

**Tab 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@riversidedpss.org](mailto:rconcepc@riversidedpss.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://dpss.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: Path of Life Ministries

Mailing Address: P.O. Box 1445

City: Riverside State: CA Zip: 92502

Remit to Address: P.O. Box 1445

City: Riverside State: CA Zip: 92502

Phone # (951)786-9048 FAX # (951)786-9049

Contractor Website: [www.thepathoflife.com](http://www.thepathoflife.com)

Name: Damien O'Farrell Title: CEO

Signature:  Date: 8-31-2016

Email: [doffarrell@thepathoflife.com](mailto:doffarrell@thepathoflife.com)

Please Check  Disabled Veteran

**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:**

Path of Life Ministries

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

**BIDDER'S RESPONSE:**

See Attachment I

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:**

Path of Life is a 501c3 organization founded in 1998. The core values are spiritual, relational, personal excellence & fiscal responsibility. Our mission is to rescue, restore & rebuild lives. POLM has 11 programs currently: Community Shelter, Family Shelter, Cold Weather Shelter, Rapid Rehousing, Permanent Supportive Housing, Street Outreach, Behavioral Healthcare, Childcare, Rental Assistance, Employment Pipeline and Recuperative Care. It is our goal to help those we serve to build the tools necessary to access resources, learn new mindsets & practices required to thrive in our society as they obtain and maintain housing. The model of services is a holistic, community-involved system of care that brings stability, self-sufficiency & permanent housing to the homeless.

Homeless individuals and families are sought out to make recommendations & comments about program guidelines throughout the year in group sessions, exit surveys & employing the formerly homeless persons.

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**

POLM has 12 years of experience in serving the homeless in Riverside County. The agency operates 10 programs to serve the homeless. They are a community shelter, family shelter, cold weather shelter, rapid rehousing, permanent supportive housing, street outreach, behavioral health, childcare, rental assistance and an employment pipeline. In 2015-2016 POLM provided street outreach countywide placed 230 into shelter care, placed 36 from the shelter to housing, and 88 people went straight to housing from the streets. In 2015-2016 POLM provided shelter/housing to

1,369 people, 142,350 meals, placed 190 from the streets into housing, help 115 individuals find employment and saved our community over 21 million dollars in collateral costs to homelessness. POLM has had a 30% growth in programming/services to the homeless this past year and is looking to a 20% expansion of our housing and expanding our behavioral health and employment programs.

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

**BIDDER'S RESPONSE:**

a. POLM has over 12 years of receiving and operating projects with HUD funding. Examples: use of Community Development Block Grant (CDBG) funds for the Path of Life Community Homeless Shelter (129 beds), Emergency Solutions (ESG) dollars for the Community Homeless Shelter, FEMA Emergency Food and Shelter Program (EFSP) funding for the Community Homeless Shelter and Family Shelter (50 beds) and Continuum of Care (CoC) funding for Rapid Rehousing (13 units/38 beds), Permanent Supportive Housing (80 units/92 beds) and new 2016-2017 East County Rapid Rehousing.

POLM supports a Housing First model for all programs. All shelter programs include intake and case management with the goals of placement into housing as quickly as possible, employment and increase in income. The CoC Rapid Rehousing and Permanent Supportive Housing programs offer support to all participants without preconditions. Navigators are used to place the chronically homeless and families into homes and follow up with supportive services, advocating for residents, assisting with applications and transportation. Outreach and shelters refer housing clients to the POLM Housing Team and the VI-SPDAT is used to determine the clients housing need. The Outreach/Homeless Prevention program services mainly the City of Perris with the goal of expansion countywide and provides referrals, housing assessments with VI-SPDAT and placement into shelter and or rapid rehousing.

b. The performance reports are submitted quarterly and, or yearly. They include the Annual Progress Report for CoC projects, CDBG and ESG quarterly reports. All program data for all programs are entered into the Homeless Management Information System (HMIS).

c. In 2015-2016 POLM provided street outreach countywide placed 230 into shelter care and placed from the shelter to housing 36, and 88 people went straight from the streets to housing. Community Shelter that includes the Cold Weather program and the family shelter have been in operation for 12 years (2005 to present). In the program year 2015-2016 these three programs served 1,185 and provided 31,197 bed nights. The transitional housing program was in operation for 8 years (2007 – March 2015). In July 2015 POLM signed two CoC contracts to operate a Rapid Rehousing Project for families and a Permanent Supportive Housing Project for the chronically homeless. These two projects have placed 184 into housing in 2015-2016 with a 100% retention rate. Renewal applications have been submitted for the RRH PSH and East County RRH Projects. The East County RRH Project program year begins July 1, 2016.

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

9. 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. See attachment 2 for organizational chart.
- b. Path of Life Ministries has been in business for 18 years under the same name.
- c. Path of Life Ministries has served the homeless for 12 years.
- d. The company has 45 employees.
- e. Outreach staff is located at the POLM administrative office. In October 2016 the office will be located at 1240 Palmyrita Avenue, Suite A, Riverside, CA. The staff allocation for outreach is a housing director, 2 housing navigator and 2 outreach teams. Staffing also and the Chief Executive Officer, VP of Finance and Administration, VP Grants and Compliance and the Homeless Services Coordinator.

10. Provide your company's mission statement.

**BIDDER'S RESPONSE:**  
Enhance the social and economic vitality of our community and people by rescuing, restoring, and rebuilding lives of the homeless.

11. 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

12. 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:**  
None

13. 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

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

**BIDDER'S RESPONSE:**

None

15. 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:**

POLM uses Allied Information Resources (AIR) for all background checks for employees, subcontractors and volunteers. AIR conducts a comprehensive search – criminal conviction search by county and state; federal search by jurisdiction; national sex offender search; motor vehicle record/driving history and more. See attachment 3 for more information on AIR. If awarded a contract POLM can move to DOJ background checks if AIR does not meet the required standards.

**16. 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:** See Attachment

a) Victor Beecham, housing navigator who works with clients to find housing and arranges for housing placement. Experience 8 years.

b) Krysta Aguilar, outreach/homeless prevention team. The team is a mobile team that works countywide identifying the homeless and the need for housing. The team does an in-field assessment to determine housing needs. Experience 2 years.

c) Leonard Jarman, Assistant Director Homeless Services and is responsible for reporting, facility operations and HMIS. He has 12 years of experience.

The rest of the employees listed below provide services to the shelter residents, however, the expenses for these employees will be leveraged costs. No State ESG funds will be used to cover these employee's expenses

d) Kristii Mac Ewen, housing director who manages homeless prevention, rapid rehousing and permanent supportive housing. Experience 3 years

e) Damien O'Farrell, Chief Executive Officer and leads vision and planning of agency with the board of directors. He has 8 years of experience.

f) Vanessa Clark, VP of Finance and Administration with 10 years of experience in budget, accounts receivable/payable and contract management.

**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, bidders 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:**

See attachment 5

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

<input checked="" type="checkbox"/>	Emergency Shelter Facilities		Transitional Housing
	Vouchers for Shelters	<input checked="" type="checkbox"/>	Outreach
	Drop-In Center		Soup Kitchen/Meal Distribution
	Food Pantry		Health Care
<input checked="" type="checkbox"/>	Mental Health		HIV/AIDS Services
	Alcohol/Drug Program	<input checked="" type="checkbox"/>	Employment
<input checked="" type="checkbox"/>	Child Care	<input checked="" type="checkbox"/>	Homeless Prevention
<input checked="" type="checkbox"/>	Other(Please List) Rapid Rehousing and Permanent Supportive Housing		

Estimated number of people served for each activity:

19. **Residential Services**

Number Served:	Adults:	1,016
Number Served:	Children:	169
Total Number Served Yearly:	1,185	

**Non-residential Services**

Number Served:	167
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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:	230
Group/Large House:	
Scattered site Apartment:	124

<b>Single Family Detached House:</b>	
<b>Single Room Occupancy</b>	
<b>Mobile Home / Trailer:</b>	
<b>Hotel / Motel:</b>	
<b>Other:</b>	

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:**

To minimize barriers to housing access and ensure timely placement, Path of Life will receive referrals through Riverside County's Coordinated Entry System (CES). The CES uses a No Wrong Door approach in which homeless individuals who engage with any agency within the Riverside County CoC are entered into the system. This system ensures that every homeless individual is known by name, provides assistance based on the individual's unique needs, and matches them to the housing opportunity that will ensure long term placement.

The intake process for the outreach team starts with street engagement, then a motivational interview with using the VI-SPDAT assessment tool, and then is assigned a navigator who works with the client for appropriate housing placement along side a POLM Achievement Coach. All intakes into POLM programs include an intake profile that is entered into the Homeless Management Information System (HMIS).

The outreach team is out in varies parts of the county Monday through Fridays. POLM operates a housing hotline number (951-462-9822) and email address (hotline@thepathoflife.com) through which those seeking entry to its programs can gain fast information about program availability and/or make appointments for enrollment or eligibility assessments.

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	_____	_____
24 Hrs. Non-Referral Drop In Center	_____	_____
Referral Only Overnight Shelter	_____	_____
Non-Referral Overnight Shelter	<u>  X  </u>	<u>  1,185  </u>
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:**

The outreach/homeless staffing for two teams includes a 1 housing director, 2 housing navigator and 4 homeless prevention/outreach navigators. The client staff ratio is 1 to 30. Volunteers help with outreach in the mobile van, aid those being placed into housing with help moving and providing household furnishings. There are about 5 who volunteer with the outreach/homeless prevention program.

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/186 Total number served/437 exited**

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:**

The shelter Case Outreach/Homeless Prevention staff contact those placed into housing after two months & then six months of their exit/graduation from the program. Our non-HUD funded wraparound services, such as the mobile mental health program & employment pipeline, may continue to provide support even beyond those additional six months. Client's feedback is obtained via an exit interview & formal follow-up process is being developed. We often invite past-clients to share their stories & experiences with those still struggling & any Guest/Client may apply for employment six months after they have exited

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:**

Outreach/Homeless Prevention takes place throughout the County of Riverside in a mobile van equipped with wifi, computers, cell phone and other supplies needed for outreach and housing assessments. Those placed into stable housing receive housing from POLM scattered sites and HUD approved apartments.

Those identified as needing bridge housing/emergency shelter as stable housing is arranged stay in the POLM barrack type shelter facility which has three main rooms (separate dorm, bathroom, and shower areas for men and women and a common dinning area), case management offices. There is parking as needed for guests at the shelter. The shelter has a capacity of 64 beds for the year round program which ESG funding would be used for and 65 additional beds during the cold weather shelter (December – April). There is no room to additional beds in the facility per the fire marshal and our conditional use permit. Transportation to shelter care is provided by the POLM Outreach Team.

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

**BIDDER'S RESPONSE:**

An estimated 180 will be served countywide.

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

**IDENTIFY COMMITTED SOURCES OF MATCHING FUNDING**

*(Attach documentation)*

See Attachment 7

<u>Funding Source</u>	<u>Amount of Funds</u>	<u>Date Funds Available</u>
Permanent Supportive Housing	\$1,314,354.00	July 1, 2016

**Tab 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:**

None

**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. See Attachment 6

**CERTIFICATIONS**

I, Damien O'Farrell, a duly authorized agent of Path of Life Ministries,  
Printed Name of Agent/Officer Name of Organization  
hereby certify that Path of Life Ministries 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 D. Farrell Date 8-31-2016

Title of Agent/Officer Damien O'Farrell, CEO

**Tab 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:**

The proposed Outreach project will engage the homeless on the streets of Riverside County with immediate services. There will be 2 mobile outreach teams of two case managers/navigators, who will travel about the county 4 days a week connecting with the homeless and those who might be homeless to provide stabilization, supportive services referrals, shelter options, Rapid Rehousing (RRH) and Permanent Supportive Housing (PSH) for families or individuals who are at risk of homelessness, or homeless.

The mobile outreach teams each consists of two people for safety as they travel about the County of Riverside connecting with the homeless at parks, transportation centers, faith-based feeding programs, encampments and other identified locations. The services provided will be:

- The outreach teams will be in various locations of the County for 30 hours a week with a van to travel to sites where they can meet up with the homeless, build trust, and address the needs of the homeless who express the desire for support. The other 10 hours will be used for travel to shelter, housing navigation for the homeless and administrative reports.
- The outreach team will offer case management services to the homeless and begin the case management process with an assessment survey to determine the cause of homelessness and the barriers to overcoming homelessness. In addition, a VI-SPDAT assessment will be conducted to determine permanent housing need (Rapid Rehousing (RRH) or Permanent Supportive Housing (PSH)).
- A case plan will be established with referrals as needed and the offer of shelter with POLM through shelter bed night vouchers, transportation vouchers and for those who qualify for RRH or PSH.
- The outreach teams will have a card/flyer (by regions of the County) to handout listing services by name; phone number and street address as a referral tool to groups as such veterans' services, social security administration, workforce investment office, County departments such as Public Social Services and Mental Health.
- The outreach teams will have cell phones and business cards with a hotline phone number for services to those they have encountered or to aid city entries with questions and services that POLM might be able to assist them with.

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:**

In partnership with DPSS, case management is a collaborative process that assesses, plans, implements, coordinates, monitors, and evaluates the options and services required to meet the client's health and human service needs holistically. It is characterized by advocacy, communication, resource management and dedication. In addition, it promotes quality and cost-effective interventions and outcomes that focus on housing stability, placement, and long term success.

A meeting with a navigator is required in order to receive RRH assistance, although it is not necessarily the first step. Some participants may have first engaged with Path of Life through the hotline, outreach or shelter before being referred via the CES.

Those engaged on the streets follow a case management process in-house if they first go to a POLM shelter. The process is: The outreach team offers case management services to the homeless and begins the case management process with an assessment survey to determine the cause of homelessness and the barriers to overcoming homelessness. In addition, a VI-SPDAT assessment is conducted to determine permanent housing need (Rapid Rehousing (RRH) or Permanent Supportive Housing (PSH). A case plan is established with referrals as needed and the offer of shelter with POLM through shelter bed night vouchers, transportation vouchers and for those who qualify for RRH or PSH.

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:**

Path of Life founded and partners with Health to Hope, and Federally Qualified Health Care (FQHC) provider with 2 fixed-site clinics (one of which is adjacent to our Emergency Shelter) and 2 mobile medical units. Most of the client's medical needs can be addressed at this site, and those that cannot will be addressed at a follow up location through an expedited referral process that is possible through our with mainstream services and community partners.

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:**

Path of Life has a mobile behavioral health team which is regularly deployed to the field to provide treatment, resources as well as diagnosis to facilitate SOAR applications and Permanent Supportive Housing qualifications. We also partner with the Department of Mental Health's HHOPE (homeless outreach team) to co-navigate clients experiencing homelessness who also need deeper behavioral health services.

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:**

Path of Life Outreach Teams travel in company economy sized vans providing outreach throughout Riverside County. The teams provide transportation for many client needs, including doctor's appointments, DMV and Social Security trips, housing and supportive services appointments, and even trips to the shelter. In some cases we provide vouchers for bus passes to compliment our company provided transportation.

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:**

The prevalence of traumatic stress in the lives of families experiencing homelessness is extraordinarily high. Often these families have experienced on-going trauma in the form of childhood abuse and neglect, family disruption, domestic violence, community violence, involvement with the foster care system, and the trauma associated with the loss of home, safety and sense of security. Ongoing exposure to traumatic stress, particularly exposure from a younger age, can impact all aspects of people's lives, including physiological, emotional, and cognitive functioning; social interactions/relationships; and identity formation (Trauma Informed Care).

Path of Life is committed to providing Trauma Informed Care (TIC) which recognizes both past traumatic events/potential triggers and the strengths and assets of the survivor. Path of Life will mitigate further trauma whenever possible by providing safety, consistency and support to keep families together. Path of Life has years of experience walking beside special populations including Chronically Homeless, Veterans, Transitionally Aged Youth, those fleeing domestic violence, people living with HIV/AIDS, persons with criminal backgrounds and anyone previously determined "service resistant" by partner agencies. With empathetic and knowledgeable employees that carry their own valuable life experiences, we at Path of Life are able to build relationships and serve even the hardest to reach individuals.

**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:**

N/A

**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:**

N/A

**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:**

N/A

**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:**

N/A

**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**

**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:	City of Riverside. Note this agency maybe partaking in the RFP. If so please let us know and we will provide another reference.
Address:	3900 Main St. Riverside, CA 92522
Contact person:	Michelle Davis
Email address:	MDavis@Riversideca.gov
Telephone address:	951-826-5311
Project name:	Community Shelter
Dates worked performed:	2015-2016
Summary of scope of services:	Emergency Shelter to homeless individuals, providing beds, case management and other supportive services.
Project cost:	CDBG \$125,000 and ESG \$55,000

Reference 2	
Company name:	City of Perris
Address:	101 N. "D" Street
Contact person:	Sara Cortes dePavon
Email address:	SCortes@cityofperris.org
Telephone address:	951-943-6100
Project name:	Street Outreach
Dates worked performed:	2014-2015 and 2015-2016
Summary of scope of services:	Street Outreach that includes case management and supportive services
Project cost:	\$30,000 and \$36,000

Reference 3	
Company name:	Riverside County Economic Development Agency
Address:	P.O. Box 1180, Riverside, CA 92505
Contact person:	Sterlon Sims
Email address:	SSims@rivcoeda.gov

Telephone address:	951-955-3141
Project name:	Community Shelter
Dates worked performed:	2014-2015 and 2015-2016
Summary of scope of services:	Emergency Shelter to homeless individuals, providing beds, case management and other supportive services.
Project cost:	ESG - 2014-2015 \$50,000 and 2015-2016 \$55,000

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: See Attachment 8 – Funding History**

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

**BIDDER'S RESPONSE: None**

**Tab G Bidder Attachment**

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 as the example shows below:

**Below is an example:**

**Tab D Company Profile**

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. Business name and legal business status (i.e. partnership, corporation, etc.)

**BIDDER'S RESPONSE:** Located in "Attachment 1"

2. Proof of non-profit status, if applicable

**BIDDER'S RESPONSE:** Located in "Attachment 2"

**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	1FTE	\$20,000	\$20,000	\$40,000	1 FTE @ \$12 hr for 18 months with 18% fringe
TRAINING AND OVERHEAD-TECHNICAL SUPPORT, LEASING SPACE, AND UTILITIES FOR SPACE USED BY HMIS STAFF					
		\$20,000	\$20,000	\$40,000	
<b>STREET OUTREACH (SO)</b> Unsheltered individuals and families, meaning those who qualify under the definition of "homeless."					
ENGAGEMENT		\$3,000	\$3,000	\$6,000	Outreach Supplies, Printed Materials, water, hygiene items
DIRECT STAFF SALARIES	3.1 FTE	\$138,673.60	\$138,673.60	\$277,347.20	2 FTE- OR Navig @ \$16 hr/18 months with 18% fringe 0.6 FTE OR Navig Supervisor@ \$20hr/18 months with 18% fringe, 0.5 FTE RSS II Hotline Staff @ \$13/hour 18 months with 18% fringe
CASE MANAGEMENT		\$5,776.40	\$5,776.40	\$11,552.80	Cell phones, Office Supplies, Case Management Software
EMERGENCY HEALTH SERVICES		\$5,000	\$5,000	\$10,000	Detox, prescriptions, CPR training, TB testing and First Aid Supplies
EMERGENCY MENTAL SERVICES		\$5,000	\$5,000	\$10,000	Behavioral Health Intervention Services and supplies for Tele-Mental Health Triage
TRANSPORTATION		\$22,550.00	\$22,550.00	\$45,100.00	The transportation line item at \$22,550 is comprised of vehicle insurance at \$2,000, maintenance & repairs estimated at \$3,000 over 18 months and gasoline calculated at 150 miles per day over 18 months at 15 gallons per day at \$3.00 per gallon for \$17,550.
SERVICES TO SPECIAL POPULATION					
		\$180,000	\$180,000	\$360,000	
<b>EMERGENCY SHELTER (ES)</b> Individuals and families who are experiencing homelessness.					

TRANSPORTATION					
DIRECT STAFF SALARIES					
EQUIPMENT/FURNITURE/HOUSEHOLD SUPPLIES					
REPAIR/MAINTENANCE SUPPLIES					
FOOD					
UTILITIES					
REHABILITATION AND RENOVATION (MAX \$5,000)					
INITIAL RENT					
DIRECT STAFF SALARIES					
PAYMENTS IN ARREARS					
UTILITY ASSISTANCE					
<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>					
INITIAL RENT					
UTILITY ASSISTANCE					
SERVICES					
		\$200,000	\$200,000	\$400,000	



**H-2 Budget Narrative**

In the space below please detail the budget narrative:

**BIDDER'S RESPONSE:**  
Direct Staff Salaries include 1 FTE for HMIS at \$12/hour for 18 months plus 18% fringe which includes employer taxes, worker's compensation insurance, vacation and sick pay and the employer's portion of health and dental benefits totaling \$44,179 (Maximum amount allowable at 10% is \$20,000), 2 FTE's (Outreach Navigators) at \$16/hour for 18 months plus 18% fringe which includes employer taxes, worker's compensation insurance, vacation and sick pay and the employer's portion of health and dental benefits totaling \$78,540.80, a 0.6 FTE case management supervisor at \$20/hour for 18 months plus 18% fringe which includes employer taxes, worker's compensation insurance, vacation and sick pay and the employer's portion of health and dental benefits totaling \$44,179 and a 0.5 FTE RSS II – Hotline Staff at \$13/hour for 18 months plus 18% fringe which includes employer taxes, worker's compensation insurance, vacation and sick pay and the employer's portion of health and dental benefits totaling \$15,953.60. The transportation line item at \$22,550 is comprised of vehicle insurance at \$2,000, maintenance & repairs estimated at \$3,000 over 18 months and gasoline calculated at 150 miles per day over 18 months at 15 gallons per day at \$3.00 per gallon for \$17,550. Engagement services providing outreach supplies, printed materials, water and hygiene items at \$3,000. Case Management services and supplies including cell phones, office supplies and case management software at \$5,776.40. Emergency Health Services Providing detox, prescriptions, CPR training, TB Testing and First Aid supplies. Emergency Mental Health Services providing Behavioral Health Intervention Services and supplies for Tele-Mental Health Triage.

**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:**  
Path of Life Ministries (POLM) maintains internal controls as prescribed by Generally Accepted Accounting Principles (GAAP) and are set forth in the POLM Financial Policy and Procedure Handbook. These controls include but are not limited to: separation of accounts receivables (AR) and accounts payables (AP); two or more persons in the review and sign-off of receivables, payables, and payroll; and, two signatures required for checks over \$500. The Handbook also sets forth procedures for our purchasing process which requires multiple unique approvals from requisition through payment. POLM utilizes QuickBooks Premier 2015 for Nonprofits software to manage and track AR/AP/payroll, track expenditures by grant source, perform cost allocations, produce cost allocation reports by program and/or funding source, as well as to provide monthly financial reports for our Board of Directors, current funders, and grant submissions. Paychex is utilized as our outside payroll and tax service provider to ensure accurate and timely payroll tax submission. POLM retains an independent Certified Public Accountant (CPA), David Raff & Company CPA-Financial Services, to perform external monthly transaction analysis and general ledger closing. The current CPA firm is Roorda, Piquet, and Bessee, Inc and conducts the single audit as prescribed by 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

**CERTIFICATIONS**

I, Damien O'Farrell, a duly authorized agent of Path of Life Ministries  
Printed Name of Agent/Officer Name of Organization  
hereby certify that Path of Life Ministries 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 D E 11 Date 8-31-2016  
Title of Agent/Officer Damien O'Farrell, CEO

**Tab I 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.



INTERNAL REVENUE SERVICE  
DISTRICT DIRECTOR  
P. O. BOX 2508  
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: SEP 25 1998

Employer Identification Number:  
33-0724945

DLN:  
17053240030008

Contact Person:  
D. A. DOWNING  
Contact Telephone Number:  
(513) 241-5199

Accounting Period Ending:  
December 31

Form 990 Required:  
No

Addendum Applies:  
No

Path of Life Ministries  
3340 Durahart St  
Riverside, CA 92507  
c/o Eduardo G Sanchez  
500 Citadel Ste. 200  
Los Angeles, CA 90040

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in sections 509(a)(1) and 170(b)(1)(A)(i).

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. This does not apply, however, if you make or have made a timely election under section 3121(w) of the Code to be exempt from such tax. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, if you are involved in an excess benefit transaction, that transaction might be subject to the excise taxes of section 4958. Additionally, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please contact your key district office.

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or

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PATH OF LIFE MINISTRIES

she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of Code sections 2055, 2106, and 2522.

Contribution deductions are allowable to donors only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. See Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, which sets forth guidelines regarding the deductibility, as charitable contributions, of payments made by taxpayers for admission to or other participation in fundraising activities for charity.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$20 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$10,000 or 5 percent of your gross receipts for the year, whichever is less. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete, so be sure your return is complete before you file it.

You are required to make your annual return available for public inspection for three years after the return is due. You are also required to make available a copy of your exemption application, any supporting documents, and this exemption letter. Failure to make these documents available for public inspection may subject you to a penalty of \$20 per day for each day there is a failure to comply (up to a maximum of \$10,000 in the case of an annual return).

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unre-

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PATH OF LIFE MINISTRIES

lated trade or business as defined in section 513 of the Code.

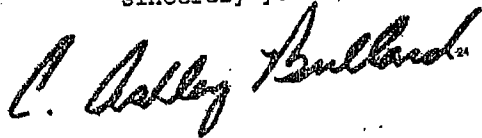
You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

If we have indicated in the heading of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

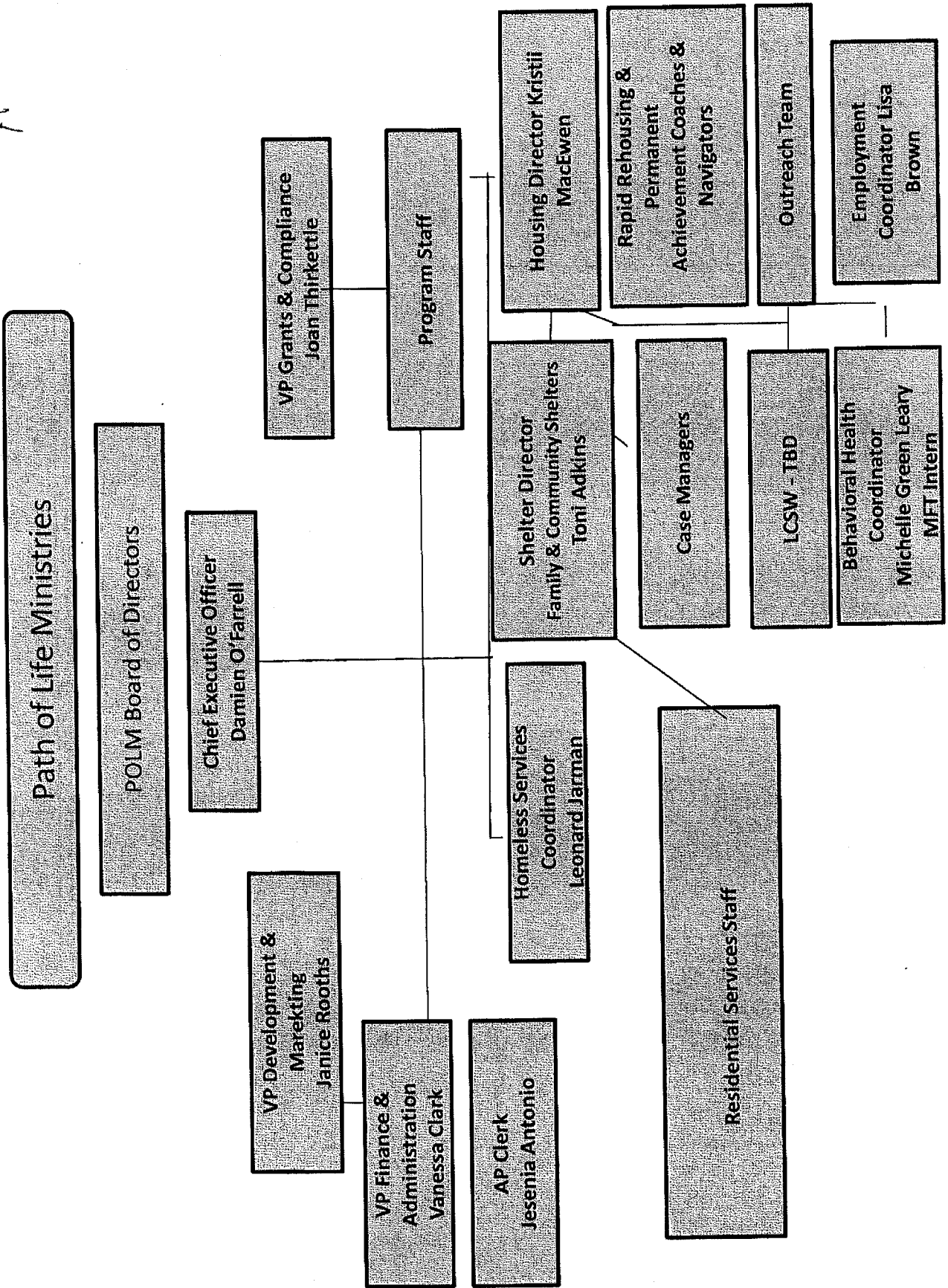
If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,



District Director

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Allied Information Resource is about partnering with you. We have created systems for clients with infrequent background requests to those with more complex screening needs locally and/or nationally. You can breathe easy knowing that you have a partner with your best interest at the top of their to do list. Our founders have a combined 50 plus years experience in Human Resources. We understand the complexity and share responsibility in ensuring our clients receive the most accurate information available in a feverishly fast paced environment. By understanding your screening needs and the background screening industry, AIR can build tailored programs to fulfill your background screening requirements. We have integrated several key facets into our programs to meet the demands of the Human Resource needs of a diverse environment:

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- Customer-focused services
  - Ultimate customization of products and services
- State-of-the-art technology systems
  - Flexible reporting and invoicing capabilities
  - Easy-to-use and quick on-line request submittals
  - 24 hour availability
- Integrity of information reported
  - Personal court searches to ensure accuracy
  - Product blends to expand and catch hard to find and obscure records
- Timely response
  - Commitment of 24-72 hour response time on all orders when available
- Market awareness
  - Abreast of changes in laws that will impact our business
- Regular communication with clients
  - Update clients on any changes in the marketplace or laws that will affect their business

Discuss our services and become a client of Allied Information Resource, Inc. by contacting us at **1-760-730-1329** or **1-800-710-AIR1** or email us at [sales@alliedinformationresource.com](mailto:sales@alliedinformationresource.com).

We look forward to joining your family and doing business with you!

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This Privacy Notice discloses the privacy practices for [www.alliedinformationresource.com](http://www.alliedinformationresource.com). We do not collect information on our web site. However, any information that you provide to us via e-mail will not be retained or shared with any third party. If you feel that we are not abiding by this privacy policy, you should contact us immediately via telephone at **(760) 730-1329** or via e-mail at [webmaster@alliedinformationresource.com](mailto:webmaster@alliedinformationresource.com).

## RSS Feeds

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## Services

Looking into an applicant's history can help provide a clearer picture of how they are going to fit into your environment. It also assists your company in completing its due diligence in the screening process. These investigations into an applicant's history can help avoid future issues such as theft, fraud or violence.

AIR provides a wide variety of screening services to assist you in making the best hiring decisions possible. These options include:

**Criminal Searches**

**Verifications/References**

**Credit/Civil/Public Records**

**Urinary Drug Screening & Other Services**

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A-4

Job Title: Case Manger
Location: Shelter
Department: 300
Reports To: Program Director



**Position Overview**

Path of Life Ministries' (POLM's) Service Coaches are responsible for working with clients (street outreach, shelter guests and/or others enrolled in POLM programs) to assess the client's assets and needs, and assist the client in developing and monitoring the following:

- an individual action plan leading toward self-sufficiency (with help of street outreach navigator),
- short and long term goals leading toward and beyond the successful completion of that action plan,
- the tools and/or resources and support systems leading toward and beyond the successful completion of that action plan

In the process of assisting the clients in these areas, the role of a service coach is to be an advocate, encourager, and resource in the life of the client. Through their relationship with the client, the service coach will also be helping their client surface, identify, and address unhelpful habits and modes of operation and/or thinking that are causing or would cause dysfunction in the life of the client and keep that client from reaching and maintaining self-sufficiency and/or place or keep them and their family in a cycle of poverty, instability, dependency, and/or homelessness.

**Essential Job Functions**

- **Maintains Excellent Client Files**
  - Tracks Documented Progress and Referrals
  - Verifies Intake information is complete and accurate and action plan activities run according to program policies and grant guidelines.
  - Completes all data collection, HMIS database entry and Reports for City, County and other grant related requirements in a timely manner
- **Performs all client assessments.**
  - Develops an Individual Action Plan with each client and monitors the Plan weekly.
  - Provides Encouragement and Assists clients in attaining and/or addressing the following:
    - Employment, Permanent Housing, Medical/Mental Health Concerns, Federal, State and/or Local mainstream benefit assistance, Personal Identification, Counseling/Referrals/Workshops to address Life Skills, Legal Aid, substance abuse issues, and other necessary services that lead client to self-sufficiency (not an all inclusive list)
- **Supports Resident Staff and Programs**
  - Supports staff in enforcing program rules and regulations.
  - Attends company case management and operations meetings as well as other outside meetings that relate to job responsibility when requested and/or approved.
  - Does street outreach with Outreach Navigator.
- **Other duties as assigned**

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**NOTE:** This job description is not intended to be all-inclusive. Employee may perform other related duties as negotiated to meet the ongoing needs of the organization.

## DUTY STATEMENT

Job Title: Case Manger
Location: Shelter/Mobile
Department: Shelter
Reports To: Program Director



### Position Overview

Path of Life Ministries' (POLM's) Service Coaches are responsible for working with clients (street outreach, shelter guests and/or others enrolled in POLM programs) to assess the client's assets and needs, and assist the client in developing and monitoring the following:

- an individual action plan leading toward self-sufficiency (with help of street outreach navigator),
- short and long term goals leading toward and beyond the successful completion of that action plan,
- the tools and/or resources and support systems leading toward and beyond the successful completion of that action plan.

In the process of assisting the clients in these areas, the role of a service coach is to be an advocate, encourager, and resource in the life of the client. Through their relationship with the client, the service coach will also be helping their client surface, identify, and address unhelpful habits and modes of operation and/or thinking that are causing or would cause dysfunction in the life of the client and keep that client from reaching and maintaining self-sufficiency and/or place or keep them and their family in a cycle of poverty, instability, dependency, and/or homelessness.

### Essential Job Functions

- **Maintains Excellent Client Files**
  - Tracks Documented Progress and Referrals
  - Verifies Intake Information is complete and accurate and action plan activities run according to program policies and grant guidelines.
  - Completes all data collection, HMIS database entry and Reports for City, County and other grant related requirements in a timely manner
- **Performs all client assessments.**
  - Develops an Individual Action Plan with each client and monitors the Plan weekly.
  - Provides Encouragement and Assists clients in attaining and/or addressing the following:
    - Employment, Permanent Housing, Medical/Mental Health Concerns, Federal, State and/or Local mainstream benefit assistance, Personal Identification, Counseling/Referrals/Workshops to address Life Skills, Legal Aid, substance abuse issues, and other necessary services that lead client to self-sufficiency (not an all inclusive list)
- **Supports Resident Staff and Programs**
  - Supports staff in enforcing program rules and regulations.
  - Attends company case management and operations meetings as well as other outside meetings that relate to job responsibility when requested and/or approved.
  - Does street outreach with Outreach Navigator.
- **Other duties as assigned**

NOTE: This job description is not intended to be all-inclusive. Employee may perform other related duties as negotiated to meet the ongoing needs of the organization.



A4

Job Title: Assistant Director of Homeless Services
Location:
Department:
Reports To: Vice President of Operations

**Position Overview:**

The Assistant Director of Homeless Services provides oversight, management, and administrative support for all POLM residential programs (shelters and transitional housing program), ensuring the effective and efficient delivery of services, policy and procedure compliance, reporting, and documentation of all programs, as well as the proper training, scheduling, and management of staff, and the proper maintenance and upkeep of facilities.

**Essential Job Functions**

**1. Program Oversight and Management**

- Work with superiors to give oversight, direction, and assistance to Residential Directors according to Residential Director Job Description.

The ADHS is the first point of contact for RD's when they have questions, concerns, suggestions, need guidance and advice, or want to run an idea by a superior.

When an RD contacts the ADHS, the ADHS should gain a complete understanding of the topic at hand and advise the RD, ensuring that the proper VP is notified in writing if there is a potential issue or if an adjustment in policy or procedure is made.

In the case that the ADHS does not have the authority or needs assistance or direction to advise the RD, it is the responsibility of the ADHS to make contact with the appropriate VP and seek that assistance or direction, and then implement the agreed upon course of action.

When contacting a VP for direction, advice, or potential idea, the ADHS should provide him or her with detailed and organized information and a suggested solution if at all possible.

- Ensure the effective scheduling and delivery of onsite workshops and group activities.

The ADHS will work directly with the VPO to schedule, monitor, and track the delivery of workshops and other group activities at the sites.

When the ADHS becomes aware of a new potential resource for workshops or group activities, the ADHS will collect all necessary information regarding the resource or group and work with the VPO to implement the delivery of the resource at the sites.

When the ADHS becomes aware of a resource or activity need at one of the sites, the ADHS will catalogue the need and work with the VPO and VPPO to identify resources to meet that need.

The ADHS will be responsible for maintaining and updating the Activity Calendar for each site, and working closely with the RD's to ensure that activities are being administered and monitored effectively.

- Audit files and HMIS Input for proper documentation and program compliance and tracking. This includes the program compliance audits and the quality assurance Audits.

The ADHS will work directly with the VPPO in establishing, implementing, and maintaining regular file and HMIS audits and the tracking of outcomes as they are related to the files and HMIS requirements.

- Work with superiors to advise on and create effective and efficient policies and procedures.

The ADHS will work with the VPO and VPPO to update, standardize, and maintain clear and effective written instructions regarding policies and procedures at all sites.

When the ADHS becomes aware of a new policy or procedure that is needed, or becomes aware of a policy or procedure that needs updating, the ADHS will work closely with the RD to produce a suggested change, policy, or procedure, and then submit the suggestions to the VPS in writing for suggestions or approval.

The ADHS will then work with the RD/s of the affected site/s to ensure that the new policy/procedure is communicated and implemented.

- Work with superiors to develop and deliver on going staff training.

The ADHS will work closely with the VPO and VPPO to create the training materials for site staff.

When the ADHS becomes aware of additional or new training that is needed at the sites (other than a standard correction or redirection of a staff member

regarding a policy or procedure, which the RD and ADHS will take care of according to the employee policy) the ADHS will make the VPO and VPPO aware of the need and work with them on the development of that training material. The VPPO will implement the delivery of the training material.

- Manage staff schedules, changes, and the placement of on-call workers and/or the coverage of absent employees.

A4

The ADHS will work with the RD's to ensure that staff members are arriving on time and working their proper shifts.

When the ADHS becomes aware of an issue involving staff tardiness or absence the ADHS will work with the RD to address the concern according to the employee policy and ensure all proper documentation is maintained.

When the ADHS becomes aware of an adjustment needing to be made to staff or schedules, the ADHS will work with the VPO to address the issue.

When there is a need for an on call worker, or temporary adjustment in scheduling due to an employee absence, the ADHS will be responsible for notifying, placing and tracking the scheduling of the replacement.

The ADHS will work closely with the RD's to ensure that time sheets are turned in on time and accurately, and will be responsible for quality management as it involves the timesheets.

## 2. Facilities and Asset Management

- Ensure the effective delivery and documentation of all regular safety drills and inspections.

The ADHS will be responsible for the tracking and effective delivery of all regular safety drills and inspections, and for ensuring that all matters of concern are properly documented and addressed.

The ADHS will work with the RD's and verify that the drills are being performed, monitored, and properly documented. The ADHS will make regular reports regarding the documentation to the VPPO

When the ADHS becomes aware of a concern or problem, the ADHS will ensure that the concern or problem is documented, and develop a plan for addressing the problem, which the ADHS will provide in writing to the VPO for approval and suggestions. The ADHS will then work with the RD to ensure that the adjustments or corrections are made at the site.

- Ensure that buildings and grounds are effectively maintained and work with Vice President of Operations to make necessary improvements. The ADHS will work with the RD's to ensure proper function, maintenance, and appearance of each site. This includes running regular site and safety audits.

When the ADHS becomes aware of a concern or problem, the ADHS will ensure that the concern or problem is documented and develop a plan for addressing the problem making utilizing site budgets, which the ADHS will provide in writing to the VPO for approval and suggestions. The ADHS will then work with the RD to ensure that the adjustments or corrections are made at the site.

A4

• **Manage Fleet of POLM Vehicles**

- Ensure Maintenance is kept up to date and on schedule.
- Manage and handle repairs and issues regarding proper functioning of vehicles.
- Perform regular safety checks and maintain records.
- Manage all items related to vehicle enhancements, improvements, acquisition, and disposal with oversight from VPO.

• **Manage Asset Inventory**

- Create and Maintain an Inventory of assets (furniture, computers, etc..) at sites.
- Manage and handle repairs and issues regarding proper functioning of Assets.
- Manage all items related to Asset enhancements, improvements, acquisition, and disposal with oversight from VPO.

**3. Administrative Support**

• **Removed (10/13) Supplies, Donations, Volunteers, Employee Document Tracking**

- Manage all daily, weekly, monthly, and yearly tracking and reporting for sites.

The ADHS will work with the VP Team to develop proper tracking and reporting systems for all sites as needed for grant compliance reporting, development and staffing needs.

The ADHS will update and maintain the tracking system.

The ADHS will create, complete, and run reports as requested.

Coordinate compliance reports (due dates, content and submittal) for POLM with governments (city, county, state, & federal) and foundations as it relates to housing and youth programs in collaboration with directors and administration.

**Train personnel on standards and required outcomes for all grants and ensure procedures and programs are in place to meet standards and outcomes.**

Oversee quality assurance standards with administration to ensure that negotiated standards are met and not overlooked for such things as conditional use permits, HMIS, JPA and other requirements outside of grant guidelines.

Coordinate all reports to ensure timely and accurate submission and filing.

A-9

- Manage safety coordination and maintenance requirements.
- Assist with hiring of staff by following up on applications, running pre-screening, and assisting with orientation.
- 
- Assist with grant preparation, editing, proof reading, researching, etc.. as assigned by administrative grants team.

#### 4. Other Duties as Assigned

NOTE: This job description is not intended to be all-inclusive. Employee may perform other related duties as negotiated to meet the ongoing needs of the organization.



Job Title: Housing Director
Location: Admin/Mobile
Department:
Reports To: Chief Executive Officer



17-4  
**PATH** of  
**LIFE**  
**MINISTRIES**

**Position Overview:**

Residential Directors are responsible for overseeing the activities of Path of Life Ministries' (POLM) Housing Programs, including Rapid Rehousing and Permanent Supportive housing, ensuring that staff activities occur in a professional and confidential manner, managing all program related activities and resources, managing staff, interns and volunteers, managing all enrollments and exits from the programs, assisting with program development, and ensuring policy and procedure compliance.

**Essential Job Functions**

**1. Oversight of operations**

- Ensures a safe, healthy, professional relationships and environment leading to guests/resident's self-sufficiency.
- Ensures that all program related activities (including complimentary programs like Childcare and Youth Activities) are carried out in a safe, effective, efficient, and professional manner.
- Works with superiors to manage and quickly resolve emergencies (on call) and concerns raised by participants and partner agencies.
- Ensures the proper documentation of participants and volunteers.
- Ensures the proper documentation of all program related donations.
- Ensures the proper documentation of all program related incidents and grievances.
- .

**2. Staff Management**

- Monitor, direct, correct, document, and report Staff and Intern performance according to POLM policy, procedure, core values, and mission.
- Ensure policy and procedure as well as Ethics and Boundaries compliance.
- Ensure all staff is aware of and confident in their job responsibilities.

- Work with and advise superiors on staff and client concerns, incidents, grievances, and incentives.
- Attends all meetings as required or directed.

A4

### **3. Participant Relations**

- Manage and ensure proper program enrollment and exit.
- Work with superiors and Lead Case Manager/Navigator on making a determination about a guest's service and support plan and/or how to manage concerns or seize opportunities.
- Ensure proper enrollment and updates of the HMIS system.
- Manage and ensure the availability as well as the effective and efficient distribution of resources.
- Manage and ensure the availability as well as effective and efficient use of all supplies.
- Effectively and quickly resolve and/or work with superiors to resolve all incidents, compliance concerns, and grievances.

### **4. Housing Inventory and Placement; and Program Development**

- Work with and advise superiors regarding program concerns, incidents, grievances, and changes.
- Work with and advise superiors regarding policy and procedure updates, improvements, and other changes
- Develop housing placement relationships with permanent housing providers
- Develop relationships with a wide-range of permanent housing providers that include public and private affordable housing providers, permanent supportive housing providers, property owners, property managers, and operators of group homes.
- Identify and remove systems barriers to effective housing placement
- Identify and implement strategies to decrease the homeless recidivism rate.
- Network and collaborate with other agencies and the COC toward common goals.

### **5. Other Duties as Assigned**

NOTE: This job description is not intended to be all-inclusive. Employee may perform other related duties as negotiated to meet the ongoing needs of the organization.

## DUTY STATEMENT

Job Title: Housing Coordinator
Location: Admin/Mobile
Department: Housing
Reports To: CEO



AY

### Position Overview:

The Housing Coordinator is responsible for overseeing the activities of Path of Life Ministries' (POLM) programs, including Street Outreach, Rapid Rehousing and Permanent Supportive housing, ensuring that staff activities occur in a professional and confidential manner, managing all program related activities and resources, managing staff, interns and volunteers, managing all enrollments and exits from the programs, assisting with program development, and ensuring policy and procedure compliance.

### Essential Job Functions

#### 1. Oversight of operations

- Ensures a safe, healthy, professional relationships and environment leading to program participants towards self-sufficiency.
- Ensures that all program related activities (including complimentary programs like Childcare and Youth Activities) are carried out in a safe, effective, efficient, and professional manner.
- Works with superiors to manage and quickly resolve emergencies (on call) and concerns raised by participants and partner agencies.
- Ensures the proper documentation of participants and volunteers.
- Ensures the proper documentation of all program related donations.
- Ensures the proper documentation of all program related incidents and grievances.

#### 2. Staff Management

- Monitor, direct, correct, document, and report Staff and Intern performance according to POLM policy, procedure, core values, and mission.
- Ensure policy and procedure as well as Ethics and Boundaries compliance.
- Ensure all staff is aware of and confident in their job responsibilities.
- Work with and advise superiors on staff and client concerns, incidents, grievances, and incentives.
- Attends all meetings as required or directed.

#### 3. Participant Relations

- Manage and ensure proper program enrollment and exit.
- Work with superiors and Case Manager/Navigator on making a determination about a guest's service and support plan and/or how to manage concerns or seize opportunities.
- Ensure proper enrollment and updates of the HMIS system.
- Manage and ensure the availability as well as the effective and efficient distribution of resources.
- Manage and ensure the availability as well as effective and efficient use of all supplies.
- Effectively and quickly resolve and/or work with superiors to resolve all incidents, compliance concerns, and grievances.

#### 4. Housing Inventory and Placement; and Program Development

- Work with and advise superiors regarding program concerns, incidents, grievances, and changes.
- Work with and advise superiors regarding policy and procedure updates, improvements, and other changes
- Develop housing placement relationships with permanent housing providers
- Develop relationships with a wide-range of permanent housing providers that include public and private affordable housing providers, permanent supportive housing providers, property owners, property managers, and operators of group homes.
- Identify and remove systems barriers to effective housing placement
- Identify and implement strategies to decrease the homeless recidivism rate.
- Network and collaborate with other agencies and the COC toward common goals.

5. **Street Outreach Services** – is out in the field once a week to help outreach participants with housing search, completion of housing documents, etc.

#### 6. Other Duties as Assigned

NOTE: This job description is not intended to be all-inclusive. Employee may perform other related duties as negotiated to meet the ongoing needs of the organization.

Job Title: Chief Executive Officer
Department:
Reports To: Board of Directors
Schedule:

AY

**Position Overview**

To implement the strategic goals and objectives of Path of Life Ministries, with the chair, enable the Board to fulfill its governance function. To give direction and leadership toward the achievement of the organization's philosophy, mission, strategy, and its annual goals and objectives.

**Essential Functions**

1. Board Administration and Support: Supports operation and administration of the Board of Directors by advising and informing Board members, interfacing between Board and staff.
2. Program Development and Administration: Oversees design, marketing, promotion, delivery and quality of programs and services
3. Financial Operations: Recommends yearly budget for Board approval and prudently manages organization's resources within those budget guidelines according to current laws and regulations
4. Human Resource Management: Effectively manages the human resources of the organization according to authorized personnel policies and procedures that fully conform to current laws and regulations
5. Community and Public Relations: Assures the organization and its mission, programs, and services are consistently presented in strong, positive image to relevant stakeholders
6. Resource Development: Oversees fundraising planning and implementation, including identifying resource requirements, researching funding sources, establishing strategies to approach funders, submitting proposals and administrating fundraising records and documentation

*Job description last revised and authorized by Board: [8/7/2006]*

NOTE: This job description is not intended to be all-inclusive. Employee may perform other related duties to meet the ongoing needs of the organization.



A4

Job Title: Vice President of Finance & Administration
Location: Administration Office
Department: 10/100
Reports To: COO/ CFO

**Position Overview:**

Responsible for enhancing overall organizational processes and infrastructure, financial and business planning that will allow POLM to grow and fulfill its mission. Promote a culture of high performance, continuous improvement and commitment to quality that adheres to the corporate faith-based core values of POLM.

**Essential Job Functions**

- Financial: Manage and oversee all financial and business planning:
  - Oversee business policies and accounting practices according to GAAP & POLM Fiscal Manual
  - Review and analyze financial reports and weekly cash flow.
  - Provide overall financial oversight and monitoring, including performance metrics
  - Lead and deliver timely external audits, and annual filings ensuring accurate and favorable outcomes
  - Analyze and present financial reports in an accurate and timely manner; clearly communicate monthly and annual financial statements; collate financial reporting materials for all funding sources and oversee all financial, project/program and grants accounting.
  - Oversee and lead annual budgeting and planning process in conjunction with senior leadership; administer and review all financial plans and budgets; monitor progress and changes and keep senior leadership team abreast of the organization's financial status monthly.
  - Update and implement all necessary business policies and accounting practices; improve the finance department's policy and procedure manual.
  - Ensure separation of appropriate accounting duties to maintain GAAP Strong Internal controls.
  
- Work with Accountant Overseeing Quality and Timely Completion of Contracted Work
  - Oversee the Accountant in administering financial statements, budgets, forecasts recommending strategies to the COO/CFO and Board on staffing and other operations plans for effective business operations.
  - Oversee implementation of an improved, robust contracts management and financial management/ reporting system; ensure that the contract billing and collection schedule is adhered to and that financial data and cash flow are steady and support operational requirements.

- Oversee accountant's annual budgeting, rolling forecast, and budget to actual workflows.
- Human Resources: Manage and oversee the human resource function:
- With assistance and guidance from the payroll service HR Representative, manage and oversee the human resource functions:
  - Evaluate HR Online software systems and implement standardized database
  - Work with VPO to oversee HR policies and practices according to POLM Employee Handbook Policies are properly followed and represented within the senior management team; assist with corrective actions and terminations
  - Regulatory oversight and legal compliance
  - Oversee benefits administration and design
  - Evaluate and implement online performance management system.
  - Ensure that recruiting & hiring practices are consistent and streamlined
  - Administer salary adjustments according to merit and programmatic budgets with input and consensus from VPO.
  - Evaluate and implement retention strategies and planning with input and consensus from VPO.
  - Implement and manage a staff recognition plan with input and consensus from VPO.
  - Maintain all safety compliance standards with input and consensus from VPO.
  - Establish and manage a comprehensive training program to educate employees regarding HR policies and procedures with input and consensus from VPO.
  - Work closely and transparently with all external partners including third-party vendors and consultants.
  - Oversee administrative functions as well as facilities with other VP team to ensure efficient and consistent operations.
- Operations/Administration: Manage and oversee daily operations and administrative functions:
  - Develop and maintain a content management system that categorizes all standard data input for contracts. . Includes but not limited to Organization and Program Budgets, Scope of Service Narratives, Key Personnel Exhibits, ADHS' Contract Summaries, etc.
  - Oversee and analyze best practice policies regarding risk management and legal activities, procurement, banking, contracts, MOU's, leases, agreements, grants, business insurances, safety policies and practices, et al. and make recommendations to the President
  - Information technology - ensure maintenance and updating of information systems and infrastructure, including hardware, software, and all applications are reviewed annually, and full service proposals are procured occur every 3 years.
  - Direct oversight of Administration Team's A/R, A/P, P/R, HR, purchasing, grant processing & general administrative functions

A4

NOTE: This job description is not intended to be all-inclusive. Employee may perform other related duties as negotiated to meet the ongoing needs of the organization.

USER NAME  PASSWORD

[Forgot Username?](#) [Forgot Password?](#)

[Create an Account](#)

Learn About Registration Status

- [How do I start a registration?](#)
- [What is Draft status?](#)
- [What is Work In Progress status?](#)
- [What is Submitted status?](#)
- [What is Active status?](#)
- [What is Expired status?](#)

AS

What If?

- [What if my entity fails TIN validation?](#)
- [What if my entity fails CAGE Code validation?](#)
- [What if I still need help?](#)

What's Next?

[Find Your Registration in SAM](#)

## SAM Status Tracker

### Check Entity Registration Status

#### Page Description

You can quickly check an entity's registration status in SAM by entering a DUNS Number or CAGE Code. The SAM Status Tracker will show you the current status of the entity associated with that DUNS Number or CAGE Code, as well as tell you what steps are left to complete based on why they are registering.

The SAM Status Tracker uses seven circles to represent steps in the registration process: Core Data, Assertions, Reps & Certs, POCs, Submit, Processing, and Active. Visual indicators in the circles, text underneath the circles, a status message in bold above the circles and user messaging combine to give the registration status.

You will only see the registration status for publicly-searchable registration records in the SAM Status Tracker. Federal government users must log into SAM and search for non-public records.

#### Use the SAM Status Tracker Now

Check registration status by typing in a DUNS Number.

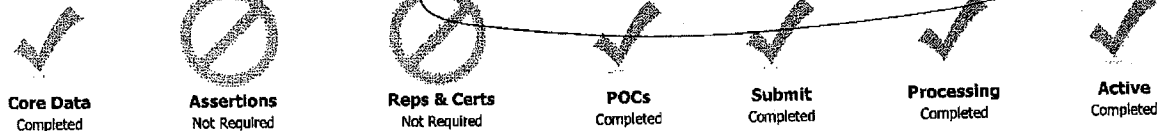
DUNS Number  Plus 4 (Optional)

Or, check registration status by typing in a CAGE Code.

CAGE Code

PATH OF LIFE MINISTRIES  
Status: Active

Your registration was activated on Jan 26, 2016. It expires on Jan 25, 2017 which is one year after you submitted it for processing.



SAM | System for Award Management 1.0

IBM v1.P.50.20160823-0937

WWW2



Note to all Users: This is a Federal Government computer system. Use of this system constitutes consent to monitoring at all times.

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**Joan Thirkettle**

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**From:** Federal Contractor Registry (FCR) <info@ccrorca.com>  
**Sent:** Tuesday, August 30, 2016 1:34 PM  
**To:** Joan Thirkettle  
**Subject:** FCR SAM Status Check

A-5

Your SAM entity status\* is as follows:

DUNS: 003364176

Name: PATH OF LIFE MINISTRIES

Business Type: Business or Organization  
Registration Status: Active

Expiring On: 01/25/2017

To begin the renewal process, go to the following link <http://federalcontractorregistry.com/renewsam> to procure Federal Contractor Registry (FCR) services. Once you have done so, you will be receiving an automated email from FCR which will include a link for our SAM (CCR & ORCA) forms. Complete the forms and either email or fax to FCR and the SAM migration/renewal process will begin once the completed worksheets are received by FCR. FCR looks forward to assisting with your company's SAM registration. Thank you very much.

\*Disclaimer: In order to provide your SAM status, we must access government & private databases. If you choose to use the information provided by us, we are not responsible for any inaccuracies within these databases or when reporting your status to you. We provide this information free-of-charge, to the best of our ability but cannot guarantee its accuracy at the time it was accessed. Federal Contractor Registry is a third party registration service that performs SAM registration/renewals on behalf of small to large businesses, non-profits organizations and city/local governments.

----- How did we do?

Please use the link below to rate your satisfaction with our service:

<http://www.123contactform.com/form-1137211/FCR-Survey>

**Federal Contractor Registry**

email - [info@ccrorca.com](mailto:info@ccrorca.com)

phone - [1-800-985-7658](tel:1-800-985-7658)

fax - [202-568-6401](tel:202-568-6401)

[www.FederalContractorRegistry.com](http://www.FederalContractorRegistry.com)

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Riverside County Department of Public Social Services  
 Contracts Administration Unit  
 10281 Kidd Street  
 Riverside, CA 92503

A-7

AGREEMENT: HO-03304  
 CONTRACTOR: Path of Life Ministries  
 ACTIVITIES: Permanent Supportive Housing  
 TERM: July 1, 2016 - June 30, 2017  
 MAXIMUM REIMBURSABLE AMOUNT: \$1,314,354.00  
 HUD PROJECT NUMBER: CA1364L9D081501

*Handwritten note:* Budget match

**RECITALS**

This Agreement is made and entered into by and between the County of Riverside, hereinafter referred to as "County," and the Path of Life Ministries, hereinafter referred to as the "Subrecipient."

**WITNESSETH**

WHEREAS, the County has entered into a grant agreement with the United States Department of Housing and Urban Development (HUD), hereinafter referred to as the "Grantor," pursuant to the Continuum of Care Program Rule (CFDA 14.267), codified as 24 CFR 578 and Subtitle C of Title IV of the Stewart B. McKinney-Vento Homeless Assistance Act as amended by S. 896 the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009, 42 U.S.C. 11381 et seq.; and

WHEREAS, the Department of Public Social Services, hereinafter referred to as "DPSS," has been designated by the County to provide coordination and administration of the County's Continuum of Care Program, as described in the County's grant agreement with the Grantor.

NOW THEREFORE, DPSS and the Subrecipient do hereby covenant and agree that the Subrecipient will provide said services in return for monetary compensation, all in accordance with the terms and conditions contained herein this Agreement.

Authorized Signature for County: <i>John J. Benoit</i>	Authorized Signature for Path of Life Ministries <i>D-E-F</i>
Printed Name of Person Signing: John Benoit	Printed Name of Person Signing: RAUL DIAZ DAMIEN O'FARRELL
Title: Chairman, Board of Supervisors	Title: Executive Director
Address: 4080 Lemon St. Riverside, Ca 92501	Address: PO Box 1445 Riverside, CA 92502
Date Signed: JUL 12 2016	Date Signed:

ATTEST:  
 KECIA HARPER-HEM, Clerk  
 DEPUTY

FORM APPROVED COUNTY COUNSEL  
 BY: *Eric Stopher*  
 ERIC STOPHER  
 DATE: *7/12/16*

JUL 12 2016 328

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PATH OF LIFE MINISTRIES - FUNDING HISTORY									
PROGRAM YEAR									
Contracting Company	Type of Services	Location	Contact & Phone	Fiscal Year Cycle	2017-2018	2016-2017	2015-2016	2014/2015	2013/2014
City of Riverside - Community Block Development Grant	Riverside Community Shelter - Year-Round	Riverside, CA	Michelle Guzman (951) 826-5302	July 1 - June 30	Pending	125,500	125,500.00	\$ 116,500.00	\$ 126,347.00
City of Riverside - Emergency Solutions Grant	Riverside Community Shelter - Year-Round & RRH	Riverside, CA	Michelle Davis (951) 826-5743	July 1 - June 30	Pending	110,000	79,795.00	\$ 79,344.00	\$ 52,676.00
City of Riverside - Emergency Solutions Grant	Riverside Community Shelter - Cold Weather Shelter	Riverside, CA	Michelle Davis (951) 826-5743	Dec 1 - Apr 15	Pending	Included in above	Included in above #	\$ 67,635.00	\$ -
County of Riverside	Family Shelter	Riverside, CA	Connie Hill (951) 358-6548	July 1 - June 30	Pending	400,000	400,000.00	\$ 400,000.00	\$ 400,000.00
City of Moreno Valley - Community Block Development Grant	Transitional Housing Program - King Hall MARB	March ARB, CA	Donna Moeller (951) 413-3463	July 1 - June 30	0	Program Closed	0.00	\$ 16,000.00	\$ 16,912.00
City of Moreno Valley - Community Block Development Grant	RRH - Rental Assistance	Moreno Valley, CA	Donna Moeller (951) 413-3463	July 1 - June 30	Pending	0	0.00	\$ -	\$ -
City of Perris - Community Block Development Grant	Homeless Outreach Program (Mobile Case Management)	Perris, CA	Sara Cortas de Pavon (951)	July 1 - June 30	Pending	64,940	36,000.00	\$ 30,000.00	\$ -
County of Riverside - DPSS (FEMA) 094	Emergency Food & Shelter Program - RIV COMM SHELTER	Riverside, CA	Anabel Ramos (951) 358-5616	Nov 1 - Oct 31 Jun 1, 2013 - Jun 30, 2014		0	140,363.00	\$ 18,380.00	\$ 16,988.00
County of Riverside - DPSS (FEMA) 119	Emergency Food & Shelter Program - FAMILY SHELTER	Riverside, CA	Anabel Ramos (951) 358-5617	Nov 1 - Oct 31 Jun 1, 2013 - Jun 30, 2014		0	Included in above	\$ 20,089.00	\$ 15,652.00
County of Riverside - DPSS (FEMA) 185	Rental Assistance	Riverside County District 5	Anabel Ramos (951) 358-5616	Jun 1, 2013 - Jun 30, 2014		140,363	Included in above	\$ 16,661.00	\$ 12,639.00
County of Riverside - DPSS/ HUD Grant (e)	Transitional Housing Program - King Hall MARB (e)	March ARB, CA	Connie Hill (951) 358-6548	Apr 1 - Mar 31		Program Closed	0.00	\$ 323,729.00	\$ 325,277.00
CoC - DPSS - PSH Bonus	PSH	Scattered Sites	Connie Hill (951) 358-6548	July 1 - June 30		Pending	1,278,680.00	\$ -	\$ -
CoC - DPSS - RRH	RRH	Scattered Sites	Connie Hill (951) 358-6548	July 1 - June 30		Pending	336,380.00	\$ -	\$ -
CoC East County - new	RRH	Scattered Sites	Connie Hill (951) 358-6548	July 1 - June 30		Pending	0.00	\$ -	\$ -
County of Riverside - EDA - Emergency Solutions Grant (b)	Riverside Community Shelter - Year-Round	Riverside, CA	Sterion Sims 951-956-3141	July 1 - June 30	Pending	55,000	55,000.00	\$ 50,000.00	\$ 40,000.00
County of Riverside - DPSS (General)	Riverside Community Shelter - Cold Weather Shelter	Riverside, CA	Cynthia Whittenberg (951) 358-4821	Dec 1 - Apr 15	Pending	Pending	128,865.00	\$ 128,865.00	\$ 196,500.00
City of Riverside - OTHER ESG	Community Shelter	Riverside, CA	Michelle Davis (951) 826-5743	2014-2015		0	0.00	\$ 10,000.00	\$ -
MHAPC 138 Realignment	Community Shelter	Riverside, CA	Tranda Jackson (951) 698-4357	2015-2016	Pending	69,000	136,875.00	\$ -	\$ -
Community Recidivism	Probation - Community Shelter	Riverside, CA	Walker Maek (951) 955-4937	2015-2016	Pending	0	50,000.00	\$ -	\$ -
First 5 Riverside	Childcare	Riverside County, CA	Michelle Siner (951) 248-0014	\$733,828 Total Oct 1, 2012 - Jun 30, 2016	Pending	260,000	221,221.00	\$ 221,221.00	\$ 221,221.00
Metro	Neighborhood College - Youth Offender Services	Riverside, CA	Lorna Paltares (619) 285-5556	Feb 1, 2014 - Dec 31, 2015	0	Program Closed	150,000.00	\$ 150,000.00	\$ 150,000.00
California Wellness Foundation	Health Care Program	Riverside, CA	Frank Lalle (818) 702-1900	\$150k total - 1/1/2010 - 1/31/2013	0	0	0.00	\$ -	\$ -
California Wellness Foundation	Executive Director Sabbatical Award	Riverside, CA	Fatima Angeles (818) 702-1900	9/1/2014 - 12/31/2015	0	0	0.00	\$ 35,000.00	\$ -
Kaiser Foundation	Health Care Program	Riverside, CA	Karen Roberts (951) 602-4193	June 1 - May 31	0	0	0.00	\$ -	\$ -
Mawardi Foundation	Kids of Promise, youth mental health services	March ARB, CA		7/1/2013 - 8/31/2013	0	0	0.00	\$ -	\$ 22,500.00
Mawardi Foundation	Riverside Community Shelter - Year-Round	Riverside, CA		7/1/2013 - 8/31/2013	0	0	0.00	\$ -	\$ 2,500.00
Pacific Life Foundation	Riverside Community Shelter - Year-Round	Riverside, CA	n/a	Jan 1 - Dec 31	0	0	0.00	\$ -	\$ -
Riverside Community Health Foundation	Health Care Program (Health in Motion - mobile health services)	Riverside County, CA	Ninfa Delgado (951) 788-3471	Jan 1 - Dec 31		Pending	100,000.00	\$ -	\$ -
Riverside Community Health Foundation	Kids of Promise, youth mental health services	March ARB, CA	Ninfa Delgado (951) 788-3472	2/1/2014 - 12/31/2014	0	0	0.00	\$ -	\$ 48,000.00
San Manuel Band of Mission Indians	KOP, Employment Pipeline	March ARB, CA	Ken Ramirez (909) 864-8933	12/1/2013 - 12/31/2014		Pending	85,000.00	\$ 40,000.00	\$ -
South Coast Air Quality Management District	Health Care Program	Riverside, CA	Jean Ospital (909) 398-2582	Jan 1 - Dec 31	0	0	0.00	\$ -	\$ -
The Green Foundation	Kids of Promise, youth mental health services	March ARB, CA	Kylie Wright (626) 793-6200	1/1/2014 - 12/31/2014		20,000	0.00	\$ 20,000.00	\$ -
United Way of the Inland Valleys	Individual Development Account & On the Job Training	Riverside, CA	Lesley Ryder (951) 697-4700	July 1 - June 30	0	0	0.00	\$ 10,000.00	\$ -
United Way of the Inland Valleys	Riverside Community Shelter - Year-Round	Riverside, CA	Lesley Ryder (951) 697-4700	July 1 - June 30	Pending	Pending	14,000.00	\$ 14,000.00	\$ -
Van Daele Family Foundation	General Operating Support	Riverside, CA	Gina White (951) 354-2121	Jan 1 - Dec 31		0	0.00	\$ 102,000.00	\$ 156,600.00
Weingart Foundation	Core Support	Riverside, CA	Fred Ali (213) 688-7789	1/1/2012 - 12/31/2013		0	25,000.00	\$ 100,000.00	\$ -
Weingart Foundation	Core Support	Riverside, CA	Rosa Benitez (213) 688-7789	10/1/2014 - 12/31/2016		0	25,000.00	\$ 125,000.00	\$ -
Mc Donalds	KOP & Family Shelter	So. Cal	Ashley Loar 310-444-7010	2016	Pending	10,000	5,700.00	\$ 7,500.00	\$ 20,000.00
In N Out Burgers	Family Shelter	Irvine, Ca	Howard Booker 949-444-7010	2016	0	\$15,000	15,000.00	\$ 5,770.00	\$ 0.00
BBVA	Financial Training Shelters	Riverside, CA	Riverside Office (951) 689-9011	2016		2,500	2,500.00	\$ 0.00	\$ 0.00

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PATH OF LIFE MINISTRIES-BUDGET SUMMARY

EXHIBIT B

STREET OUTREACH (SO)

PROPOSED BUDGET ACTIVITY CATEGORY	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>STREET OUTREACH (SO)</b>					
Unsheltered individuals and families, meaning those who qualify under the definition of "homeless."					
ENGAGEMENT		3000.00	3000.00	6,000.00	Outreach supplies, printed materials, water, hygiene items
DIRECT STAFF SALARIES	.6 TE	138673.60	138673.60	277,347.20	2 FTE-OR Navig @\$16 hr/18 months with fringe, 0.6 FTE OR Navig. Supervisor @\$20 hr/18 months with fringe, Case Mngmt Supplies @\$733.33
CASE MANAGEMENT	FTE	25776.40	25776.40	51,552.80	!FTE @12 hr/18 months with fringe, cell phones, office supplies, case mngmt software
EMERGENCY HEALTH SERVICES		5000.00	5000.00	10,000.00	Detox, prescriptions, CPR training, TB Testing, First aide supplies
EMERGENCY MENTAL SERVICES		5000.00	5000.00	10,000.00	Behavioral Health Intervention Services and supplies for Tele-Mental Health Triage
TRANSPORTATION		22550.00	22550.00	45,100.00	Vehicle Insurance, maint & repairs, Fuel
SERVICES TO SPECIAL POPULATION					
		<b>\$200,000</b>	<b>\$200,000</b>	<b>\$400,000</b>	

**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.

\* \* \* \* \*

(1) \* \* \*

(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.

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

576.100 General provisions and expenditure limits.

576.101 Street outreach component.

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576.104 Rapid re-housing assistance component.

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576.107 HMIS component.

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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.

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### **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 cost 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,

the shelter must provide each program participant in the shelter with an acceptable place to sleep and adequate space and security for themselves and their belongings.

(4) *Interior air quality.* Each room or space within the shelter must have a natural or mechanical means of ventilation. The interior air must be free of pollutants at a level that might threaten or harm the health of residents.

(5) *Water supply.* The shelter's water supply must be free of contamination.

(6) *Sanitary facilities.* Each program participant in the shelter must have access to sanitary facilities that are in proper operating condition, are private, and are adequate for personal cleanliness and the disposal of human waste.

(7) *Thermal environment.* The shelter must have any necessary heating/cooling facilities in proper operating condition.

(8) *Illumination and electricity.* The shelter must have adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There must be sufficient electrical sources to permit the safe use of electrical appliances in the shelter.

(9) *Food preparation.* Food preparation areas, if any, must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner.

(10) *Sanitary conditions.* The shelter must be maintained in a sanitary condition.

(11) *Fire safety.* There must be at least one working smoke detector in each occupied unit of the shelter. Where possible, smoke detectors must be located near sleeping areas. The fire alarm system must be designed for hearing-impaired residents. All public areas of the shelter must have at least one working smoke detector. There must also be a second means of exiting the building in the event of fire or other emergency.

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

(1) *Structure and materials.* The structures must be structurally sound to protect residents from the elements and not pose any threat to the health and safety of the residents.

(2) *Space and security.* Each resident must be provided adequate space and security for themselves and their

belongings. Each resident must be provided an acceptable place to sleep.

(3) *Interior air quality.* Each room or space must have a natural or mechanical means of ventilation. The interior air must be free of pollutants at a level that might threaten or harm the health of residents.

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

(5) *Sanitary facilities.* Residents must have access to sufficient sanitary facilities that are in proper operating condition, are private, and are adequate for personal cleanliness and the disposal of human waste.

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

(7) *Illumination and electricity.* The structure must have adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There must be sufficient electrical sources to permit the safe use of electrical appliances in the structure.

(8) *Food preparation.* All food preparation areas must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner.

(9) *Sanitary conditions.* The housing must be maintained in a sanitary condition.

(10) *Fire safety.* (i) There must be a second means of exiting the building in the event of fire or other emergency.

(ii) Each unit must include at least one battery-operated or hard-wired smoke detector, in proper working condition, on each occupied level of the unit. Smoke detectors must be located, to the extent practicable, in a hallway adjacent to a bedroom. If the unit is occupied by hearing impaired persons, smoke detectors must have an alarm system designed for hearing-impaired persons in each bedroom occupied by a hearing-impaired person.

(iii) The public areas of all housing must be equipped with a sufficient number, but not less than one for each area, of battery-operated or hard-wired smoke detectors. Public areas include, but are not limited to, laundry rooms, community rooms, day care centers, hallways, stairwells, and other common areas.

#### § 576.404 Conflicts of Interest.

(a) *Organizational conflicts of interest.* The provision of any type or amount of ESG assistance may not be conditioned on an individual's or family's acceptance or occupancy of emergency shelter or housing owned by the recipient, the subrecipient, or a parent or subsidiary of the subrecipient. No

subrecipient may, with respect to individuals or families occupying housing owned by the subrecipient, or any parent or subsidiary of the subrecipient, carry out the initial evaluation required under § 576.401 or administer homelessness prevention assistance under § 576.103.

(b) *Individual conflicts of interest.* For the procurement of goods and services, the recipient and its subrecipients must comply with the codes of conduct and conflict of interest requirements under 24 CFR 85.36 (for governments) and 24 CFR 84.42 (for private nonprofit organizations). For all other transactions and activities, the following restrictions apply:

(1) *Conflicts prohibited.* No person described in paragraph (b)(2) of this section who exercises or has exercised any functions or responsibilities with respect to activities assisted under the ESG program, or who is in a position to participate in a decision-making process or gain inside information with regard to activities assisted under the program, may obtain a financial interest or benefit from an assisted activity; have a financial interest in any contract, subcontract, or agreement with respect to an assisted activity; or have a financial interest in the proceeds derived from an assisted activity, either for him or herself or for those with whom he or she has family or business ties, during his or her tenure or during the one-year period following his or her tenure.

(2) *Persons covered.* The conflict-of-interest provisions of paragraph (b)(1) of this section apply to any person who is an employee, agent, consultant, officer, or elected or appointed official of the recipient or its subrecipients.

(3) *Exceptions.* Upon the written request of the recipient, HUD may grant an exception to the provisions of this subsection on a case-by-case basis, taking into account the cumulative effects of the criteria in paragraph (b)(3)(ii) of this section, provided that the recipient has satisfactorily met the threshold requirements of paragraph (b)(3)(i) of this section.

(i) *Threshold requirements.* HUD will consider an exception only after the recipient has provided the following documentation:

(A) If the recipient or subrecipient is a government, disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

(B) An opinion of the recipient's attorney that the interest for which the

exception is sought would not violate state or local law.

(ii) *Factors to be considered for exceptions.* In determining whether to grant a requested exception after the recipient has satisfactorily met the threshold requirements under paragraph (b)(3)(i) of this section, HUD must conclude that the exception will serve to further the purposes of the ESG program and the effective and efficient administration of the recipient's or subrecipient's program or project, taking into account the cumulative effect of the following factors, as applicable:

(A) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available;

(B) Whether an opportunity was provided for open competitive bidding or negotiation;

(C) Whether the affected person has withdrawn from his or her functions, responsibilities or the decision-making process with respect to the specific activity in question;

(D) Whether the interest or benefit was present before the affected person was in the position described in paragraph (b)(1) of this section;

(E) Whether undue hardship results to the recipient, the subrecipient, or the person affected, when weighed against the public interest served by avoiding the prohibited conflict; and

(F) Any other relevant considerations.

(c) *Contractors.* All contractors of the recipient or subrecipient must comply with the same requirements that apply to subrecipients under this section.

#### § 576.405 Homeless participation.

(a) Unless the recipient is a State, the recipient must provide for the participation of not less than one homeless individual or formerly homeless individual on the board of directors or other equivalent policy-making entity of the recipient, to the extent that the entity considers and makes policies and decisions regarding any facilities, services, or other assistance that receive funding under Emergency Solutions Grant (ESG).

(b) If the recipient is unable to meet requirement under paragraph (a), it must instead develop and implement a plan to consult with homeless or formerly homeless individuals in considering and making policies and decisions regarding any facilities, services, or other assistance that receive funding under Emergency Solutions Grant (ESG). The plan must be included in the annual action plan required under 24 CFR 91.220.

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

#### § 576.406 Faith-based activities.

(a) Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to receive ESG funds. Neither the Federal Government nor a State or local government receiving funds under ESG shall discriminate against an organization on the basis of the organization's religious character or affiliation.

(b) Organizations that are directly funded under the ESG program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization as part of the programs or services funded under ESG. If an organization conducts these activities, the activities must be offered separately, in time or location, from the programs or services funded under ESG, and participation must be voluntary for program participants.

(c) Any religious organization that receives ESG funds retains its independence from Federal, State, and local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that the religious organization does not use direct ESG funds to support any inherently religious activities, such as worship, religious instruction, or proselytization. Among other things, faith-based organizations may use space in their facilities to provide ESG-funded services, without removing religious art, icons, scriptures, or other religious symbols. In addition, an ESG-funded religious organization retains its authority over its internal governance, and the organization may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.

(d) An organization that receives ESG funds shall not, in providing ESG assistance, discriminate against a program participant or prospective program participant on the basis of religion or religious belief.

(e) ESG funds may not be used for the rehabilitation of structures to the extent

that those structures are used for inherently religious activities. Solutions ESG funds may be used for the rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under the ESG program. Where a structure is used for both eligible and inherently religious activities, ESG funds may not exceed the cost of those portions of the rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to ESG funds. Sanctuaries, chapels, or other rooms that an ESG-funded religious congregation uses as its principal place of worship, however, are ineligible for funded improvements under the program. Disposition of real property after the term of the grant, or any change in use of the property during the term of the grant, is subject to government-wide regulations governing real property disposition (*see* 24 CFR parts 84 and 85).

(f) If the recipient or a subrecipient that is a local government voluntarily contributes its own funds to supplement federally funded activities, the recipient or subrecipient has the option to segregate the Federal funds or commingle them. However, if the funds are commingled, this section applies to all of the commingled funds.

#### § 576.407 Other Federal requirements.

(a) *General.* The requirements in 24 CFR part 5, subpart A are applicable, including the nondiscrimination and equal opportunity requirements at 24 CFR 5.105(a). Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1701u, and implementing regulations at 24 CFR part 135 apply, except that homeless individuals have priority over other Section 3 residents in accordance with § 576.405(c).

(b) *Affirmative outreach.* The recipient or subrecipient must make known that use of the facilities, assistance, and services are available to all on a nondiscriminatory basis. If it is unlikely that the procedures that the recipient or subrecipient intends to use to make known the availability of the facilities, assistance, and services will to reach persons of any particular race, color, religion, sex, age, national origin, familial status, or disability who may qualify for those facilities and services, the recipient or subrecipient must establish additional procedures that ensure that those persons are made aware of the facilities, assistance, and services. The recipient and its subrecipients must take appropriate steps to ensure effective communication with persons with disabilities including, but not limited to, adopting procedures

that will make available to interested persons information concerning the location of assistance, services, and facilities that are accessible to persons with disabilities. Consistent with Title VI and Executive Order 13166, recipients and subrecipients are also required to take reasonable steps to ensure meaningful access to programs and activities for limited English proficiency (LEP) persons.

(c) *Uniform Administrative Requirements.* The requirements of 24 CFR part 85 apply to the recipient and subrecipients that are units of general purpose local government, except that 24 CFR 85.24 and 85.42 do not apply, and program income is to be used as match under 24 CFR 85.25(g). The requirements of 24 CFR part 84 apply to subrecipients that are private nonprofit organizations, except that 24 CFR 84.23 and 84.53 do not apply, and program income is to be used as the nonfederal share under 24 CFR 84.24(b). These regulations include allowable costs and non-Federal audit requirements.

(d) *Environmental review responsibilities.* (1) Activities under this part are subject to environmental review by HUD under 24 CFR part 50. The recipient shall supply all available, relevant information necessary for HUD to perform for each property any environmental review required by 24 CFR part 50. The recipient also shall carry out mitigating measures required by HUD or select alternate eligible property. HUD may eliminate from consideration any application that would require an Environmental Impact Statement (EIS).

(2) The recipient or subrecipient, or any contractor of the recipient or subrecipient, may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct property for a project under this part, or commit or expend HUD or local funds for eligible activities under this part, until HUD has performed an environmental review under 24 CFR part 50 and the recipient has received HUD approval of the property.

(e) *Davis-Bacon Act.* The provisions of the Davis-Bacon Act (40 U.S.C. 276a-5) do not apply to the ESG program.

(f) *Procurement of Recovered Materials.* The recipient and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered

materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired by the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

#### **§ 576.408 Displacement, relocation, and acquisition.**

(a) *Minimizing displacement.* Consistent with the other goals and objectives of Emergency Solutions Grant (ESG), the recipient and its subrecipients must assure that they have taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms) as a result of a project assisted under Emergency Solutions Grant (ESG).

(b) *Temporary relocation not permitted.* No tenant-occupant of housing (a dwelling unit) that is converted into an emergency shelter may be required to relocate temporarily for a project assisted with ESG funds, or be required to move to another unit in the same building/complex. When a tenant moves for a project assisted with ESG funds under conditions that trigger the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), 42 U.S.C. 4601-4655, as described in paragraph (c) of this section, the tenant should be treated as permanently displaced and offered relocation assistance and payments consistent with that paragraph.

(c) *Relocation assistance for displaced persons.* (1) *In general.* A displaced person (defined in paragraph (c)(2) of this section) must be provided relocation assistance at the levels described in, and in accordance with, the URA and 49 CFR part 24. A displaced person must be advised of his or her rights under the Fair Housing Act (42 U.S.C. 3601 *et seq.*). Whenever possible, minority persons shall be given reasonable opportunities to relocate to comparable and suitable decent, safe, and sanitary replacement dwellings, not located in an area of minority concentration, that are within their financial means. This policy, however, does not require providing a person a larger payment than is necessary to enable a person to relocate to a comparable replacement dwelling. (See 49 CFR 24.205(c)(2)(ii)(D).) As required by Section 504 of the Rehabilitation Act (29 U.S.C. 794) and

49 CFR part 24, replacement dwellings must also contain the accessibility features needed by displaced persons with disabilities.

(2) *Displaced Person.* (i) For purposes of paragraph (c) of this section, the term "displaced person" means any person (family, individual, business, nonprofit organization, or farm, including any corporation, partnership, or association) that moves from real property, or moves personal property from real property, permanently, as a direct result of acquisition, rehabilitation, or demolition for a project assisted under the ESG program. This includes any permanent, involuntary move for an assisted project, including any permanent move from the real property that is made:

(A) After the owner (or person in control of the site) issues a notice to move permanently from the property or refuses to renew an expiring lease, if the move occurs on or after:

(I) The date of the submission by the recipient (or subrecipient, as applicable) of an application for assistance to HUD (or the recipient, as applicable) that is later approved and funded if the recipient (or subrecipient, as applicable) has site control as evidenced by a deed, sales contract, or option contract to acquire the property; or

(II) The date on which the recipient (or subrecipient, as applicable) selects the applicable site, if the recipient (or subrecipient, as applicable) does not have site control at the time of the application, provided that the recipient (or subrecipient, as applicable) eventually obtains control over the site;

(B) Before the date described in paragraph (c)(2)(i)(A) of this section, if the recipient or HUD determines that the displacement resulted directly from acquisition, rehabilitation, or demolition for the project; or

(C) By a tenant-occupant of a dwelling unit and the tenant moves after execution of the agreement covering the acquisition, rehabilitation, or demolition of the property for the project.

(ii) Notwithstanding paragraph (c)(2)(i) of this section, a person does not qualify as a displaced person if:

(A) The person has been evicted for cause based upon a serious or repeated violation of the terms and conditions of the lease or occupancy agreement; violation of applicable Federal, State or local law, or other good cause; and the recipient determines that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance.

(B) The person moved into the property after the submission of the



application but, before signing a lease and commencing occupancy, was provided written notice of the project, its possible impact on the person (*e.g.*, the person may be displaced), and the fact that the person would not qualify as a "displaced person" (or for any assistance under this section) as a result of the project;

(C) The person is ineligible under 49 CFR 24.2(a)(9)(ii); or

(D) HUD determines that the person was not displaced as a direct result of acquisition, rehabilitation, or demolition for the project.

(iii) The recipient or subrecipient may, at any time, request that HUD to determine whether a displacement is or would be covered by this rule.

(3) *Initiation of negotiations.* For purposes of determining the type of replacement housing payment assistance to be provided to a displaced person pursuant to this section:

(i) If the displacement is the direct result of privately undertaken rehabilitation, demolition, or acquisition of the real property, "initiation of negotiations" means the execution of the agreement between the recipient and the subrecipient or the agreement between the recipient (or subrecipient, as applicable) and the person owning or controlling the property;

(ii) If site control is only evidenced by an option contract to acquire the property, the "initiation of negotiations" does not become effective until the execution of a written agreement that creates a legally enforceable commitment to proceed with the purchase, such as a sales contract.

(d) *Real property acquisition requirements.* The acquisition of real property, whether funded privately or publicly, for a project assisted with Emergency Solutions Grant (ESG) funds is subject to the URA and Federal governmentwide regulations at 49 CFR part 24, subpart B.

(e) *Appeals.* A person who disagrees with the recipient's (or subrecipient's, if applicable) determination concerning whether the person qualifies as a displaced person, or the amount of relocation assistance for which the person may be eligible, may file a written appeal of that determination with the recipient under 49 CFR 24.10. A low-income person who disagrees with the recipient's determination may submit a written request for review of that determination by the appropriate HUD field office.

#### Subpart F—Grant Administration

##### § 576.500 Recordkeeping and reporting requirements.

(a) *In general.* The recipient must have policies and procedures to ensure the requirements of this part are met. The policies and procedures must be established in writing and implemented by the recipient and its subrecipients to ensure that ESG funds are used in accordance with the requirements. In addition, sufficient records must be established and maintained to enable the recipient and HUD to determine whether ESG requirements are being met.

(b) *Homeless status.* The recipient must maintain and follow written intake procedures to ensure compliance with the homeless definition in § 576.2. The procedures must require documentation at intake of the evidence relied upon to establish and verify homeless status. The procedures must establish the order of priority for obtaining evidence as third-party documentation first, intake worker observations second, and certification from the person seeking assistance third. However, lack of third-party documentation must not prevent an individual or family from being immediately admitted to emergency shelter, receiving street outreach services, or being immediately admitted to shelter or receiving services provided by a victim service provider. Records contained in an HMIS or comparable database used by victim service or legal service providers are acceptable evidence of third-party documentation and intake worker observations if the HMIS retains an auditable history of all entries, including the person who entered the data, the date of entry, and the change made; and if the HMIS prevents overrides or changes of the dates on which entries are made.

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

(2) If the individual qualifies as homeless under paragraph (1)(iii) of the homeless definition in § 576.2, because he or she resided in an emergency shelter or place not meant for human habitation and is exiting an institution where he or she resided for 90 days or less, acceptable evidence includes the evidence described in paragraph (b)(1) of this section and one of the following:

(i) Discharge paperwork or a written or oral referral from a social worker, case manager, or other appropriate official of the institution, stating the beginning and end dates of the time residing in the institution. All oral statements must be recorded by the intake worker; or

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

(3) If the individual or family qualifies as homeless under paragraph (2) of the homeless definition in § 576.2, because the individual or family will imminently lose their housing, the evidence must include:

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

(B) For individuals and families whose primary nighttime residence is a hotel or motel room not paid for by charitable organizations or federal, state, or local government programs for low-income individuals, evidence that the individual or family lacks the resources necessary to reside there for more than 14 days after the date of application for homeless assistance; or

(C) An oral statement by the individual or head of household that the owner or renter of the housing in which they currently reside will not allow them to stay for more than 14 days after the date of application for homeless assistance. The intake worker must record the statement and certify that it was found credible. To be found credible, the oral statement must either: (I) be verified by the owner or renter of the housing in which the individual or family resides at the time of application for homeless assistance and documented by a written certification by the owner or renter or by the intake worker's recording of the owner or renter's oral statement; or (II) if the intake worker is unable to contact the owner or renter, be documented by a written certification by the intake worker of his or her due diligence in attempting to obtain the owner or renter's verification and the written certification by the individual or head of

household seeking assistance that his or her statement was true and complete;

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

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

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

(i) For paragraph (3)(i) of the homeless definition in § 576.2, certification of homeless status by the local private nonprofit organization or state or local governmental entity responsible for administering assistance under the Runaway and Homeless Youth Act (42 U.S.C. 5701 *et seq.*), the Head Start Act (42 U.S.C. 9831 *et seq.*), subtitle N of the Violence Against Women Act of 1994 (42 U.S.C. 14043e *et seq.*), section 330 of the Public Health Service Act (42 U.S.C. 254b), the Food and Nutrition Act of 2008 (7 U.S.C. 2011 *et seq.*), section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), or subtitle B of title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 *et seq.*), as applicable;

(ii) For paragraph (3)(ii) of the homeless definition in § 576.2, referral by a housing or service provider, written observation by an outreach worker, or certification by the homeless individual or head of household seeking assistance;

(iii) For paragraph (3)(iii) of the homeless definition in § 576.2, certification by the individual or head of household and any available supporting documentation that the individual or family moved two or more times during the 60-day period immediately preceding the date of application for homeless assistance, including: recorded statements or records obtained from each owner or renter of housing, provider of shelter or housing, or social worker, case worker, or other appropriate official of a hospital or institution in which the individual or family resided; or, where these statements or records are unobtainable, a written record of the intake worker's due diligence in attempting to obtain these statements or records. Where a

move was due to the individual or family fleeing domestic violence, dating violence, sexual assault, or stalking, then the intake worker may alternatively obtain a written certification from the individual or head of household seeking assistance that they were fleeing that situation and that they resided at that address; and

(iv) For paragraph (3)(iv) of the homeless definition in § 576.2, written diagnosis from a professional who is licensed by the state to diagnose and treat that condition (or intake staff-recorded observation of disability that within 45 days of date of the application for assistance is confirmed by a professional who is licensed by the state to diagnose and treat that condition); employment records; department of corrections records; literacy, English proficiency tests; or other reasonable documentation of the conditions required under paragraph (3)(iv) of the homeless definition.

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

other organization from whom the individual or head of household has sought assistance for domestic violence, dating violence, sexual assault, or stalking. The written referral or observation need only include the minimum amount of information necessary to document that the individual or family is fleeing, or attempting to flee domestic violence, dating violence, sexual assault, and stalking.

(c) *At risk of homelessness status.* For each individual or family who receives Emergency Solutions Grant (ESG) homelessness prevention assistance, the records must include the evidence relied upon to establish and verify the individual or family's "at risk of homelessness" status. This evidence must include an intake and certification form that meets HUD specifications and is completed by the recipient or subrecipient. The evidence must also include:

(1) If the program participant meets the criteria under paragraph (1) of the "at risk of homelessness" definition in § 576.2:

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

(ii) The program participant's certification on a form specified by HUD that the program participant has insufficient financial resources and support networks; *e.g.*, family, friends, faith-based or other social networks, immediately available to attain housing stability and meets one or more of the conditions under paragraph (1)(iii) of the definition of "at risk of homelessness" in § 576.2;

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

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

(B) To the extent that source documents are unobtainable, a written statement by the relevant third party (*e.g.*, former employer, public administrator, relative) or the written certification by the recipient's or subrecipient's intake staff of the oral verification by the relevant third party that the applicant meets one or both of

the criteria under paragraph (1)(ii) of the definition of "at risk of homelessness" in § 576.2; or

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

(iv) The most reliable evidence available to show that the program participant meets one or more of the conditions under paragraph (1)(iii) of the definition of "at risk of homelessness" in § 576.2. Acceptable evidence includes:

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

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

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

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

(d) *Determinations of ineligibility.* For each individual and family determined ineligible to receive Emergency Solutions Grant (ESG) assistance, the record must include documentation of the reason for that determination.

(e) *Annual income.* For each program participant who receives homelessness prevention assistance, or who receives rapid re-housing assistance longer than one year, the following documentation of annual income must be maintained:

(1) Income evaluation form containing the minimum requirements specified by HUD and completed by the recipient or subrecipient; and

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

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

(4) To the extent that source documents and third party verification are unobtainable, the written certification by the program participant of the amount of income the program participant received for the most recent period representative of the income that the program participant is reasonably expected to receive over the 3-month period following the evaluation.

(f) *Program participant records.* In addition to evidence of homeless status or "at risk of homelessness" status, as applicable, records must be kept for each program participant that document:

(1) The services and assistance provided to that program participant, including, as applicable, the security deposit, rental assistance, and utility payments made on behalf of the program participant;

(2) Compliance with the applicable requirements for providing services and assistance to that program participant under the program components and eligible activities provisions at § 576.101 through § 576.106, the provision on determining eligibility and amount and type of assistance at § 576.401(a) and (b), and the provision on using

appropriate assistance and services at § 576.401(d) and (e); and

(3) Where applicable, compliance with the termination of assistance requirement in § 576.402.

(g) *Centralized or coordinated assessment systems and procedures.* The recipient and its subrecipients must keep documentation evidencing the use of, and written intake procedures for, the centralized or coordinated assessment system(s) developed by the Continuum of Care(s) in accordance with the requirements established by HUD.

(h) *Rental assistance agreements and payments.* The records must include copies of all leases and rental assistance agreements for the provision of rental assistance, documentation of payments made to owners for the provision of rental assistance, and supporting documentation for these payments, including dates of occupancy by program participants.

(i) *Utility allowance.* The records must document the monthly allowance for utilities (excluding telephone) used to determine compliance with the rent restriction.

(j) *Shelter and housing standards.* The records must include documentation of compliance with the shelter and housing standards in § 576.403, including inspection reports.

(k) *Emergency shelter facilities.* The recipient must keep records of the emergency shelters assisted under the ESG program, including the amount and type of assistance provided to each emergency shelter. As applicable, the recipient's records must also include documentation of the value of the building before the rehabilitation of an existing emergency shelter or after the conversion of a building into an emergency shelter and copies of the recorded deed or use restrictions.

(l) *Services and assistance provided.* The recipient must keep records of the types of essential services, rental assistance, and housing stabilization and relocation services provided under the recipient's program and the amounts spent on these services and assistance. The recipient and its subrecipients that are units of general purpose local government must keep records to demonstrate compliance with the maintenance of effort requirement, including records of the unit of the general purpose local government's annual budgets and sources of funding for street outreach and emergency shelter services.

(m) *Coordination with Continuum(s) of Care and other programs.* The recipient and its subrecipients must document their compliance with the

requirements of § 576.400 for consulting with the Continuum(s) of Care and coordinating and integrating ESG assistance with programs targeted toward homeless people and mainstream service and assistance programs.

(n) *HMIS*. The recipient must keep records of the participation in HMIS or a comparable database by all projects of the recipient and its subrecipients.

(o) *Matching*. The recipient must keep records of the source and use of contributions made to satisfy the matching requirement in § 576.201. The records must indicate the particular fiscal year grant for which each matching contribution is counted. The records must show how the value placed on third-party, noncash contributions was derived. To the extent feasible, volunteer services must be supported by the same methods that the organization uses to support the allocation of regular personnel costs.

(p) *Conflicts of interest*. The recipient and its subrecipients must keep records to show compliance with the organizational conflicts-of-interest requirements in § 576.404(a), a copy of the personal conflicts of interest policy or codes of conduct developed and implemented to comply with the requirements in § 576.404(b), and records supporting exceptions to the personal conflicts of interest prohibitions.

(q) *Homeless participation*. The recipient must document its compliance with the homeless participation requirements under § 576.405.

(r) *Faith-based activities*. The recipient and its subrecipients must document their compliance with the faith-based activities requirements under § 576.406.

(s) *Other Federal requirements*. The recipient and its subrecipients must document their compliance with the Federal requirements in § 576.407, as applicable, including:

(1) Records demonstrating compliance with the nondiscrimination and equal opportunity requirements under § 576.407(a), including data concerning race, ethnicity, disability status, sex, and family characteristics of persons and households who are applicants for, or program participants in, any program or activity funded in whole or in part with ESG funds and the affirmative outreach requirements in § 576.407(b).

(2) Records demonstrating compliance with the uniform administrative requirements in 24 CFR part 85 (for governments) and 24 CFR part 84 (for nonprofit organizations).

(3) Records demonstrating compliance with the environmental review

requirements, including flood insurance requirements.

(4) Certifications and disclosure forms required under the lobbying and disclosure requirements in 24 CFR part 87.

(t) *Relocation*. The records must include documentation of compliance with the displacement, relocation, and acquisition requirements in § 576.408.

(u) *Financial records*. (1) The recipient must retain supporting documentation for all costs charged to the ESG grant.

(2) The recipient and its subrecipients must keep documentation showing that ESG grant funds were spent on allowable costs in accordance with the requirements for eligible activities under § 576.101-§ 576.109 and the cost principles in OMB Circulars A-87 (2 CFR part 225) and A-122 (2 CFR part 230).

(3) The recipient and its subrecipients must retain records of the receipt and use of program income.

(4) The recipient must keep documentation of compliance with the expenditure limits in § 576.100 and the expenditure deadline in § 576.203.

(v) *Subrecipients and contractors*. (1) The recipient must retain copies of all solicitations of and agreements with subrecipients, records of all payment requests by and dates of payments made to subrecipients, and documentation of all monitoring and sanctions of subrecipients, as applicable. If the recipient is a State, the recipient must keep records of each recapture and distribution of recaptured funds under § 576.501.

(2) The recipient and its subrecipients must retain copies of all procurement contracts and documentation of compliance with the procurement requirements in 24 CFR 85.36 and 24 CFR 84.40-84.48.

(3) The recipient must ensure that its subrecipients comply with the recordkeeping requirements specified by the recipient and HUD notice or regulations.

(w) *Other records specified by HUD*. The recipient must keep other records specified by HUD.

(x) *Confidentiality*. (1) The recipient and its subrecipients must develop and implement written procedures to ensure:

(i) All records containing personally identifying information (as defined in HUD's standards for participation, data collection, and reporting in a local HMIS) of any individual or family who applies for and/or receives ESG assistance will be kept secure and confidential;

(ii) The address or location of any domestic violence, dating violence, sexual assault, or stalking shelter project assisted under the ESG will not be made public, except with written authorization of the person responsible for the operation of the shelter; and

(iii) The address or location of any housing of a program participant will not be made public, except as provided under a preexisting privacy policy of the recipient or subrecipient and consistent with state and local laws regarding privacy and obligations of confidentiality.

(2) The confidentiality procedures of the recipient and its subrecipients must be in writing and must be maintained in accordance with this section.

(y) *Period of record retention*. All records pertaining to each fiscal year of ESG funds must be retained for the greater of 5 years or the period specified below. Copies made by microfilming, photocopying, or similar methods may be substituted for the original records.

(1) Documentation of each program participant's qualification as a family or individual at risk of homelessness or as a homeless family or individual and other program participant records must be retained for 5 years after the expenditure of all funds from the grant under which the program participant was served;

(2) Where ESG funds are used for the renovation of an emergency shelter involves costs charged to the ESG grant that exceed 75 percent of the value of the building before renovation, records must be retained until 10 years after the date that ESG funds are first obligated for the renovation; and

(3) Where ESG funds are used to convert a building into an emergency shelter and the costs charged to the ESG grant for the conversion exceed 75 percent of the value of the building after conversion, records must be retained until 10 years after the date that ESG funds are first obligated for the conversion.

(z) *Access to records*. (1) *Federal government rights*. Notwithstanding the confidentiality procedures established under paragraph (w) of this section, HUD, the HUD Office of the Inspector General, and the Comptroller General of the United States, or any of their authorized representatives, must have the right of access to all books, documents, papers, or other records of the recipient and its subrecipients that are pertinent to the ESG grant, in order to make audits, examinations, excerpts, and transcripts. These rights of access are not limited to the required retention period but last as long as the records are retained.

(2) *Public rights.* The recipient must provide citizens, public agencies, and other interested parties with reasonable access (consistent with state and local laws regarding privacy and obligations of confidentiality and the confidentiality requirements in this part) to records regarding any uses of ESG funds the recipient received during the preceding 5 years.

(aa) *Reports.* The recipient must collect and report data on its use of ESG funds in the Integrated Disbursement and Information System (IDIS) and other reporting systems, as specified by HUD. The recipient must also comply with the reporting requirements in 24 CFR parts 85 and 91 and the reporting requirements under the Federal Funding Accountability and Transparency Act of 2006, (31 U.S.C. 6101 note), which are set forth in Appendix A to 2 CFR part 170.

#### § 576.501 Enforcement.

##### (a) *Performance reviews.*

(1) HUD will review the performance of each recipient in carrying out its responsibilities under this part whenever determined necessary by HUD, but at least annually. In conducting performance reviews, HUD will rely primarily on information obtained from the records and reports from the recipient and, when appropriate, its subrecipients, as well as information from onsite monitoring, audit reports, and information from IDIS and HMIS. Where applicable, HUD may also consider relevant information pertaining to the recipient's performance gained from other sources, including citizen comments, complaint determinations, and litigation. Reviews to determine compliance with specific requirements of this part will be conducted as necessary, with or without prior notice to the recipient.

(2) If HUD determines preliminarily that the recipient or one of its subrecipients has not complied with an ESG program requirement, HUD will give the recipient notice of this determination and an opportunity to demonstrate, within the time prescribed by HUD and on the basis of substantial facts and data, that the recipient has complied with Emergency Solutions Grant (ESG) requirements. HUD may change the method of payment to require the recipient to obtain HUD's prior approval each time the recipient draws down Emergency Solutions Grant (ESG) funds. To obtain prior approval, the recipient may be required to manually submit its payment requests and supporting documentation to HUD in order to show that the funds to be drawn down will be expended on

eligible activities in accordance with all ESG program requirements.

(3) If the recipient fails to demonstrate to HUD's satisfaction that the activities were carried out in compliance with ESG program requirements, HUD will take one or more of the remedial actions or sanctions specified in paragraph (b) of this section.

(b) *Remedial actions and sanctions.* Remedial actions and sanctions for a failure to meet an ESG program requirement will be designed to prevent a continuation of the deficiency; mitigate, to the extent possible, its adverse effects or consequences; and prevent its recurrence.

(1) HUD may instruct the recipient to submit and comply with proposals for action to correct, mitigate, and prevent noncompliance with ESG requirements, including:

(i) Preparing and following a schedule of actions for carrying out activities affected by the noncompliance, including schedules, timetables, and milestones necessary to implement the affected activities;

(ii) Establishing and following a management plan that assigns responsibilities for carrying out the remedial actions;

(iii) Canceling or revising activities likely to be affected by the noncompliance, before expending ESG funds for the activities;

(iv) Reprogramming ESG funds that have not yet been expended from affected activities to other eligible activities;

(v) Suspending disbursement of ESG funds for some or all activities;

(vi) Reducing or terminating the remaining grant of a subrecipient and reallocating those funds to other subrecipients; and

(vii) Making matching contributions before or as draws are made from the recipient's ESG grant.

(2) HUD may change the method of payment to a reimbursement basis.

(3) HUD may suspend payments to the extent HUD deems it necessary to preclude the further expenditure of funds for affected activities.

(4) HUD may remove the recipient from participation in reallocations of funds under subpart D of this part.

(5) HUD may deny matching credit for all or part of the cost of the affected activities and require the recipient to make further matching contributions to make up for the contribution determined to be ineligible.

(6) HUD may require the recipient to reimburse its line of credit in an amount equal to the funds used for the affected activities.

(7) HUD may reduce or terminate the remaining grant of a recipient and

reallocate those funds to other recipients in accordance with subpart D of this part.

(8) HUD may condition a future grant.

(9) HUD may take other remedies that are legally available.

(c) *Recipient sanctions.* If the recipient determines that a subrecipient is not complying with an ESG program requirement or its subgrant agreement, the recipient must take appropriate actions, as prescribed for HUD in paragraphs (a) and (b) of this section. If the recipient is a State and funds become available as a result of an action under this section, the recipient must reallocate those funds to other subrecipients as soon as practicable. If the recipient is a unit of general purpose local government of territory, it must either reallocate those funds to other subrecipients or reprogram the funds for other activities to be carried out by the recipient as soon as practicable. The recipient must amend its Consolidated Plan in accordance with its citizenship participation plan if funds become available and are reallocated or reprogrammed under this section. The reallocated or reprogrammed funds must be used by the expenditure deadline in § 576.203.

Dated: November 9, 2011.

**Mercedes Márquez,**

*Assistant Secretary for Community Planning and Development.*

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## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

### 24 CFR Parts 91, 582, and 583

[Docket No. FR-5333-F-02]

RIN 2506-AC26

### Homeless Emergency Assistance and Rapid Transition to Housing: Defining "Homeless"

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

**ACTION:** Final 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, revises the Emergency Shelter Grants program and renames the program the Emergency Solutions Grants program,

**Department of Housing and Community Development**  
**Emergency Solutions Grants Program**  
**State Regulations**  
**California Code of Regulations Title 25, Division 1, Chapter 7,**  
**Subchapter 20**

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## **§ 8400. Purpose and Scope.**

(a) These regulations establish procedures for the State of California ("State") administration of federal funds from the Emergency Solutions Grants Program (the "ESG" or "ESG program") and establish policies and procedures for use of these funds to meet the purposes contained in Title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. sections 11371-11378) as amended by S.896 The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009 (sections 103-105 and 401-418) (the "Act").

(b) The Act, and any amendments thereto, provide for State administration of the ESG program. These regulations set forth policies and procedures governing the administration of these funds within the California Department of Housing and Community Development (the "Department"). In addition to these regulations, ESG program participants will comply with the regulations applicable to the ESG program as indicated below and as set forth in 24 C.F.R. Part 58, and 24 C.F.R. Part 576. Additionally, nonprofit organizations funded by the ESG program shall comply with the requirements of 24 C.F.R. Part 84 as though they were subrecipients pursuant to 24 C.F.R. Part 84. Also, Units of general local government funded by the ESG program shall comply with the requirements of 24 C.F.R. Part 85. In the event that any federal or state laws or regulations, including without limitation regulations by the Department of Housing and Urban Development ("HUD") add, delete, modify, or otherwise change any statutory or regulatory requirements concerning the use or administration of these funds, ESG program participants shall comply with such requirements, as amended.

(c) References to section numbers in the 8400 series in the following sections are references to these Emergency Solutions Grants Program Regulations beginning at 24 Cal Code Regulations, title 25, section 8400 et seq.

(d) In the event of a conflict between the State ESG Regulations and 24 C.F.R. Part 58, 24 C.F.R. Part 84, 24 C.F.R. Part 85, or the ESG regulations at 24 C.F.R. Part 576, the federal regulations shall prevail.

Authority cited: Section 50406(n), Health and Safety Code. Reference: 42 U.S.C. Sections 11371-11378 (sections 103-105 and 401-418); 24 C.F.R. Part 58; 24 C.F.R. Part 84; 24 C.F.R. Part 85; and 24 C.F.R. Part 576.

## **§ 8401. Definitions.**

In addition to the definitions found in 42 U.S.C. section 11371 (section 411), and 24 C.F.R. section 576.3, the following definitions shall apply to this subchapter

"Action Plan" means the annual plan required by HUD pursuant to 24 CFR Part 91 governing the distribution and use of ESG funds allocated by HUD to states and local governments.

“Administrative activities” is defined at 24 CFR 576.108.

“Administrative Entity” means a Unit of general purpose local government approved by the Department pursuant to section 8403 to administer State ESG funds.

“Balance of State Allocation” means funds allocated pursuant to the requirements of sections 8404 through 8407.

“City” is defined at 42 U.S.C. section 5302(a)(5).

“Continuum of Care” is defined at 24 CFR 576.2.

“Continuum of Care Allocation” means the ESG funds pursuant to the requirements of section 8403.

“Continuum of Care Service Area” means the entire geographic area within the boundaries of an Eligible Continuum of Care.

“Coordinated Entry” means the system of program access, needs assessment and prioritization developed by a Continuum of Care pursuant to 24 CFR 576.400 (d), and associated HUD requirements and guidance. This term is also known as “Coordinated Entry System”, “Coordinated Assessment” or “Centralized Assessment”.

“Core Practices” means the practices and protocols of delivering ESG Eligible activities as specified in section 8409.

“Department” means the California Department of Housing and Community Development.

“ESG” is the acronym for the Emergency Solutions Grants program.

“Eligible activities” mean those activities upon which ESG funds may be expended as described in section 8408.

“Eligible Continuum of Care” means a Continuum of Care in the State that has within its Service Area at least one Nonentitlement area. These entities must also meet the requirements of sections 8403 (d) or 8404 (a).

“Eligible organization” means a Private nonprofit organization or a Unit of general purpose local government that provides, or contracts with Private nonprofit organizations to provide, Eligible activities.

“Emergency shelter” is defined under 24 CFR 576.2.



"ESG Entitlement" means a Unit of general purpose local government that meets one of the following: (1) is a Metropolitan City or Urban County as defined under 42 USC 5302 that receives an allocation of ESG funds directly from HUD; (2) is in a Nonentitlement area that has entered into an agreement with an Urban County to participate in that locality's ESG program, or (3) is a Metropolitan City or Urban County that have entered into a joint agreement with one another to receive and administer a combined direct allocation of ESG funds from HUD.

"ESG Entitlement Area" or "Entitlement Area" means the geography within an ESG Entitlement's boundaries.

"ESG Nonentitlement" means a Unit of general purpose local government that does not receive ESG funding directly from HUD and is not participating as an ESG Entitlement.

"ESG Nonentitlement Area" means the geography within an ESG Nonentitlement's boundaries.

"Governing Board" - for nonprofit applicants this term includes board of directors; for county local government applicants this term includes county board of supervisors; for City local government applicants this term includes City council.

"HMIS" means Homeless Management Information System as defined under 24 CFR 576.2. Use of the term "HMIS" within these regulations shall also include use of a comparable database, as permitted by HUD under 24 CFR Part 576.

"Homeless" is defined at 24 CFR 576.2.

"Homelessness prevention activities" means activities or programs described in 24 CFR 576.103.

"HUD" means the United States Department of Housing and Urban Development.

"NOFA" is the acronym for a "Notice of Funding Availability" described in section 8405.

"Nonentitlement area" is defined at 42 U.S.C. 5302.

"Operations" means the category of FESG activities that includes shelter maintenance, operation, rent, repairs, security, fuel, equipment, insurance, utilities, food and furnishings.

"Private nonprofit organization" is defined at 24 CFR 576.2.

"Rapid Re-housing" means the activities set forth in 24 CFR 576.104.

"Rank" means the order of eligible applications for funding based only on the rating established pursuant to the applicable grant selection criteria.

"Rating" means the process by which eligible applications are evaluated and given an overall numerical or relative value based on the numerical or relative value(s) assigned to each of the identified selection criteria described in the NOFA to which the applicant is responding.

"Service Area" has the same meaning as the term "Continuum of Care Service Area".

"Site" means one or more facilities where the program(s) is being carried out.

"Site Control" means the legal right to occupy and use the Site, as evidenced by such things as:

- (1) a deed demonstrating ownership in fee title;
- (2) a lease demonstrating a leasehold interest in the Site and its improvements for at least the term of the ESG grant,
- (3) an enforceable option to purchase or lease a site provided that such option will be for at least the term of the ESG grant or
- (4) For rotating shelter programs, site control may include other evidence provided by the applicant granting permission to use the site(s). Such evidence must be approved by the Department in writing prior to the deadline for submission of the ESG application stated in the applicable NOFA.

"Standard Agreement" means the contract entered into by the Department and the ESG Subrecipient setting forth the basic terms and conditions governing the award of ESG funds.

"Subrecipient" means an entity that enters into a Standard Agreement with the Department for ESG funds.

"Subrecipient of the Administrative Entity" means an entity that enters into a written agreement with the Administrative Entity to implement Eligible activities with ESG funds.

"Unit of general purpose local government" is defined at 24 CFR section 576.2.

"Written Standards" means the standards, policies, and procedures adopted by a Continuum of Care for providing ESG-eligible activities pursuant to the requirements of 24 CFR 576.400 (e).

Authority cited: Section 50406(n), Health and Safety Code. Reference: 42 U.S.C. 5302, 42 U.S.C. 11302, 42 U.S.C. 11371, 42 U.S.C. 11373, 24 C.F.R. 576.3 and 24 C.F.R. 576.400.

## **§ 8402. Allocation of Funds**

(a) The Department will accept and use an amount of the State's annual allocation of ESG funds for Administrative activities not to exceed the amount permitted under 24 CFR 576.100(c). Pursuant to 24 CFR 576.108 (b), a portion of this amount will be shared with ESG Subrecipients that are Units of general purpose local government. The amounts available for Administrative activities will be announced in the Action Plan and annual NOFA.

(b) After deducting for State Administrative activities, the remaining ESG funds will be made available for Eligible activities through two allocations according to the formula set forth in subsection (c):

(1) the Continuum of Care Allocation to be administered in accordance with section 8403; and

(2) the Balance of State Allocation to be administered in accordance with sections 8404 through 8407.

(c) The amount of funds available to Service Areas within the Continuum of Care Allocation and the Balance of State Allocation will be based on the amount of ESG funds available in any given year using the following formula factors adjusted biannually using the most recent data available.

(1) The point-in-time count published by HUD which includes both sheltered and unsheltered homeless persons prorated to reflect the total population of the ESG Nonentitlement Areas within each Continuum of Care Service Area as published by the Census Bureau;

(2) The number of extremely low-income renter households within the ESG Nonentitlement Areas of each Continuum of Care Service Area that are paying more than 50 percent of their income for rent using HUD's Comprehensive Housing Affordability Strategy dataset;

(3) The number of persons below the federal poverty line within the ESG Nonentitlement Areas of each Continuum of Care Service Area divided by the total population within the ESG Nonentitlement Areas of each Continuum of Care Service Area. This factor will be double-weighted. Data for these factors will be obtained from the Census Bureau.

(4) Notwithstanding subsections (1) through (3) above, the Department may occasionally adjust the weighting of these factors and sources of information to reflect changes in the availability of data sources and to use the best information available. Any changes to the factors or weighting of the formula will be proposed in the Action Plan.

(d) The amount of funds available to a Service Area under the formula may be capped in order to achieve a greater geographic balance of the funds among all eligible Continuums of Care of the State. Any cap on amounts available under the formula will be proposed in the Action Plan.

(e) In any year where the Department is issuing a NOFA, by January 31st, the Department will notify Eligible Continuums of Care and ESG Entitlement Areas within an Eligible Continuum of Care of the following:

(1) Service Areas and preliminary funding amounts within the Continuum of Care Allocation and the Balance of State Allocation

(2) In determining the Continuum of Care Allocation, the Department will issue the following:

(A) A solicitation of interest for Administrative Entities, pursuant to the requirements of section 8403, which includes timeframes for applications and approval and a solicitation of interest to administer funds for geographically contiguous Continuums of Care that are eligible to receive funds under the Balance of State Allocation; and

(B) Where there is no intent to apply to be an Administrative Entity, a solicitation of interest to apply for Rapid Re-housing activities pursuant to 8403(a) (2).

(3) In determining the Balance of State Allocation, the Department will issue the following:

(A) A solicitation of interest from Continuums of Care to participate in Balance of State Allocation regional competition pursuant to section 8404(a(4)), and

(B) A solicitation of interest in applying for Rapid Rehousing activities pursuant to 8404(a) (2).

Authority cited: Section 50406(n), Health and Safety Code.

Reference: 24 C.F.R. Section 576.100 and 24 C.F.R. 576.108.