

EMERGENCY SOLUTIONS GRANTS PROGRAM

Program Guidelines CARES (ESG-CV)

Program administered by

DELAWARE STATE HOUSING AUTHORITY

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Section I – Introduction

Emergency Solutions Grant – CARES (ESG-CV) -The Coronavirus Aid, Relief, and Economic Security Act of 2020 (CARES Act) provided for a supplemental appropriation of Homeless Assistance Grants under the Emergency Solutions Grant (ESG) as authorized by McKinney-Vento Homeless Assistance Act of 1987 (P.L. 100-77), as amended by the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009 (P.L. 111-22) (42 U.S.C.S. §11371 et. seq.). The CARES Act provides for three allocations of homeless assistance funds to prevent, prepare for, and respond to coronavirus, among individuals and families who are homeless or receiving homeless assistance and to support additional homeless assistance and homelessness prevention activities to mitigate the impacts created by coronavirus.

The Delaware State Housing Authority (DSHA), has received allocations of ESG-CV funds – the first appropriation of \$807,114 and a second appropriation of \$1,527,664 based on the U.S. Department of Housing and Urban Development (HUD) federal fiscal year 2020 formula distribution. DSHA's priority for the use of these ESG-CV funds will be to assist homeless providers and communities prepare for, prevent the spread of and respond to the coronavirus. DSHA will use the ESG-CV CARES funding to support applicants who will work to end or prevent homelessness quickly and as efficiently as possible for all vulnerable populations.

All funded applicants will use a coordinated entry process established by Housing Alliance of Delaware, when the activity is applicable, to ensure the homeless crisis response system is easy to access, the needs of the homeless population are quickly identified and assessed, and priority decisions are based on those known needs. Funded applicants will be expected to use a Housing First (see page 6) approach by ensuring people experiencing a housing crisis are quickly connected to permanent housing. All eligible activities include those listed in the ESG interim rule published in the Federal Register on December 5, 2011 located at 24 CFR 576 and address the priorities and any published supplemental requirements of the CARES Act in order to prepare for, prevent the spread of and respond to the coronavirus.

A. Definitions

Applicant – any qualified nonprofit organizations, units of general-purpose local governments and faith-based organizations (non-religious public services) interested in providing eligible services of the Emergency Solutions Grants (ESG-CV) Program that address one or more of the public needs in the State of Delaware with priority targeted in Kent and Sussex Counties.

At-Risk of Homelessness

More detailed description of this term may be found in the HEARTH “Homeless” Definition (Final Rule) on www.hudexchange.info

1. An individual or family who:
 - a. For this supplemental allocation of funds ONLY, has an annual income that does not exceed the Very Low-Income limit for the area, as determined by HUD, and as prescribed in the CARES Act;
 - b. 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 c. Meets one of the following conditions:
 - (1) Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;
 - (2) Is living in the home of another because of economic hardship;
 - (3) 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;
 - (4) 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;
 - (5) 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 per room, as defined by the U.S. Census Bureau;
 - (6) 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
 - (7) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the DCED’s approved consolidated plan;

Community Management Information System (CMIS) – A database used to confidentially aggregate data on homeless populations. The system allows for a record of client-level information about the characteristics and services needs of homeless persons.

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 Definition – (all participants must meet the definition of homeless)

More detailed description of this term may be found in the HEARTH “Homeless” Definition (Final Rule) on www.hudexchange.info

1. An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
 - a. 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 campground;

- b. 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
 - c. 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:
 - a. The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
 - b. No subsequent residence has been identified; and
 - c. 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:
 - a. 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);
 - b. 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;
 - c. 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
 - d. 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:
 - a. 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;
 - b. Has no other residence; and
 - c. Lacks the resources or support networks, e.g., family, friends, faith based or other social networks, to obtain other permanent housing.

Housing First – Homeless assistance approach that prioritizes providing permanent housing to people experiencing homelessness, thus ending their homelessness and serving as a platform from which they can pursue personal goals and improve their quality of life. This approach is guided by the belief that people need basic necessities like food and shelter before focusing on next steps, such as employment, personal finance, and/or substance abuse issues. Additionally, Housing First is based on the theory that client choice is valuable in housing selection and supportive service participation, and that exercising that choice is likely to make a client more successful in remaining housed and improving their life.

Homelessness Prevention – Financial assistance, rental assistance, and services provided to individuals and families who are at imminent risk, or at risk of homelessness; meaning those who qualify under the homeless definition (categories 2, 3, or 4) or those who qualify as at risk of homelessness as issued in HUD’s regulations. Eligible individuals and families must have annual incomes that do not exceed the Very Low-Income of the area, as established annually by HUD.

Participants – A homeless or at-risk of homeless individual or family who receive ESG or ESG-CV assistance.

Street Outreach - Coordinated street outreach that identifies and engages people living in unsheltered locations, such as in cars, parks, abandoned buildings, encampments, and on the streets, plays critical roles within systems for ending homelessness. Effective street outreach reaches people who might not otherwise seek assistance or come to the attention of the homelessness service system and ensures that people’s basic needs are met while supporting them along pathways toward housing stability.

Rapid Re-housing – Financial assistance, rental assistance, and services provided to individuals and families who are literally homeless, meaning those who qualify under the Category 1 definition of homeless.

Subgrantee – any qualified nonprofit organizations, units of general-purpose local governments and faith-based organizations (non-religious public services) that is awarded ESG or ESG-CV funds.

B. Eligibility

Applicants

DSHA will accept applications from – any qualified nonprofit organizations, units of general purpose local governments and faith-based organizations (non-religious public services) interested in providing eligible services of the Emergency Solutions Grants (ESG) Program that address one or more of the public needs targeted in Kent and Sussex Counties.

DSHA intends to make grants for any single activity or combination of ESG-CV activities as outlined below:

- Emergency Shelter
- Homelessness Prevention
 - o Legal Services
 - o Arrearage
- Rapid Re-Housing
- Street Outreach
- HMIS

Any agreement with a subrecipient for ESG-CV funds does not absolve the applicant of its existing contractual responsibilities with DSHA. DSHA will only fund eligible Rapid Rehousing agencies that has been approved by Housing Alliance of Delaware for Rapid Re-Housing eligible activities in the State of Delaware. DSHA will only fund Homeless Prevention agencies for rental and utility assistance activities in the State of Delaware that have been previously approved by DSHA.

Eligible Activities

ESG-CV Funds may be used for individuals and families who are experiencing homelessness or at risk of becoming homeless as defined in 24 CFR 576.

The CARES Act has removed the maximum percent allowable for shelter activities under the ESG- CV. As a result, for use of funds under this program, there is NO CAP on the percent of funds that may be requested for the Emergency Shelter component.

Services are allowable in accordance with the CARES Act. Contracts will not extend beyond 36 months. Therefore, all activities must be completed within 36 months.

Use of Grant Funds

Grant funds must be used for eligible activities as described in the HUD ESG regulations (www.hudexchange.info/programs/esg/esg-law-regulations-and-notices/) and as outlined below and further articulated in the CARES Act and with supplemental regulatory waivers granted by HUD.

DSHA Funded Eligible Activities

Emergency Shelter Component (24CFR §576.102)

Services delivered to homeless persons in temporary shelter and operation of shelters

Essential Services	<ul style="list-style-type: none"> • Case Management • Child Care • Education Services • Employment Assistance and Job Training • Legal Services • Life Skills Training • Mental Health Services • Substance Abuse Treatment Services • Transportation • Services for Special Populations • Outpatient health services
Shelter Operations	<ul style="list-style-type: none"> • Maintenance & repairs • Utilities • Rent • Food • Security • Furnishings • Fuel • Insurance • Providing safety equipment/PPE • Equipment • Supplies necessary for the operation of the shelter • Hotel/Motel –when no appropriate shelter is available • Temporary Emergency Shelters (through leasing of existing property, temporary structures, or other means) to prevent, prepare for, or respond to coronavirus and such temporary emergency shelters shall not be subject to the minimum periods of use required by 416(c)(1) of such Act (42 U.S.C. 11375(c)(1))

Street Outreach Component (24CFR §576.101)

Services delivered to homeless persons unsheltered

Engagement	<ul style="list-style-type: none"> • Case Management • Connecting individuals and families with emergency shelter • Connection individuals and families with housing • Connecting with Critical Services • Emergency Health and Mental Health Services • Transportation to medical care • Mental Health Services • Substance Abuse Treatment Services • Providing safety equipment/PPE • Services for Special Populations • Outpatient health services
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For both Rapid Re-housing and Homelessness Prevention Components

Housing Relocation and Stabilization Services (24CFR §576.105)

(a) Financial Assistance

Rental Application Fees	<ul style="list-style-type: none"> • Application fees that are charged by the owner to all applicants
Security Deposits	<ul style="list-style-type: none"> • Equal to no more than 1 months' rent.
Last Month's Rent	<ul style="list-style-type: none"> • Paid to the owner of housing at the time security deposit and first month's rent if necessary to obtain housing. (Is counted toward the 24 months of assistance in 3 years.)
Moving Costs	<ul style="list-style-type: none"> • Funds may be used for reasonable moving costs, such as truck rental, hiring a moving company, or temporary storage fees for a maximum of 3 months after the participant begins to receive services but before they move into permanent housing. Arrearages are not eligible.
Utility Deposits	<ul style="list-style-type: none"> • Standard utility deposit required by the utility company for all customers (i.e. gas, electric, water/sewage)
Utility Payments	<ul style="list-style-type: none"> • Up to 24 months of utility payments per participant, per service (i.e. gas, electric, water/sewage), including up to 6 months of arrearages, per service.

(b) Services Costs

Housing Search and Placement	<ul style="list-style-type: none"> • Assessment of housing barriers, needs and preferences • Development of an action plan for locating housing • Housing search and outreach to, and negotiation with owner • Assistance with submitting rental applications and understanding leases • Assessment of housing for compliance with ESG requirements for habitability, lead based paint, and rent reasonableness • Assistance with obtaining utilities and making moving arrangements • Tenant counseling
Housing Stability Case Management	<p>Assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability.</p> <ul style="list-style-type: none"> • Using the centralized or coordinated assessment system to conduct the initial evaluation and re-evaluation. • Counseling • Developing, securing and coordinating services including Federal, state, and local benefits • Monitoring and evaluating program participant progress • Providing information and referrals to other providers • Developing an individualized housing and service plan • 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

Legal Services	<p><i>Legal services that are necessary to resolve a legal problem that prohibits the program participant from obtaining or maintaining permanent housing.</i></p> <ul style="list-style-type: none"> • Hourly fees for legal advice and representation • Fees based on the actual service performed (i.e. fee for service), but only if the cost would be less than the cost of hourly fees. • Client intake, preparation of cases for trial, provision of legal advice, representation at hearings and counseling • Filing fees and other necessary court costs • Subrecipient's employees' salaries and other costs necessary to perform the services if the subrecipient is a legal services provider and performs the services itself. Note: Legal services related to mortgages are not eligible
Credit Repair	<ul style="list-style-type: none"> • 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. • Assistance <u>cannot</u> include the payment or modification of a debt.
Requirements and Restrictions for Services	<ul style="list-style-type: none"> • Participants must speak with a case manager at least once a month for the duration of assistance, except where funding under the Violence Against Women Act (VAWA) or Family Violence Prevention and Services Act (FVSP) prohibits the recipient or subrecipient from making shelter or housing conditional upon receipt of services. • Participants must be assisted as needed, in obtaining: <ul style="list-style-type: none"> - <u>Appropriate supportive services</u> like medical or mental health treatment or services essential for independent living. - <u>Mainstream benefits</u> like Medicaid, SSI, or TANF <p style="color: red; text-align: center;">*Subject to waivers published by HUD on 4/1/2020, as amended.</p>
Short- and Medium-Term Rental Assistance (24CFR § 576.106)	
Types of Rental Assistance	Length of Assistance
Short Term Rental Assistance	Up to 3 Months
Medium Term Rental Assistance	4 to 24 Months
Payment of Rental Arrears	One-time payment up to 6 months, including any late fees on those arrears
Any Combination of the Three Types of Rental Assistance	Total not to exceed 24 months during any 3-year period, including any payment for last month's rent.

<p>Requirements and Restrictions</p>	<ul style="list-style-type: none"> • Compliance with Fair Market Rents (FMR) limits and Rent Reasonableness *Subject to waivers published by HUD on 4/1/2020, as amended. • Compliance with Minimum Habitability Standards *Subject to waivers published by HUD on 4/1/2020, as amended. • Rental Assistance Agreement and Lease Standards: <ul style="list-style-type: none"> - The rental assistance agreement must set forth the terms under which rental assistance will be provided - Each participant receiving rental assistance must have a legally binding, written lease (between the owner and participant) for the rental unit, unless the assistance is solely for rental arrears. • Cannot Use with Other Subsidies <ul style="list-style-type: none"> - No rental assistance can be provided to a household receiving rental assistance from another source for the same period (except 6 months of arrears) - Rental assistance may not be provided to a participant who is currently receiving replacement housing payments under the Uniform Relocation Assistance (URA).
<p>Additional Training</p>	<p>[CARES Act specific] amounts provided under this heading in this Act may be used for training on infectious disease prevention and mitigation and to provide hazard pay, including for time worked prior to the date of enactment of this Act, for staff working directly to prevent, prepare for, and respond to coronavirus among persons who are homeless or at risk of homelessness, and that such activities shall not be considered administrative costs for purposes of the percent cap</p>
<p>CMIS (24CFR § 576.107)</p>	
<p>CMIS</p>	<ul style="list-style-type: none"> • The HEARTH Act makes CMIS participation a statutory requirement for ESG and ESG-CV recipients. <ul style="list-style-type: none"> - Subrecipients serving victims of domestic violence cannot may choose to not participate in CMIS. Providers that do not participate in CMIS must use a comparable database that produces unduplicated, aggregate reports instead. - Subrecipients that use comparable databases may use ESG and ESG-CV funds to pay the costs of establishing and operating a comparable database.

Section II – Program Requirements

A. ESG-CV Description

The Emergency Solutions Grant (ESG) Program is authorized by subtitle B of Title IV – Housing Assistance Act as amended by S.896 The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009. The ESG interim rule 24 CFR Part 576, published in the Federal Register on December 5, 2011, establishes the regulations for the Emergency Solutions Grants Program.

On March 27, 2020 the Coronavirus Aid, Relief, and Economic Security Act, the CARES Act, P.L. 116-136, was signed into law to address the economic and community fallout resulting from the coronavirus pandemic in the United States. Division B, Title XII of the CARES Act includes \$48.5 billion in funding assistance for transportation and housing activities to address the global health pandemic. A total of \$4 billion will be made available in Homeless Assistance Grants to prevent, prepare for, and respond to coronavirus among individuals and families who are homeless or receiving homeless assistance and to support additional homeless assistance and homelessness prevention activities to mitigate the impacts created by coronavirus under the Emergency Solutions Grant program as authorized under the McKinney-Vento Homeless Assistance Act, as amended.

The CARES Act authorizes the U.S. Department of Housing and Urban Development (HUD) to make grants to states, units of general-purpose local government, and territories using distribution methods identified in the CARES Act for rapid rehousing and homeless prevention assistance, street outreach, the conversion of buildings for use as emergency shelters for the homeless, and for the payment of certain expenses related to operating emergency shelters.

B. Required Match

The CARES Act has waived the match requirements for the ESG-CV appropriation, therefore DSHA requires **NO** match for the use of these funds.

C. Conditions for Funding

Statement of Need

Applicants must provide a statement of need based and data-informed narrative that gives a detailed explanation of the homeless population in the community and impact of the coronavirus pandemic. Describe the nature of impact of the pandemic in their homeless community and how the agency proposes to prevent, prepare for and respond to coronavirus among individuals and families who are homeless or receiving homeless assistance and support additional homeless assistance and homelessness prevention activities to mitigate the impact created by coronavirus.

CMIS

Grantees are required to input their homeless data into a Community Management Integrated System (CMIS) overseen by the Housing Alliance of Delaware. Domestic violence providers are prohibited from using an CMIS and therefore, must use a comparable database.

Housing First

Subrecipients are required to use the Housing First approach to providing services. Applicants must demonstrate how the Housing First model will be implemented in the community for each activity of funding requested. HUD has identified the following as barriers to accessing housing services: having too little or little income, active or history of substance abuse, having a criminal record with exceptions for state-mandated restrictions, and fleeing domestic violence (e.g., lack of a protective order, period of separation from abuser, or law enforcement involvement). HUD has identified the following as reasons for project termination: failure to participate in supportive services, failure to make progress on a service plan, loss of income or failure to improve income, fleeing domestic violence, and any other activity not covered in a lease agreement typically found in the project's geographic area. If an agency has not eliminated any of these barriers, they are not implementing the Housing First approach.

Reporting

Successful applicants will be required to comply with all established federal and state program reports required by the Delaware State Housing Authority to include: quarterly, biennial, and annual reports. A schedule of these reports will be sent to funded applicants.

Rent Reasonableness

Subrecipients providing rental assistance must develop and implement standards which ensure a mechanism for determining that the actual rental costs of units assisted are in compliance with HUD's standard of "rent reasonableness" as established under 24 CFR § 982.507. Rent reasonableness means that the total rent charged for a unit must be reasonable in relation to the rents being charged during the same period for comparable units in the private unassisted market and must not be more than rents being charged by the owner during the same time period for comparable non-luxury unassisted units.

Fair Market Rent

By HUD memorandum dated 4/1/2020, grantees may exceed the FMR for a period of six months following the date of the memorandum, however grantees must still demonstrate rent reasonableness.

Federal Habitability & Environmental Review

Federal habitability and environmental review standards and requirements shall not apply to the use of ESG-CV funds for those temporary emergency shelters that have been determined by State or local health officials to be necessary to prevent, prepare for, and respond to coronavirus.

Section III – ESG-CV Application

A. DSHA Funding Priorities

DSHA will provide maximum support available to applicants who identify activities to prevent, prepare for and respond to coronavirus. DSHA reserves the right to modify any of the priorities as deemed necessary. Decisions to modify priorities are based on data assessments and emerging needs resulting from the impacts of coronavirus in Delaware.

In order to receive funding, applicants must complete a brief application that clearly describe needs, solutions, and proposed benefits and accomplishments. Applicants must identify funding sources available or unavailable for activities. Taking into consideration the quality and number of applications received, priority in awarding ESG-CV funding shall be given first to Emergency Shelter eligible activities in Kent and Sussex Counties. Second priority shall be given to any eligible Rapid Re-Housing agency that has been approved by Housing Alliance of Delaware for Rapid Re-Housing eligible activities in the State of Delaware and third for Homeless Prevention rental and utility assistance activities for agencies that have been approved previously with DSHA similar programs.

As Congress and HUD have mandated that funds must be spent in a timely manner, the projects will be evaluated on their readiness and ability to proceed.

The highest rated applications are recommended for funding until the available funding for the second and third round is exhausted. DSHA reserves the right to reduce requested amounts or to not fund specific projects identified in an application.

B. Application Process

In an effort to expedite the application process and ensure ESG-CV resources are able to address immediate and local needs resulting from the coronavirus, certain elements of the DSHA application to demonstrate compliance with federal requirements of the ESG-CV must be available for inspection at the request of DSHA or HUD at any time during the life of the grant and must be available during monitoring.

C. Application Submission

ESG-CV guidelines and application will be posted on DSHA's website. DSHA will accept ESG-CV applications upon request.

Due to the public health emergency, DSHA will be suspending its competitive award process and directly allocate ESG-CV funding to sub-recipients that have the capacity to take on additional work and be responsive during a public health outbreak. This award process only applies to the COVID-19 ESG-CV funding. The requested application must be submitted to DSHA via email at comdev@destatehousing.com.

All questions related to these guidelines should be directed to:

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Community Development
Delaware State Housing Authority
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