted to homeless persons.

\* \* \* \* \*

■ 17. In § 91.315, paragraphs (b), (d), (k), and (l) are revised to read as follows:

**§ 91.315 Strategic plan.**

\* \* \* \* \*

(b) *Affordable housing.* With respect to affordable housing, the consolidated plan must include the priority housing needs table prescribed by HUD and the following:

(1) The affordable housing section shall describe how the characteristics of

the housing market and the severity of housing problems and needs of extremely low-income, low-income, and moderate-income renters and owners, persons at risk of homelessness, and homeless persons identified in accordance with § 91.305 provided the rationale for establishing allocation priorities and use of funds made available for rental assistance, production of new units, rehabilitation of existing units, or acquisition of existing units (including preserving affordable housing units that may be lost from the assisted housing inventory for any reason). Household and income types may be grouped together for discussion where the analysis would apply to more than one of them. If the State intends to use HOME funds for tenant-based rental assistance, the State must specify local market conditions that led to the choice of that option.

(2) The affordable housing section shall include specific objectives that describe proposed accomplishments that the jurisdiction hopes to achieve and must specify the number of extremely low-income, low-income, and moderate-income families, and homeless persons to whom the jurisdiction will provide affordable housing as defined in 24 CFR 92.252 for rental housing and 24 CFR 92.254 for homeownership over a specific time period.

\* \* \* \* \*

(d) *Homelessness.* The consolidated plan must include the priority homeless needs table prescribed by HUD and must describe the State's strategy for reducing and ending homelessness through:

(1) Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs;

(2) Addressing the emergency shelter and transitional housing needs of homeless persons;

(3) Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again; and

(4) Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are:

(i) Likely to become homeless after being discharged from publicly funded institutions and systems of care (such as health-care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or

(ii) Receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

\* \* \* \* \*

(k) *Institutional structure.* The consolidated plan must provide a concise summary of the institutional structure, including businesses, developers, nonprofit organizations, philanthropic organizations, community-based and faith-based organizations, the Continuum of Care, and public institutions, departments, and agencies through which the State will carry out its housing, homeless, and community development plan; a brief assessment of the strengths and gaps in that delivery system; and a concise summary of what the State will do to overcome gaps in the institutional structure for carrying out its strategy for addressing its priority needs.

(l) *Coordination.* The consolidated plan must provide a concise summary of the jurisdiction's activities to enhance coordination among Continuums of Care, public and assisted housing providers, and private and governmental health, mental health, and service agencies. The summary must include the jurisdiction's efforts to coordinate housing assistance and services for homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) and persons who were recently homeless but now live in permanent housing. With respect to the public entities involved, the plan must describe the means of cooperation and coordination among the State and any units of general local government in the implementation of its consolidated plan. With respect to economic development, the State should describe efforts to enhance coordination with private industry, businesses, developers, and social service agencies.

\* \* \* \* \*

■ 18. In § 91.320, paragraphs (h) and (k)(3) are revised to read as follows:

**§ 91.320 Action plan.**

\* \* \* \* \*

(h) *Homeless and other special needs activities.* (1) The State must describe its one-year goals and specific actions steps for reducing and ending homelessness through:

(i) Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs;

(ii) Addressing the emergency shelter and transitional housing needs of homeless persons;

(iii) Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again; and

(iv) Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are:

(A) Being discharged from publicly funded institutions and systems of care (such as health-care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or

(B) Receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

(2) The State must specify the activities that it plans to undertake during the next year to address the housing and supportive service needs identified in accordance with § 91.315(e) with respect to persons who are not homeless but have other special needs.

\* \* \* \* \*

(k) \* \* \*

(3) *ESG.* (i) The State must either include its written standards for providing Emergency Solutions Grant (ESG) assistance or describe its requirements for its subrecipients to establish and implement written standards for providing ESG assistance. The minimum requirements regarding these standards are set forth in 24 CFR 576.400(e)(2) and (e)(3).

(ii) For each area of the State in which a Continuum of Care has established a centralized or coordinated assessment system that meets HUD requirements, the State must describe that centralized or coordinated assessment system. The requirements for using a centralized or coordinated assessment system, including the exception for victim service providers, are set forth under 24 CFR 576.400(d).

(iii) The State must identify its process for making subawards and a



description of how the State intends to make its allocation available to units of general local government and private nonprofit organizations, including community and faith-based organizations.

(iv) The State must describe the performance standards for evaluating ESG activities.

(v) The State must describe its consultation with each Continuum of Care in determining how to allocate ESG funds each program year; developing the performance standards for, and evaluating the outcomes of, projects and activities assisted by ESG funds; and developing funding, policies and procedures for the administration and operation of the HMIS.

\* \* \* \* \*

■ 19. In § 91.325, paragraph (c) is revised to read as follows:

**§ 91.325 Certifications.**

\* \* \* \* \*

(c) *ESG*. Each State that seeks funding under ESG must provide the following certifications:

(1) The State will obtain any matching amounts required under 24 CFR 576.201 in a manner so that its subrecipients that are least capable of providing matching amounts receive the benefit of the exception under 24 CFR 576.201(a)(2);

(2) The State will establish and implement, to the maximum extent practicable and where appropriate, policies, and protocols for the discharge of persons from publicly funded institutions or systems of care (such as health-care facilities, mental health facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent this discharge from immediately resulting in homelessness for these persons;

(3) The State will develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project, except with the written authorization of the person responsible for the operation of that shelter; and

(4) The State will ensure that its subrecipients comply with the following criteria:

(i) If an emergency shelter's rehabilitation costs exceed 75 percent of the value of the building before rehabilitation, the building will be maintained as a shelter for homeless individuals and families for a minimum

of 10 years after the date the building is first occupied by a homeless individual or family after the completed rehabilitation;

(ii) If the cost to convert a building into an emergency shelter exceeds 75 percent of the value of the building after conversion, the building will be maintained as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed conversion;

(iii) In all other cases where ESG funds are used for renovation, the building will be maintained as a shelter for homeless individuals and families for a minimum of 3 years after the date the building is first occupied by a homeless individual or family after the completed renovation;

(iv) If ESG funds are used for shelter operations or essential services related to street outreach or emergency shelter, the subrecipient will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure, so long as the applicant serves the same type of persons (e.g., families with children, unaccompanied youth, veterans, disabled individuals, or victims of domestic violence) or persons in the same geographic area;

(v) Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary;

(vi) The subrecipient will assist homeless individuals in obtaining permanent housing, appropriate supportive services (including medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living), and other Federal, State, local, and private assistance available for such individuals;

(vii) To the maximum extent practicable, the subrecipient will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under ESG, in providing services assisted under ESG, and in providing services for occupants of facilities assisted under ESG; and

(viii) All activities the subrecipient undertakes with assistance under ESG are consistent with the State's current HUD-approved consolidated plan.

\* \* \* \* \*

■ 20. In § 91.520, paragraph (b) is revised, paragraphs (c), (d), (e), (f), and

(g) are redesignated as paragraphs (d), (e), (f), (h), and (i), respectively, and new paragraphs (c) and (g) are added to read as follows:

**§ 91.520 Performance reports.**

\* \* \* \* \*

(b) *Affordable housing*. The report shall include an evaluation of the jurisdiction's progress in meeting its specific objective of providing affordable housing, including the number and types of families served. This element of the report must include the number of extremely low-income, low-income, moderate-income, middle-income, and homeless persons served.

(c) *Homelessness*. The report must include, in a form prescribed by HUD, an evaluation of the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

(1) Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs;

(2) Addressing the emergency shelter and transitional housing needs of homeless persons;

(3) Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again; and

(4) Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are

(i) Likely to become homeless after being discharged from publicly funded institutions and systems of care (such as health-care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions);

(ii) Receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

\* \* \* \* \*

(g) *ESG*. For jurisdictions receiving funding under the ESG program provided in 24 CFR part 576, the report, in a form prescribed by HUD, must include the number of persons assisted, the types of assistance provided, and the project or program outcomes data measured under the performance

standards developed in consultation with the Continuum(s) of Care.

\* \* \* \* \*

■ 21. Part 576 is revised to read as follows:

## **PART 576—EMERGENCY SOLUTIONS GRANTS PROGRAM**

### **Subpart A—General Provisions**

Sec.

- 576.1 Applicability and purpose.
- 576.2 Definitions.
- 576.3 Allocation of funding.

### **Subpart B—Program Components and Eligible Activities**

- 576.100 General provisions and expenditure limits.
- 576.101 Street outreach component.
- 576.102 Emergency shelter component.
- 576.103 Homelessness prevention component.
- 576.104 Rapid re-housing assistance component.
- 576.105 Housing relocation and stabilization services.
- 576.106 Short-term and medium-term rental assistance.
- 576.107 HMIS component.
- 576.108 Administrative activities.
- 576.109 Indirect costs.

### **Subpart C—Award and Use of Funds**

- 576.200 Submission requirements and grant approval.
- 576.201 Matching requirement.
- 576.202 Means of carrying out grant activities.
- 576.203 Obligation, expenditure, and payment requirements.

### **Subpart D—Reallocations**

- 576.300 In general.
- 576.301 Metropolitan cities and urban counties.
- 576.302 States.
- 576.303 Territories.
- 576.304 Alternative method.

### **Subpart E—Program Requirements**

- 576.400 Area-wide systems coordination requirements.
- 576.401 Evaluation of program participant eligibility and needs.
- 576.402 Terminating assistance.
- 576.403 Shelter and housing standards.
- 576.404 Conflicts of interest.
- 576.405 Homeless participation.
- 576.406 Faith-based activities.
- 576.407 Other Federal requirements.
- 576.408 Displacement, relocation, and acquisition.

### **Subpart F—Grant Administration**

- 576.500 Recordkeeping and reporting requirements.
- 576.501 Enforcement.

Authority: 42 U.S.C. 11371 *et seq.*, 42 U.S.C. 3535(d).

### **Subpart A—General Provisions**

#### **§ 576.1 Applicability and purpose.**

This part implements the Emergency Solutions Grants (ESG) program authorized by subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11371–11378). The program authorizes the Department of Housing and Urban Development (HUD) to make grants to States, units of general purpose local government, and territories for the rehabilitation or conversion of buildings for use as emergency shelter for the homeless, for the payment of certain expenses related to operating emergency shelters, for essential services related to emergency shelters and street outreach for the homeless, and for homelessness prevention and rapid re-housing assistance.

#### **§ 576.2 Definitions.**

*At risk of homelessness* means: (1) An individual or family who:

- (i) Has an annual income below 30 percent of median family income for the area, as determined by HUD;
- (ii) Does not have sufficient resources or support networks, *e.g.*, family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the “homeless” definition in this section; and
- (iii) Meets one of the following conditions:

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

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

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

(D) Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable 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, as identified in the recipient’s approved consolidated plan;

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

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

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

*Continuum of Care* means the group composed of representatives of relevant organizations, which generally includes nonprofit homeless providers; victim service providers; faith-based organizations; governments; businesses; advocates; public housing agencies; school districts; social service providers; mental health agencies; hospitals; universities; affordable housing developers; law enforcement; organizations that serve homeless and formerly homeless veterans, and homeless and formerly homeless persons that are organized to plan for and provide, as necessary, a system of outreach, engagement, and assessment; emergency shelter; rapid re-housing; transitional housing; permanent housing; and prevention strategies to address the various needs of homeless persons and persons at risk of homelessness for a specific geographic area.

*Emergency shelter* means any facility, the primary purpose of which is to provide a temporary shelter for the homeless in general or for specific populations of the homeless and which does not require occupants to sign leases or occupancy agreements. Any project funded as an emergency shelter

under a Fiscal Year 2010 Emergency Solutions grant may continue to be funded under ESG.

*Homeless* means:

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

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

(ii) 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

(iii) 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;

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

(i) The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;

(ii) No subsequent residence has been identified; and

(iii) The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, needed to obtain other permanent housing;

(3) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:

(i) Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)) or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);

(ii) Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;

(iii) Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and

(iv) Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; or

(4) Any individual or family who:

(i) Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;

(ii) Has no other residence; and

(iii) Lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, to obtain other permanent housing.

*Homeless Management Information System (HMIS)* means the information system designated by the Continuum of Care to comply with the HUD's data collection, management, and reporting standards and used to collect client-level data and data on the provision of housing and services to homeless individuals and families and persons at risk of homelessness.

*Metropolitan city* means a city that was classified as a metropolitan city under 42 U.S.C. 5302(a) for the fiscal year immediately preceding the fiscal year for which ESG funds are made available. This term includes the District of Columbia.

*Private nonprofit organization* means a private nonprofit organization that is a secular or religious organization described in section 501(c) of the Internal Revenue Code of 1986 and which is exempt from taxation under subtitle A of the Code, has an accounting system and a voluntary board, and practices nondiscrimination in the provision of assistance. A private nonprofit organization does not include a governmental organization, such as a

public housing agency or housing finance agency.

*Program income* shall have the meaning provided in 24 CFR 85.25. Program income includes any amount of a security or utility deposit returned to the recipient or subrecipient.

*Program participant* means an individual or family who is assisted under ESG program.

*Program year* means the consolidated program year established by the recipient under 24 CFR part 91.

*Recipient* means any State, territory, metropolitan city, or urban county, or in the case of reallocation, any unit of general purpose local government that is approved by HUD to assume financial responsibility and enters into a grant agreement with HUD to administer assistance under this part.

*State* means each of the several States and the Commonwealth of Puerto Rico.

*Subrecipient* means a unit of general purpose local government or private nonprofit organization to which a recipient makes available ESG funds.

*Territory* means each of the following: the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands.

*Unit of general purpose local government* means any city, county, town, township, parish, village, or other general purpose political subdivision of a State.

*Urban county* means a county that was classified as an urban county under 42 U.S.C. 5302(a) for the fiscal year immediately preceding the fiscal year for which ESG funds are made available.

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

### § 576.3 Allocation of funding.

(a) *Territories.* HUD will set aside for allocation to the territories up to 0.2 percent, but not less than 0.1 percent, of the total amount of each appropriation under this part in any fiscal year. HUD will allocate this set-aside amount to each territory based on its proportionate share of the total population of all territories and its rate of compliance with the most recent expenditure deadline under § 576.203.

(b) *States, metropolitan cities, and urban counties.* HUD will allocate the amounts that remain after the set-aside to territories under paragraph (a) of this section to States, metropolitan cities, and urban counties, as follows:

(1) HUD will provide that the percentage of the total amount available for allocation to each State, metropolitan city, or urban county is equal to the percentage of the total amount available under section 106 of the Housing and Community Development Act of 1974 for the prior fiscal year that was allocated to that State, metropolitan city, or urban county.

(2) Except as otherwise provided by law, if the amount a metropolitan city or urban county would be allocated under paragraph (b)(1) is less than 0.05 percent of the total fiscal year appropriation for ESG, that amount will be added to the allocation for the State in which the city or county is located.

(c) *Notification of allocation amount.* HUD will notify each State, metropolitan city, urban county, and territory that is eligible to receive an allocation under this section of the amount of its allocation.

#### Subpart B—Program Components and Eligible Activities

##### § 576.100 General provisions and expenditure limits.

(a) ESG funds may be used for five program components: street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, and HMIS; as well as administrative activities. The five program components and the eligible activities that may be funded under each are set forth in § 576.101 through § 576.107. Eligible administrative activities are set forth in § 576.108.

(b) The total amount of the recipient's fiscal year grant that may be used for street outreach and emergency shelter activities cannot exceed the greater of:

(1) 60 percent of the recipient's fiscal year grant; or

(2) The amount of Fiscal Year 2010 grant funds committed for homeless assistance activities.

(c) The total amount of ESG funds that may be used for administrative activities cannot exceed 7.5 percent of the recipient's fiscal year grant.

(d) Subject to the cost principles in OMB Circulars A-87 (2 CFR 225) and A-122 (2 CFR 230) and other requirements in this part, employee compensation and other overhead costs directly related to carrying out street outreach, emergency shelter, homelessness prevention, rapid re-housing, and HMIS are eligible costs of those program components. These costs are not subject to the expenditure limit in paragraph (c) of this section.

##### § 576.101 Street outreach component.

(a) *Eligible costs.* Subject to the expenditure limit in § 576.100(b), ESG funds may be used for costs of providing essential services necessary to reach out to unsheltered homeless people; connect them with emergency shelter, housing, or critical services; and provide urgent, nonfacility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility. For the purposes of this section, the term "unsheltered homeless people" means individuals and families who qualify as homeless under paragraph (1)(i) of the "homeless" definition under § 576.2. The eligible costs and requirements for essential services consist of:

(1) *Engagement.* The costs of activities to locate, identify, and build relationships with unsheltered homeless people and engage them for the purpose of providing immediate support, intervention, and connections with homeless assistance programs and/or mainstream social services and housing programs. These activities consist of making an initial assessment of needs and eligibility; providing crisis counseling; addressing urgent physical needs, such as providing meals, blankets, clothes, or toiletries; and actively connecting and providing information and referrals to programs targeted to homeless people and mainstream social services and housing programs, including emergency shelter, transitional housing, community-based services, permanent supportive housing, and rapid re-housing programs. Eligible costs include the cell phone costs of outreach workers during the performance of these activities.

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

(3) *Emergency health services.* (i) Eligible costs are for the direct outpatient treatment of medical

conditions and are provided by licensed medical professionals operating in community-based settings, including streets, parks, and other places where unsheltered homeless people are living.

(ii) ESG funds may be used only for these services to the extent that other appropriate health services are inaccessible or unavailable within the area.

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

(4) *Emergency mental health services.* (i) Eligible costs are the direct outpatient treatment by licensed professionals of mental health conditions operating in community-based settings, including streets, parks, and other places where unsheltered people are living.

(ii) ESG funds may be used only for these services to the extent that other appropriate mental health services are inaccessible or unavailable within the community.

(iii) Mental health services are the application of therapeutic processes to personal, family, situational, or occupational problems in order to bring about positive resolution of the problem or improved individual or family functioning or circumstances.

(iv) Eligible treatment consists of crisis interventions, the prescription of psychotropic medications, explanation about the use and management of medications, and combinations of therapeutic approaches to address multiple problems.

(5) *Transportation.* The transportation costs of travel by outreach workers, social workers, medical professionals, or other service providers are eligible, provided that this travel takes place during the provision of services eligible under this section. The costs of transporting unsheltered people to emergency shelters or other service facilities are also eligible. These costs include the following:

(i) The cost of a program participant's travel on public transportation;

(ii) If service workers use their own vehicles, mileage allowance for service workers to visit program participants;

(iii) The cost of purchasing or leasing a vehicle for the recipient or subrecipient in which staff transports program participants and/or staff serving program participants, and the cost of gas, insurance, taxes and maintenance for the vehicle; and

(iv) The travel costs of recipient or subrecipient staff to accompany or assist program participants to use public transportation.

(6) *Services for special populations.* ESG funds may be used to provide services for homeless youth, victim services, and services for people living with HIV/AIDS, so long as the costs of providing these services are eligible under paragraphs (a)(1) through (a)(5) of this section. The term *victim services* means services that assist program participants who are victims of domestic violence, dating violence, sexual assault, or stalking, including services offered by rape crisis centers and domestic violence shelters, and other organizations with a documented history of effective work concerning domestic violence, dating violence, sexual assault, or stalking.

(b) *Minimum period of use.* The recipient or subrecipient must provide services to homeless individuals and families for at least the period during which ESG funds are provided.

(c) *Maintenance of effort.* (1) If the recipient or subrecipient is a unit of general purpose local government, its ESG funds cannot be used to replace funds the local government provided for street outreach and emergency shelter services during the immediately preceding 12-month period, unless HUD determines that the unit of general purpose local government is in a severe financial deficit.

(2) Upon the recipient's request, HUD will determine whether the unit of general purpose local government is in a severe financial deficit, based on the recipient's demonstration of each of the following:

(i) The average poverty rate in the unit of general purpose local government's jurisdiction was equal to or greater than 125 percent of the average national poverty rate, during the calendar year for which the most recent data are available, as determined according to information from the U.S. Census Bureau.

(ii) The average per-capita income in the unit of general purpose local government's jurisdiction was less than 75 percent of the average national per-capita income, during the calendar year for which the most recent data are available, as determined according to information from the Census Bureau.

(iii) The unit of general purpose local government has a current annual budget deficit that requires a reduction in funding for services for homeless people.

(iv) The unit of general purpose local government has taken all reasonable steps to prevent a reduction in funding

of services for homeless people. Reasonable steps may include steps to increase revenue generation, steps to maximize cost savings, or steps to reduce expenditures in areas other than services for homeless people.

**§ 576.102 Emergency shelter component.**

(a) *General.* Subject to the expenditure limit in § 576.100(b), ESG funds may be used for costs of providing essential services to homeless families and individuals in emergency shelters, renovating buildings to be used as emergency shelter for homeless families and individuals, and operating emergency shelters.

(1) *Essential services.* ESG funds may be used to provide essential services to individuals and families who are in an emergency shelter, as follows:

(i) *Case management.* The cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant is eligible. Component services and activities consist of:

(A) Using the centralized or coordinated assessment system as required under § 576.400(d);

(B) Conducting the initial evaluation required under § 576.401(a), including verifying and documenting eligibility;

(C) Counseling;

(D) Developing, securing, and coordinating services and obtaining Federal, State, and local benefits;

(E) Monitoring and evaluating program participant progress;

(F) Providing information and referrals to other providers;

(G) Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking; and

(H) Developing an individualized housing and service plan, including planning a path to permanent housing stability.

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

(iii) *Education services.* When necessary for the program participant to obtain and maintain housing, the costs of improving knowledge and basic educational skills are eligible. Services include instruction or training in consumer education, health education,

substance abuse prevention, literacy, English as a Second Language, and General Educational Development (GED). Component services or activities are screening, assessment and testing; individual or group instruction; tutoring; provision of books, supplies and instructional material; counseling; and referral to community resources.

(iv) *Employment assistance and job training.* The costs of employment assistance and job training programs are eligible, including classroom, online, and/or computer instruction; on-the-job instruction; and services that assist individuals in securing employment, acquiring learning skills, and/or increasing earning potential. The cost of providing reasonable stipends to program participants in employment assistance and job training programs is an eligible cost. Learning skills include those skills that can be used to secure and retain a job, including the acquisition of vocational licenses and/or certificates. Services that assist individuals in securing employment consist of employment screening, assessment, or testing; structured job skills and job-seeking skills; special training and tutoring, including literacy training and prevocational training; books and instructional material; counseling or job coaching; and referral to community resources.

(v) *Outpatient health services.* Eligible costs are for the direct outpatient treatment of medical conditions and are provided by licensed medical professionals. Emergency Solutions Grant (ESG) funds may be used only for these services to the extent that other appropriate health services are unavailable within the community. Eligible treatment consists of assessing a program participant's health problems and developing a treatment plan; assisting program participants to understand their health needs; providing directly or assisting program participants to obtain appropriate medical treatment, preventive medical care, and health maintenance services, including emergency medical services; providing medication and follow-up services; and providing preventive and noncosmetic dental care.

(vi) *Legal services.* (A) Eligible costs are the hourly fees for legal advice and representation by attorneys licensed and in good standing with the bar association of the State in which the services are provided, and by person(s) under the supervision of the licensed attorney, regarding matters that interfere with the program participant's ability to obtain and retain housing.

(B) Emergency Solutions Grant (ESG) funds may be used only for these

services to the extent that other appropriate legal services are unavailable or inaccessible within the community.

(C) Eligible subject matters are child support, guardianship, paternity, emancipation, and legal separation, orders of protection and other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking, appeal of veterans and public benefit claim denials, and the resolution of outstanding criminal warrants.

(D) Component services or activities may include client intake, preparation of cases for trial, provision of legal advice, representation at hearings, and counseling.

(E) Fees based on the actual service performed (*i.e.*, fee for service) are also eligible, but only if the cost would be less than the cost of hourly fees. Filing fees and other necessary court costs are also eligible. If the subrecipient is a legal services provider and performs the services itself, the eligible costs are the subrecipient's employees' salaries and other costs necessary to perform the services.

(F) Legal services for immigration and citizenship matters and issues relating to mortgages are ineligible costs. Retainer fee arrangements and contingency fee arrangements are ineligible costs.

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

(viii) *Mental health services.* (A) Eligible costs are the direct outpatient treatment by licensed professionals of mental health conditions.

(B) ESG funds may only be used for these services to the extent that other appropriate mental health services are unavailable or inaccessible within the community.

(C) Mental health services are the application of therapeutic processes to personal, family, situational, or occupational problems in order to bring about positive resolution of the problem or improved individual or family functioning or circumstances. Problem areas may include family and marital

relationships, parent-child problems, or symptom management.

(D) Eligible treatment consists of crisis interventions; individual, family, or group therapy sessions; the prescription of psychotropic medications or explanations about the use and management of medications; and combinations of therapeutic approaches to address multiple problems.

(ix) *Substance abuse treatment services.* (A) Eligible substance abuse treatment services are designed to prevent, reduce, eliminate, or deter relapse of substance abuse or addictive behaviors and are provided by licensed or certified professionals.

(B) ESG funds may only be used for these services to the extent that other appropriate substance abuse treatment services are unavailable or inaccessible within the community.

(C) Eligible treatment consists of client intake and assessment, and outpatient treatment for up to 30 days. Group and individual counseling and drug testing are eligible costs. Inpatient detoxification and other inpatient drug or alcohol treatment are not eligible costs.

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

(A) The cost of a program participant's travel on public transportation;

(B) If service workers use their own vehicles, mileage allowance for service workers to visit program participants;

(C) The cost of purchasing or leasing a vehicle for the recipient or subrecipient in which staff transports program participants and/or staff serving program participants, and the cost of gas, insurance, taxes, and maintenance for the vehicle; and

(D) The travel costs of recipient or subrecipient staff to accompany or assist program participants to use public transportation.

(xi) *Services for special populations.* ESG funds may be used to provide services for homeless youth, victim services, and services for people living with HIV/AIDS, so long as the costs of providing these services are eligible under paragraphs (a)(1)(i) through (a)(1)(x) of this section. The term *victim services* means services that assist program participants who are victims of domestic violence, dating violence, sexual assault, or stalking, including services offered by rape crisis centers and domestic violence shelters, and other organizations with a documented

history of effective work concerning domestic violence, dating violence, sexual assault, or stalking.

(2) *Renovation.* Eligible costs include labor, materials, tools, and other costs for renovation (including major rehabilitation of an emergency shelter or conversion of a building into an emergency shelter). The emergency shelter must be owned by a government entity or private nonprofit organization.

(3) *Shelter operations.* Eligible costs are the costs of maintenance (including minor or routine repairs), rent, security, fuel, equipment, insurance, utilities, food, furnishings, and supplies necessary for the operation of the emergency shelter. Where no appropriate emergency shelter is available for a homeless family or individual, eligible costs may also include a hotel or motel voucher for that family or individual.

(4) *Assistance required under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA).* Eligible costs are the costs of providing URA assistance under § 576.408, including relocation payments and other assistance to persons displaced by a project assisted with ESG funds. Persons that receive URA assistance are not considered "program participants" for the purposes of this part, and relocation payments and other URA assistance are not considered "rental assistance" or "housing relocation and stabilization services" for the purposes of this part.

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

(c) *Minimum period of use.* (1) *Renovated buildings.* Each building renovated with ESG funds must be maintained as a shelter for homeless individuals and families for not less than a period of 3 or 10 years, depending on the type of renovation and the value of the building. The "value of the building" is the reasonable monetary value assigned to the building, such as the value assigned by an independent real estate appraiser. The minimum use period must begin on the date the building is first occupied by a homeless individual or family after the completed renovation. A minimum period of use of 10 years, required for major rehabilitation and conversion, must be enforced by a recorded deed or use restriction.

(i) *Major rehabilitation.* If the rehabilitation cost of an emergency



shelter exceeds 75 percent of the value of the building before rehabilitation, the minimum period of use is 10 years.

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

(iii) *Renovation other than major rehabilitation or conversion*. In all other cases where ESG funds are used for renovation, the minimum period of use is 3 years.

(2) *Essential services and shelter operations*. Where the recipient or subrecipient uses ESG funds solely for essential services or shelter operations, the recipient or subrecipient must provide services or shelter to homeless individuals and families at least for the period during which the ESG funds are provided. The recipient or subrecipient does not need to limit these services or shelter to a particular site or structure, so long as the site or structure serves the same type of persons originally served with the assistance (e.g., families with children, unaccompanied youth, disabled individuals, or victims of domestic violence) or serves homeless persons in the same area where the recipient or subrecipient originally provided the services or shelter.

(d) *Maintenance of effort*. The maintenance of effort requirements under § 576.101(c), which apply to the use of ESG funds for essential services related to street outreach, also apply for the use of such funds for essential services related to emergency shelter.

**§ 576.103 Homelessness prevention component.**

ESG funds may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance necessary to prevent an individual or family from moving into an emergency shelter or another place described in paragraph (1) of the "homeless" definition in § 576.2. This assistance, referred to as homelessness prevention, may be provided to individuals and families who meet the criteria under the "at risk of homelessness" definition, or who meet the criteria in paragraph (2), (3), or (4) of the "homeless" definition in § 576.2 and have an annual income below 30 percent of median family income for the area, as determined by HUD. The costs of homelessness prevention are only eligible to the extent that the assistance is necessary to help the program participant regain stability in the program participant's current permanent housing or move into other permanent housing and achieve stability in that housing. Homelessness

prevention must be provided in accordance with the housing relocation and stabilization services requirements in § 576.105, the short-term and medium-term rental assistance requirements in § 576.106, and the written standards and procedures established under § 576.400.

**§ 576.104 Rapid re-housing assistance component.**

ESG funds may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance as necessary to help a homeless individual or family move as quickly as possible into permanent housing and achieve stability in that housing. This assistance, referred to as rapid re-housing assistance, may be provided to program participants who meet the criteria under paragraph (1) of the "homeless" definition in § 576.2 or who meet the criteria under paragraph (4) of the "homeless" definition and live in an emergency shelter or other place described in paragraph (1) of the "homeless" definition. The rapid re-housing assistance must be provided in accordance with the housing relocation and stabilization services requirements in § 576.105, the short- and medium-term rental assistance requirements in § 576.106, and the written standards and procedures established under § 576.400.

**§ 576.105 Housing relocation and stabilization services.**

(a) *Financial assistance costs*. Subject to the general conditions under § 576.103 and § 576.104, ESG funds may be used to pay housing owners, utility companies, and other third parties for the following costs:

(1) *Rental application fees*. ESG funds may pay for the rental housing application fee that is charged by the owner to all applicants.

(2) *Security deposits*. ESG funds may pay for a security deposit that is equal to no more than 2 months' rent.

(3) *Last month's rent*. If necessary to obtain housing for a program participant, the last month's rent may be paid from ESG funds to the owner of that housing at the time the owner is paid the security deposit and the first month's rent. This assistance must not exceed one month's rent and must be included in calculating the program participant's total rental assistance, which cannot exceed 24 months during any 3-year period.

(4) *Utility deposits*. ESG funds may pay for a standard utility deposit required by the utility company for all customers for the utilities listed in paragraph (5) of this section.

(5) *Utility payments*. ESG funds may pay for up to 24 months of utility payments per program participant, per service, including up to 6 months of utility payments in arrears, per service. A partial payment of a utility bill counts as one month. This assistance may only be provided if the program participant or a member of the same household has an account in his or her name with a utility company or proof of responsibility to make utility payments. Eligible utility services are gas, electric, water, and sewage. No program participant shall receive more than 24 months of utility assistance within any 3-year period.

(6) *Moving costs*. ESG funds may pay for moving costs, such as truck rental or hiring a moving company. This assistance may include payment of temporary storage fees for up to 3 months, provided that the fees are accrued after the date the program participant begins receiving assistance under paragraph (b) of this section and before the program participant moves into permanent housing. Payment of temporary storage fees in arrears is not eligible.

(b) *Services costs*. Subject to the general restrictions under § 576.103 and § 576.104, ESG funds may be used to pay the costs of providing the following services:

(1) *Housing search and placement*. Services or activities necessary to assist program participants in locating, obtaining, and retaining suitable permanent housing, include the following:

(i) Assessment of housing barriers, needs, and preferences;

(ii) Development of an action plan for locating housing;

(iii) Housing search;

(iv) Outreach to and negotiation with owners;

(v) Assistance with submitting rental applications and understanding leases;

(vi) Assessment of housing for compliance with Emergency Solutions Grant (ESG) requirements for habitability, lead-based paint, and rent reasonableness;

(vii) Assistance with obtaining utilities and making moving arrangements; and

(viii) Tenant counseling.

(2) *Housing stability case management*. ESG funds may be used to pay cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing. This

assistance cannot exceed 30 days during the period the program participant is seeking permanent housing and cannot exceed 24 months during the period the program participant is living in permanent housing. Component services and activities consist of:

(A) Using the centralized or coordinated assessment system as required under § 576.400(d), to evaluate individuals and families applying for or receiving homelessness prevention or rapid re-housing assistance;

(B) Conducting the initial evaluation required under § 576.401(a), including verifying and documenting eligibility, for individuals and families applying for homelessness prevention or rapid re-housing assistance;

(C) Counseling;

(D) Developing, securing, and coordinating services and obtaining Federal, State, and local benefits;

(E) Monitoring and evaluating program participant progress;

(F) Providing information and referrals to other providers;

(G) Developing an individualized housing and service plan, including planning a path to permanent housing stability; and

(H) Conducting re-evaluations required under § 576.401(b).

(3) *Mediation.* ESG funds may pay 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.

(4) *Legal services.* ESG funds may pay for legal services, as set forth in § 576.102(a)(1)(vi), except that the eligible subject matters also include landlord/tenant matters, and the services must be necessary to resolve a legal problem that prohibits the program participant from obtaining permanent housing or will likely result in the program participant losing the permanent housing in which the program participant currently resides.

(5) *Credit repair.* ESG funds may pay for credit counseling and other services necessary to assist program participants with critical skills related to household budgeting, managing money, accessing a free personal credit report, and resolving personal credit problems. This assistance does not include the payment or modification of a debt.

(c) *Maximum amounts and periods of assistance.* The recipient may set a maximum dollar amount that a program participant may receive for each type of financial assistance under paragraph (a) of this section. The recipient may also

set a maximum period for which a program participant may receive any of the types of assistance or services under this section. However, except for housing stability case management, the total period for which any program participant may receive the services under paragraph (b) of this section must not exceed 24 months during any 3-year period. The limits on the assistance under this section apply to the total assistance an individual receives, either as an individual or as part of a family.

(d) *Use with other subsidies.* Financial assistance under paragraph (a) of this section cannot be provided to a program participant who is receiving the same type of assistance through other public sources or to a program participant who has been provided with replacement housing payments under the URA, during the period of time covered by the URA payments.

#### **§ 576.106 Short-term and medium-term rental assistance.**

(a) *General provisions.* Subject to the general conditions under § 576.103 and § 576.104, the recipient or subrecipient may provide a program participant with up to 24 months of rental assistance during any 3-year period. This assistance may be short-term rental assistance, medium-term rental assistance, payment of rental arrears, or any combination of this assistance.

(1) Short-term rental assistance is assistance for up to 3 months of rent.

(2) Medium-term rental assistance is assistance for more than 3 months but not more than 24 months of rent.

(3) Payment of rental arrears consists of a one-time payment for up to 6 months of rent in arrears, including any late fees on those arrears.

(4) Rental assistance may be tenant-based or project-based, as set forth in paragraphs (h) and (i) of this section.

(b) *Discretion to set caps and conditions.* Subject to the requirements of this section, the recipient may set a maximum amount or percentage of rental assistance that a program participant may receive, a maximum number of months that a program participant may receive rental assistance, or a maximum number of times that a program participant may receive rental assistance. The recipient may also require program participants to share in the costs of rent.

(c) *Use with other subsidies.* Except for a one-time payment of rental arrears on the tenant's portion of the rental payment, rental assistance cannot be provided to a program participant who is receiving tenant-based rental assistance, or living in a housing unit receiving project-based rental assistance

or operating assistance, through other public sources. Rental assistance may not be provided to a program participant who has been provided with replacement housing payments under the URA during the period of time covered by the URA payments.

(d) *Rent restrictions.* (1) Rental assistance cannot be provided unless the rent does not exceed the Fair Market Rent established by HUD, as provided under 24 CFR part 888, and complies with HUD's standard of rent reasonableness, as established under 24 CFR 982.507.

(2) For purposes of calculating rent under this section, the rent shall equal the sum of the total monthly rent for the unit, any fees required for occupancy under the lease (other than late fees and pet fees) and, if the tenant pays separately for utilities, the monthly allowance for utilities (excluding telephone) established by the public housing authority for the area in which the housing is located.

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

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

(g) *Lease.* Each program participant receiving rental assistance must have a legally binding, written lease for the rental unit, unless the assistance is solely for rental arrears. The lease must be between the owner and the program participant. Where the assistance is solely for rental arrears, an oral agreement may be accepted in place of a written lease, if the agreement gives the program participant an enforceable leasehold interest under state law and

the agreement and rent owed are sufficiently documented by the owner's financial records, rent ledgers, or canceled checks. For program participants living in housing with project-based rental assistance under paragraph (i) of this section, the lease must have an initial term of one year.

(h) *Tenant-based rental assistance.*

(1) A program participant who receives tenant-based rental assistance may select a housing unit in which to live and may move to another unit or building and continue to receive rental assistance, as long as the program participant continues to meet the program requirements.

(2) The recipient may require that all program participants live within a particular area for the period in which the rental assistance is provided.

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

(i) The program participant moves out of the housing unit for which the program participant has a lease;

(ii) The lease terminates and is not renewed; or

(iii) The program participant becomes ineligible to receive ESG rental assistance.

(i) *Project-based rental assistance.* If the recipient or subrecipient identifies a permanent housing unit that meets ESG requirements and becomes available before a program participant is identified to lease the unit, the recipient or subrecipient may enter into a rental assistance agreement with the owner to reserve the unit and subsidize its rent in accordance with the following requirements:

(1) The rental assistance agreement may cover one or more permanent housing units in the same building. Each unit covered by the rental assistance agreement ("assisted unit") may only be occupied by program participants, except as provided under paragraph (i)(4) of this section.

(2) The recipient or subrecipient may pay up to 100 percent of the first month's rent, provided that a program participant signs a lease and moves into the unit before the end of the month for which the first month's rent is paid. The rent paid before a program participant moves into the unit must not exceed the rent to be charged under the program participant's lease and must be included when determining that program participant's total rental assistance.

(3) The recipient or subrecipient may make monthly rental assistance payments only for each whole or partial month an assisted unit is leased to a program participant. When a program

participant moves out of an assisted unit, the recipient or subrecipient may pay the next month's rent, *i.e.*, the first month's rent for a new program participant, as provided in paragraph (i)(2) of this section.

(4) 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 recipient or subrecipient 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 recipient or subrecipient may resume payments if the individual or family again becomes eligible and needs further rental assistance. If the payments are terminated, the rental assistance may be transferred to another available unit in the same building, provided that the other unit meets all ESG requirements.

(5) The rental assistance agreement must have an initial term of one year. When a new program participant moves into an assisted unit, the term of the rental assistance agreement may be extended to cover the initial term of the program participant's lease. If the program participant's lease is renewed, the rental assistance agreement may be renewed or extended, as needed, up to the maximum number of months for which the program participant remains eligible. However, under no circumstances may the recipient or subrecipient commit ESG funds to be expended beyond the expenditure deadline in § 576.203 or commit funds for a future ESG grant before the grant is awarded.

(j) *Changes in household composition.* The limits on the assistance under this section apply to the total assistance an individual receives, either as an individual or as part of a family.

**§ 576.107 HMIS component.**

(a) *Eligible costs.*

(1) The recipient or subrecipient may use ESG funds to pay the costs of contributing data to the HMIS designated by the Continuum of Care for the area, including the costs of:

(i) Purchasing or leasing computer hardware;

(ii) Purchasing software or software licenses;

(iii) Purchasing or leasing equipment, including telephones, fax machines, and furniture;

(iv) Obtaining technical support;

(v) Leasing office space;

(vi) Paying charges for electricity, gas, water, phone service, and high-speed data transmission necessary to operate or contribute data to the HMIS;

(vii) Paying salaries for operating HMIS, including:

(A) Completing data entry;

(B) Monitoring and reviewing data quality;

(C) Completing data analysis;

(D) Reporting to the HMIS Lead;

(F) Training staff on using the HMIS or comparable database; and

(G) Implementing and complying with HMIS requirements;

(viii) Paying costs of staff to travel to and attend HUD-sponsored and HUD-approved training on HMIS and programs authorized by Title IV of the McKinney-Vento Homeless Assistance Act;

(ix) Paying staff travel costs to conduct intake; and

(x) Paying participation fees charged by the HMIS Lead, if the recipient or subrecipient is not the HMIS Lead. The HMIS Lead is the entity designated by the Continuum of Care to operate the area's HMIS.

(2) If the recipient is the HMIS lead agency, as designated by the Continuum of Care in the most recent fiscal year Continuum of Care Homeless Assistance Grants Competition, it may also use ESG funds to pay the costs of:

(i) Hosting and maintaining HMIS software or data;

(ii) Backing up, recovering, or repairing HMIS software or data;

(iii) Upgrading, customizing, and enhancing the HMIS;

(iv) Integrating and warehousing data, including development of a data warehouse for use in aggregating data from subrecipients using multiple software systems;

(v) Administering the system;

(vi) Reporting to providers, the Continuum of Care, and HUD; and

(vii) Conducting training on using the system or a comparable database, including traveling to the training.

(3) If the subrecipient is a victim services provider or a legal services provider, it may use ESG funds to establish and operate a comparable database that collects client-level data over time (*i.e.*, longitudinal data) and generates unduplicated aggregate reports based on the data. Information entered into a comparable database must not be entered directly into or provided to an HMIS.

(b) *General restrictions.* Activities funded under this section must comply with HUD's standards on participation, data collection, and reporting under a local HMIS.

**§ 576.108 Administrative activities.**

(a) *Eligible costs.* The recipient may use up to 7.5 percent of its ESG grant for the payment of administrative costs related to the planning and execution of ESG activities. This does not include staff and overhead costs directly related to carrying out activities eligible under § 576.101 through § 576.107, because those costs are eligible as part of those activities. Eligible administrative costs include:

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

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

- (A) Preparing program budgets and schedules, and amendments to those budgets and schedules;
- (B) Developing systems for assuring compliance with program requirements;
- (C) Developing interagency agreements and agreements with subrecipients and contractors to carry out program activities;
- (D) Monitoring program activities for progress and compliance with program requirements;
- (E) Preparing reports and other documents directly related to the program for submission to HUD;
- (F) Coordinating the resolution of audit and monitoring findings;
- (G) Evaluating program results against stated objectives; and
- (H) Managing or supervising persons whose primary responsibilities with regard to the program include such assignments as those described in paragraph (a)(1)(i)(A) through (G) of this section.

(ii) Travel costs incurred for monitoring of subrecipients;

(iii) Administrative services performed under third-party contracts or agreements, including general legal

services, accounting services, and audit services; and

(iv) Other costs for goods and services required for administration of the program, including rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance (but not purchase) of office space.

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

(3) *Consolidated plan.* Costs of preparing and amending the ESG and homelessness-related sections of the consolidated plan in accordance with ESG requirements and 24 CFR part 91.

(4) *Environmental review.* Costs of carrying out the environmental review responsibilities under § 576.407.

(b) *Sharing requirement.* (1) *States.* If the recipient is a State, the recipient must share its funds for administrative costs with its subrecipients that are units of general purpose local government. The amount shared must be reasonable under the circumstances. The recipient may share its funds for administrative costs with its subrecipients that are private nonprofit organizations.

(2) *Territories, metropolitan cities, and urban counties.* If the recipient is a territory, metropolitan city, or urban county, the recipient may share its funds for administrative costs with its subrecipients.

**§ 576.109 Indirect costs.**

(a) *In general.* ESG grant funds may be used to pay indirect costs in accordance with OMB Circular A-87 (2 CFR part 225), or A-122 (2 CFR part 230), as applicable.

(b) *Allocation.* Indirect costs may be allocated to each eligible activity under § 576.101 through § 576.108, so long as that allocation is consistent with an indirect cost rate proposal developed in accordance with OMB Circular A-87 (2 CFR part 225), or A-122 (2 CFR part 230), as applicable.

(c) *Expenditure limits.* The indirect costs charged to an activity subject to an expenditure limit under § 576.100 must be added to the direct costs charged for that activity when determining the total costs subject to the expenditure limit.

**Subpart C—Award and Use of Funds****§ 576.200 Submission requirements and grant approval.**

(a) *Application submission and approval.* In addition to meeting the application submission requirements in 24 CFR part 5, subpart K, each State, urban county, or metropolitan city must submit and obtain HUD approval of a

consolidated plan in accordance with the requirements in 24 CFR part 91, and each territory must submit and obtain HUD approval of a consolidated plan in accordance with the requirements that apply to local governments under 24 CFR part 91. As provided under 24 CFR 85.12, HUD may impose special conditions or restrictions on a grant, if the recipient is determined to be high risk.

(b) *Amendments.* The recipient must amend its approved consolidated plan in order to make a change in its allocation priorities; make a change in its method of distributing funds; carry out an activity not previously described in the plan; or change the purpose, scope, location, or beneficiaries of an activity. The amendment must be completed and submitted to HUD in accordance with the requirements under 24 CFR 91.505.

**§ 576.201 Matching requirement.**

(a) *Required amount of matching contributions.* (1) Except as provided under paragraphs (a)(2) and (a)(3) of this section, the recipient must make matching contributions to supplement the recipient's ESG program in an amount that equals the amount of ESG funds provided by HUD.

(2) If the recipient is a State, the first \$100,000 of the fiscal year grant is not required to be matched. However, the recipient must transfer the benefit of this exception to its subrecipients that are least capable of providing the recipient with matching contributions.

(3) This matching requirement does not apply if the recipient is a territory.

(b) *Eligible sources of matching contributions.* (1) Subject to the requirement for States under paragraph (a)(2) of this section, the recipient may require its subrecipients to make matching contributions consistent with this section to help meet the recipient's matching requirement.

(2) Matching contributions may be obtained from any source, including any Federal source other than the ESG program, as well as state, local, and private sources. However, the following requirements apply to matching contributions from a Federal source of funds:

(i) The recipient must ensure the laws governing any funds to be used as matching contributions do not prohibit those funds from being used to match Emergency Solutions Grant (ESG) funds.

(ii) If ESG funds are used to satisfy the matching requirements of another Federal program, then funding from that program may not be used to satisfy the matching requirements under this section.

(c) *Recognition of matching contributions.* (1) In order to meet the matching requirement, the matching contributions must meet all requirements that apply to the ESG funds provided by HUD, except for the expenditure limits in § 576.100.

(2) The matching contributions must be provided after the date that HUD signs the grant agreement.

(3) To count toward the required match for the recipient's fiscal year grant, cash contributions must be expended within the expenditure deadline in § 576.203, and noncash contributions must be made within the expenditure deadline in § 576.203.

(4) Contributions used to match a previous ESG grant may not be used to match a subsequent ESG grant.

(5) Contributions that have been or will be counted as satisfying a matching requirement of another Federal grant or award may not count as satisfying the matching requirement of this section.

(d) *Eligible types of matching contributions.* The matching requirement may be met by one or both of the following:

(1) *Cash contributions.* Cash expended for allowable costs, as defined in OMB Circulars A-87 (2 CFR part 225) and A-122 (2 CFR part 230), of the recipient or subrecipient.

(2) *Noncash contributions.* The value of any real property, equipment, goods, or services contributed to the recipient's or subrecipient's ESG program, provided that if the recipient or subrecipient had to pay for them with grant funds, the costs would have been allowable. Noncash contributions may also include the purchase value of any donated building.

(e) *Calculating the amount of noncash contributions.* (1) To determine the value of any donated material or building, or of any lease, the recipient must use a method reasonably calculated to establish the fair market value.

(2) Services provided by individuals must be valued at rates consistent with those ordinarily paid for similar work in the recipient's or subrecipient's organization. If the recipient or subrecipient does not have employees performing similar work, the rates must be consistent with those ordinarily paid by other employers for similar work in the same labor market.

(3) Some noncash contributions are real property, equipment, goods, or services that, if the recipient or subrecipient had to pay for them with grant funds, the payments would have been indirect costs. Matching credit for these contributions must be given only if the recipient or subrecipient has

established, along with its regular indirect cost rate, a special rate for allocating to individual projects or programs the value of those contributions.

(f) *Costs paid by program income.* Costs paid by program income shall count toward meeting the recipient's matching requirements, provided the costs are eligible ESG costs that supplement the recipient's ESG program.

#### § 576.202 Means of carrying out grant activities.

(a) *States.* If the recipient is a State, the recipient may use an amount consistent with the restrictions in § 576.100 and § 576.108 to carry out administrative activities through its employees or procurement contracts. If the recipient is a State, and has been identified as the HMIS lead by the Continuum of Care, the State may use funds to carry out HMIS activities set forth in § 576.107(a)(2). The recipient must subgrant the remaining funds in its fiscal year grant to:

(1) Units of general purpose local government in the State, which may include metropolitan cities and urban counties that receive ESG funds directly from HUD; or

(2) Private nonprofit organizations, provided that for emergency shelter activities the recipient obtains a certification of approval from the unit of general purpose local government for the geographic area in which those activities are to be carried out.

(b) *Recipients other than States; subrecipients.* The recipient, if it is not a State, and all subrecipients may carry out all eligible activities through their employees, procurement contracts, or subgrants to private nonprofit organizations. If the recipient is an urban county, it may carry out activities through any of its member governments, so long as the county applies to its members the same requirements that are applicable to local government subrecipients under this part.

#### § 576.203 Obligation, expenditure, and payment requirements.

(a) *Obligation of funds.* (1) *Funds allocated to States.* (i) Within 60 days from the date that HUD signs the grant agreement with the State (or grant amendment for reallocated funds), the recipient must obligate the entire grant, except the amount for its administrative costs. This requirement is met by a subgrant agreement with, or a letter of award requiring payment from the grant to, a subrecipient.

(ii) Within 120 days after the date that the State obligates its funds to a unit of

general purpose local government, the subrecipient must obligate all of those funds by a subgrant agreement with, or a letter of award requiring payment to, a private nonprofit organization; a procurement contract; or the written designation of a department within the government of the subrecipient to directly carry out an eligible activity.

(2) *Funds allocated to metropolitan cities, urban counties, and territories.* Within 180 days after the date that HUD signs the grant agreement (or a grant amendment for reallocation of funds) with the metropolitan city, urban county, or territory, the recipient must obligate all the grant amount, except the amount for its administrative costs. This requirement is met by an agreement with, or a letter of award requiring payment to, a subrecipient; a procurement contract; or a written designation of a department within the government of the recipient to directly carry out an eligible activity. If the recipient is an urban county, this requirement may also be met with an agreement with, or letter of award requiring payment to, a member government, which has designated a department to directly carry out an eligible activity.

(b) *Expenditures.* The recipient must draw down and expend funds from each year's grant not less than once during each quarter of the recipient's program year. All of the recipient's grant must be expended for eligible activity costs within 24 months after the date HUD signs the grant agreement with the recipient. For the purposes of this paragraph, expenditure means either an actual cash disbursement for a direct charge for a good or service or an indirect cost or the accrual of a direct charge for a good or service or an indirect cost.

(c) *Payments to subrecipients.* The recipient must pay each subrecipient for allowable costs within 30 days after receiving the subrecipient's complete payment request. This requirement also applies to each subrecipient that is a unit of general purpose local government.

#### Subpart D—Reallocations

##### § 576.300 In general.

(1) Funds not awarded by HUD due to failure by the recipient to submit and obtain HUD approval of a consolidated plan will be reallocated in accordance with §§ 576.301 through 576.303.

(2) Recaptured funds will be awarded by formula. In October and April each year, HUD will determine if the amount of recaptured funds is at least 30 percent of the most recent fiscal year

appropriation. If so, HUD will amend all existing grants and reallocate the funds. If the amount is less than 30 percent of the most recent fiscal year appropriation, the funds will be reallocated in conjunction with the next fiscal year's allocation of funding.

**§ 576.301 Metropolitan cities and urban counties.**

Grant funds returned by a metropolitan city or urban county will be reallocated as follows:

(a) *Eligible recipient.* HUD will make the funds available to the State in which the city or county is located.

(b) *Notification of availability.* HUD will promptly notify the State of the availability of the amounts to be reallocated.

(c) *Application requirement.* Within 45 days after the date of notification, the State must submit to HUD a substantial amendment to its consolidated plan in accordance with 24 CFR part 91.

(d) *Restrictions that apply to reallocated amounts.* The same requirements that apply to grant funds allocated under § 576.3 apply to grant funds reallocated under this section, except that the State must distribute the reallocated funds:

(1) To private nonprofit organizations and units of general purpose local government in the geographic area in which the metropolitan city or urban county is located;

(2) If funds remain, to private nonprofit organizations and units of general purpose local government located throughout the State.

**§ 576.302 States.**

Grant funds returned by a State will be reallocated as follows:

(a) *Eligible recipients.* HUD will make the funds available:

(1) To metropolitan cities and urban counties in the State that were not allocated funds under § 576.3 because the amount they would have been allocated did not meet the minimum requirement under § 576.3(b)(2);

(2) If funds remain, to county governments in the State other than urban counties;

(3) Then, if funds remain, to metropolitan cities and urban counties in the State that were allocated funds under § 576.3.

(b) *Notification of availability.* HUD will notify eligible recipients of the availability of the funds by a notification letter or **Federal Register** notice, which will specify how the awards of funds will be made.

(c) *Application requirements.* Within 45 days after the date of notification, the eligible recipient must submit to HUD:

(1) A substantial amendment to its approved consolidated plan in accordance with 24 CFR part 91; or

(2) If the eligible recipient does not have an approved consolidated plan, an abbreviated consolidated plan that meets the requirements in the **Federal Register** notice or notification letter from HUD.

(d) *Restrictions that apply to reallocated amounts.* The same requirements that apply to grant funds allocated under § 576.3 apply to grant funds reallocated under this section.

**§ 576.303 Territories.**

(a) *General.* Grant funds returned by a territory will be reallocated to other territories, then if funds remain, to States.

(b) *Allocation method.* The funds will be allocated as follows:

(1) For territories, the funds will be allocated among the territories in direct proportion with each territory's share of the total population of all of the eligible territories. If HUD determines that a territory failed to spend its funds in accordance with ESG requirements, then HUD may exclude the territory from the allocation of reallocation amounts under this section.

(2) For States, the funds will be allocated to each State in direct proportion with each State's share of the total amount of funds allocated to States under § 576.3.

(c) *Notification of availability.* HUD will notify eligible recipients of the availability of the fund by a letter or **Federal Register** notice, which will specify how the awards of funds will be made.

(d) *Application requirements.* Within 45 days after the date of notification, the eligible recipient must submit to HUD a substantial amendment to its consolidated plan in accordance with 24 CFR part 91.

(e) *Restrictions that apply to reallocated amounts.* The same requirements that apply to grant funds allocated under § 576.3 apply to grant funds reallocated under this section.

**Subpart E—Program Requirements**

**§ 576.400 Area-wide systems coordination requirements.**

(a) *Consultation with Continuums of Care.* The recipient must consult with each Continuum of Care that serves the recipient's jurisdiction in determining how to allocate ESG funds each program year; developing the performance standards for, and evaluating the outcomes of, projects and activities assisted by ESG funds; and developing funding, policies, and procedures for

the administration and operation of the HMIS.

(b) *Coordination with other targeted homeless services.* The recipient and its subrecipients must coordinate and integrate, to the maximum extent practicable, ESG-funded activities with other programs targeted to homeless people in the area covered by the Continuum of Care or area over which the services are coordinated to provide a strategic, community-wide system to prevent and end homelessness for that area. These programs include:

(1) Shelter Plus Care Program (24 CFR part 582);

(2) Supportive Housing Program (24 CFR part 583);

(3) Section 8 Moderate Rehabilitation Program for Single Room Occupancy Program for Homeless Individuals (24 CFR part 882);

(4) HUD—Veterans Affairs Supportive Housing (HUD—VASH) (division K, title II, Consolidated Appropriations Act, 2008, Pub. L. 110–161 (2007), 73 FR 25026 (May 6, 2008));

(5) Education for Homeless Children and Youth Grants for State and Local Activities (title VII–B of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 *et seq.*));

(6) Grants for the Benefit of Homeless Individuals (section 506 of the Public Health Services Act (42 U.S.C. 290aa–5));

(7) Healthcare for the Homeless (42 CFR part 51c);

(8) Programs for Runaway and Homeless Youth (Runaway and Homeless Youth Act (42 U.S.C. 5701 *et seq.*));

(9) Projects for Assistance in Transition from Homelessness (part C of title V of the Public Health Service Act (42 U.S.C. 290cc–21 *et seq.*));

(10) Services in Supportive Housing Grants (section 520A of the Public Health Service Act);

(11) Emergency Food and Shelter Program (title III of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11331 *et seq.*));

(12) Transitional Housing Assistance Grants for Victims of Sexual Assault, Domestic Violence, Dating Violence, and Stalking Program (section 40299 of the Violent Crime Control and Law Enforcement Act (42 U.S.C. 13975));

(13) Homeless Veterans Reintegration Program (section 5(a)(1) of the Homeless Veterans Comprehensive Assistance Act (38 U.S.C. 2021);

(14) Domiciliary Care for Homeless Veterans Program (38 U.S.C. 2043);

(15) VA Homeless Providers Grant and Per Diem Program (38 CFR part 61);

(16) Health Care for Homeless Veterans Program (38 U.S.C. 2031);



(17) Homeless Veterans Dental Program (38 U.S.C. 2062);

(18) Supportive Services for Veteran Families Program (38 CFR part 62); and

(19) Veteran Justice Outreach Initiative (38 U.S.C. 2031).

(c) *System and program coordination with mainstream resources.* The recipient and its subrecipients must coordinate and integrate, to the maximum extent practicable, ESG-funded activities with mainstream housing, health, social services, employment, education, and youth programs for which families and individuals at risk of homelessness and homeless individuals and families may be eligible. Examples of these programs include:

(1) Public housing programs assisted under section 9 of the U.S. Housing Act of 1937 (42 U.S.C. 1437g) (24 CFR parts 905, 968, and 990);

(2) Housing programs receiving tenant-based or project-based assistance under section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f) (respectively 24 CFR parts 982 and 983);

(3) Supportive Housing for Persons with Disabilities (Section 811) (24 CFR part 891);

(4) HOME Investment Partnerships Program (24 CFR part 92);

(5) Temporary Assistance for Needy Families (TANF) (45 CFR parts 260–265);

(6) Health Center Program (42 CFR part 51c);

(7) State Children's Health Insurance Program (42 CFR part 457);

(8) Head Start (45 CFR chapter XIII, subchapter B);

(9) Mental Health and Substance Abuse Block Grants (45 CFR part 96); and

(10) Services funded under the Workforce Investment Act (29 U.S.C. 2801 *et seq.*).

(d) *Centralized or coordinated assessment.* Once the Continuum of Care has developed a centralized assessment system or a coordinated assessment system in accordance with requirements to be established by HUD, each ESG-funded program or project within the Continuum of Care's area must use that assessment system. The recipient and subrecipient must work with the Continuum of Care to ensure the screening, assessment and referral of program participants are consistent with the written standards required by paragraph (e) of this section. A victim service provider may choose not to use the Continuum of Care's centralized or coordinated assessment system.

(e) *Written standards for providing ESG assistance.* (1) If the recipient is a metropolitan city, urban county, or

territory, the recipient must have written standards for providing Emergency Solutions Grant (ESG) assistance and must consistently apply those standards for all program participants. The recipient must describe these standards in its consolidated plan.

(2) If the recipient is a state:

(i) The recipient must establish and consistently apply, or require that its subrecipients establish and consistently apply, written standards for providing ESG assistance. If the written standards are established by the subrecipients, the recipient may require these written standards to be:

(A) Established for each area covered by a Continuum of Care or area over which the services are coordinated and followed by each subrecipient providing assistance in that area; or

(B) Established by each subrecipient and applied consistently within the subrecipient's program.

(ii) Written standards developed by the state must be included in the state's Consolidated Plan. If the written standards are developed by its subrecipients, the recipient must describe its requirements for the establishment and implementation of these standards in the state's Consolidated Plan.

(3) At a minimum these written standards must include:

(i) Standard policies and procedures for evaluating individuals' and families' eligibility for assistance under Emergency Solutions Grant (ESG);

(ii) Standards for targeting and providing essential services related to street outreach;

(iii) Policies and procedures for admission, diversion, referral, and discharge by emergency shelters assisted under ESG, including standards regarding length of stay, if any, and safeguards to meet the safety and shelter needs of special populations, *e.g.*, victims of domestic violence, dating violence, sexual assault, and stalking; and individuals and families who have the highest barriers to housing and are likely to be homeless the longest;

(iv) Policies and procedures for assessing, prioritizing, and reassessing individuals' and families' needs for essential services related to emergency shelter;

(v) Policies and procedures for coordination among emergency shelter providers, essential services providers, homelessness prevention, and rapid re-housing assistance providers; other homeless assistance providers; and mainstream service and housing providers (see § 576.400(b) and (c) for a list of programs with which ESG-funded

activities must be coordinated and integrated to the maximum extent practicable);

(vi) Policies and procedures for determining and prioritizing which eligible families and individuals will receive homelessness prevention assistance and which eligible families and individuals will receive rapid re-housing assistance;

(vii) Standards for determining what percentage or amount of rent and utilities costs each program participant must pay while receiving homelessness prevention or rapid re-housing assistance;

(viii) Standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time; and

(ix) Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide to a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the program participant receive assistance; or the maximum number of times the program participant may receive assistance.

(f) *Participation in HMIS.* The recipient must ensure that data on all persons served and all activities assisted under ESG are entered into the applicable community-wide HMIS in the area in which those persons and activities are located, or a comparable database, in accordance with HUD's standards on participation, data collection, and reporting under a local HMIS. If the subrecipient is a victim service provider or a legal services provider, it may use a comparable database that collects client-level data over time (*i.e.*, longitudinal data) and generates unduplicated aggregate reports based on the data. Information entered into a comparable database must not be entered directly into or provided to an HMIS.

**§ 576.401 Evaluation of program participant eligibility and needs.**

(a) *Evaluations.* The recipient or its subrecipient must conduct an initial evaluation to determine the eligibility of each individual or family's eligibility for ESG assistance and the amount and types of assistance the individual or family needs to regain stability in permanent housing. These evaluations must be conducted in accordance with the centralized or coordinated

assessment requirements set forth under § 576.400(d) and the written standards established under § 576.400(e).

(b) *Re-evaluations for homelessness prevention and rapid re-housing assistance.* (1) The recipient or subrecipient must re-evaluate the program participant's eligibility and the types and amounts of assistance the program participant needs not less than once every 3 months for program participants receiving homelessness prevention assistance, and not less than once annually for program participants receiving rapid re-housing assistance. At a minimum, each re-evaluation of eligibility must establish that:

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

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

(2) The recipient or subrecipient may require each program participant receiving homelessness prevention or rapid re-housing assistance to notify the recipient or subrecipient regarding changes in the program participant's income or other circumstances (e.g., changes in household composition) that affect the program participant's need for assistance under ESG. When notified of a relevant change, the recipient or subrecipient must re-evaluate the program participant's eligibility and the amount and types of assistance the program participant needs.

(c) *Annual income.* When determining the annual income of an individual or family, the recipient or subrecipient must use the standard for calculating annual income under 24 CFR 5.609.

(d) *Connecting program participants to mainstream and other resources.* The recipient and its subrecipients must assist each program participant, as needed, to obtain:

(1) 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

(2) Other Federal, State, local, and private assistance available to assist the program participant in obtaining housing stability, including:

(i) Medicaid (42 CFR chapter IV, subchapter C);

(ii) Supplemental Nutrition Assistance Program (7 CFR parts 271–283);

(iii) Women, Infants and Children (WIC) (7 CFR part 246);

(iv) Federal-State Unemployment Insurance Program (20 CFR parts 601–603, 606, 609, 614–617, 625, 640, 650);

(v) Social Security Disability Insurance (SSDI) (20 CFR part 404);

(vi) Supplemental Security Income (SSI) (20 CFR part 416);

(vii) Child and Adult Care Food Program (42 U.S.C. 1766(t) (7 CFR part 226));

(viii) Other assistance available under the programs listed in § 576.400(c).

(e) *Housing stability case management.* (1) While providing homelessness prevention or rapid re-housing assistance to a program participant, the recipient or subrecipient must:

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

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

(2) The recipient or subrecipient is exempt from the requirement under paragraph (e)(1)(i) of this section if the Violence Against Women Act of 1994 (42 U.S.C. 13701 *et seq.*) or the Family Violence Prevention and Services Act (42 U.S.C. 10401 *et seq.*) prohibits that recipient or subrecipient from making its shelter or housing conditional on the participant's acceptance of services.

#### § 576.402 Terminating assistance.

(a) *In general.* If a program participant violates program requirements, the recipient or subrecipient may terminate the assistance in accordance with a formal process established by the recipient or subrecipient that recognizes the rights of individuals affected. The recipient or subrecipient 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.

(b) *Program participants receiving rental assistance or housing relocation and stabilization services.* To terminate rental assistance or housing relocation and stabilization services to a program participant, the required formal process, at a minimum, must consist of:

(1) Written notice to the program participant containing a clear statement of the reasons for termination;

(2) A review of the decision, in which the program participant is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision; and

(3) Prompt written notice of the final decision to the program participant.

(c) *Ability to provide further assistance.* Termination under this section does not bar the recipient or subrecipient from providing further assistance at a later date to the same family or individual.

#### § 576.403 Shelter and housing standards.

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

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

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

(2) *Access.* The shelter must be accessible in accordance with Section 504 of the Rehabilitation Act (29 U.S.C. 794) and implementing regulations at 24 CFR part 8; the Fair Housing Act (42 U.S.C. 3601 *et seq.*) and implementing regulations at 24 CFR part 100; and Title II of the Americans with Disabilities Act (42 U.S.C. 12131 *et seq.*) and 28 CFR part 35; where applicable.

(3) *Space and security.* Except where the shelter is intended for day use only,