

# Emergency Solutions Grants Program

FY2017  
Policy Manual



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## **Introduction**

The Emergency Solutions Grants (ESG) Program is authorized by **The McKinney-Vento Homeless Assistance Act as amended by S. 896 The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009**

(<https://www.hudexchange.info/resources/documents/HomelessAssistanceActAmendedbyHEARTH.pdf>)

This manual of policy and procedures reflect both the Federal regulations that govern the ESG, and the procedures used by the Delaware State Housing Authority (DSHA) in administration of this grant as directed by the U.S. Department of Housing and Urban Development (HUD). In addition, standards for financial management and internal controls reflect Federal regulations at 24 CFR Sections 84 and 85 and OMB Circulars A-110, A-122 and A-133. DSHA is also responsible for the environmental regulations of 24 CFR Part 58. These Federal laws and regulations are hereby included by reference as part of these policies and procedures.

Changes may occur as statutory interpretations and clarifications become available from HUD or as DSHA rules, procedures or guidelines are revised. No part of this policy guide shall override the rules set forth by Federal oversight of HUD. These policies supersede any previous ESG policies and are updated yearly. The effective date of this policy manual is July 1, 2017.

In addition to the policies and procedure sections, this manual includes DSHA Grant Forms and an Index of Reference Information in order to facilitate easy access in a format that will accommodate the users' needs and contribute to the proper implementation of the grant. Questions and comments regarding the material contained in this manual may be referred to Alice Davis, Delaware State Housing Authority, Community Development Section, 18 The Green, Dover, DE 19901 or by telephone at 302-739-4263 ext. 268.

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## **Section 1 - Applicability and Purpose**

The HEARTH Act of 2009 established funding through HUD, to support specialized housing services for the homeless. The intent of this program is to provide safe, decent and sanitary housing for homeless individuals, as well as connect those individuals with the supportive services they need to improve their situation and maintain permanent housing. DSHA administers these funds for the State of Delaware through the ESG. DSHA delegates the implementation to Subgrantees; however, as the HUD grantee for this program, DSHA is responsible for ensuring the performance and compliance of all Subgrantees.

The HEARTH Act of 2009 authorizes the ESG. The grant is available to units of general local government or private nonprofit organizations. The ESG is designed to help improve the quality of existing emergency shelters for the homeless, to make available additional emergency shelters, to help meet the costs of operating emergency shelters and to provide certain essential social services to homeless individuals. Pursuant to 24 CFR 91.5, all shelters receiving ESG funds must meet the definition of the term Emergency Shelter. The term Emergency Shelter means “any facility with overnight sleeping accommodations, the primary purpose of which is to provide temporary shelter for the homeless in general or for specific populations of the homeless”. Persons will have access not only to safe and sanitary shelter, but also to the supportive services and other kinds of assistance they need to improve their situations. The program is also intended to restrict the increase of homelessness through the funding of Rapid Re-Housing programs and activities.

Emergency food and shelter programs are essential to meet the most immediate life-threatening needs of people with nowhere to go. Shelters must be open around the clock, throughout the year. They must offer refuge tailored to the special circumstances determined by environment and individual need.

In addition to providing for the immediate needs of shelter and food, important goals for an emergency shelter system are the provision of medical care; assurance that assistance will be available to all who need it; establishment of a decent standard of quality for services; program cost-effectiveness; financial assistance for Rapid Re-Housing and avoidance of the institutionalization of emergency programs.

This manual provides guidance to Subgrantees that receive ESG funds. This guidance is to ensure that grants are being administered in compliance with applicable statutory and regulatory requirements. To ensure that ESG grants are managed well, DSHA staff is expected to have regular contact with Subgrantees by phone or letter. The purpose of this contact is to provide technical assistance to grantees and to advise them of program deadlines and reporting requirements. In addition, DSHA will use this contact and its access to IDIS to track and remind Subgrantees of the status of obligations and draw downs well before the applicable deadlines.

### **Governing Regulations**

The ESG is authorized by the HEARTH Act of 2009. This program is governed by regulations at 24 CFR Parts 91 and 576. The applicable statutory changes in the National Affordable Housing Act (Pub. L. 101-625, as amended November 28, 1990) govern the program as well. The regulations for the ESG affirm that the State grantee, DSHA, is responsible for ensuring that their respective Subgrantees carry out ESG-supported efforts in compliance with all applicable requirements.

Subgrantees are responsible, whether they are providing services directly or through other Subgrantees, for making sure that compliance with program requirements occur at all applicable levels. Grantees must have a process to ensure the compliance of their Subgrantees and enforce it via sanctions, if necessary. DSHA is required to take appropriate action, including sanctions, against Subgrantees that are not in compliance with the program requirements 24 CFR 576 Subpart E.

If Subgrantees have any questions about the ESG or this manual, they may contact Alice Davis, Community Development Section, DSHA, 18 The Green, Dover, DE 19901, 302-739-4263 ext. 268 or via e-mail at [alice@destatehousing.com](mailto:alice@destatehousing.com).

## **Section 2-Summary Information**

### **Amount of Funds Available**

It is estimated that the State of Delaware will receive an estimated \$192,991 in ESG funds in FY2017. The funds are made available to interested applicants each year through a **Notice of Funding Availability**, which is mailed to interested parties and published in prominent newspapers statewide. Instructions on how to apply for these grant monies are provided in the notice. A contact person is listed in the notice for the benefit of interested parties who may have questions about the program.

### **Eligible Applicants**

For the State of Delaware ESG, eligible applicants are:

- 1) Units of general local government located in Kent and Sussex Counties and
- 2) Private nonprofit organizations located in Kent and Sussex Counties.

Assistance may be provided under this part to a religious organization if the religious organization agrees to provide all eligible activities under this program in a manner that is free from religious influences and in accordance with the following principles:

- It will not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion;
- It will not discriminate against any person applying for shelter or any of the eligible activities under this part on the basis of religion and will not limit such housing or other eligible activities or give preference to persons on the basis of religion; and
- It will provide no religious instruction or counseling; conduct no religious worship or services; engage in no religious proselytizing; and exert no other religious influence in the provision of shelter and other eligible activities under this part. Applicants that are primarily religious organizations are encouraged to contact DSHA for specifics or refer to 24 CFR Part 576.23.

## Application Guidelines

1. Applicants must submit a completed application package to DSHA by 4:00 p.m. on **Friday, March 17, 2017** at: 18 The Green, Dover, DE 19901.
2. The submitted application package **must** contain the following:
  - a. One paper copy bound in a three-ring binder and in an **indexed** format (tabbed dividers for each exhibit).
  - b. One electronic copy via a data CD or a USB flash drive. The CD or USB flash drive should mirror the paper copy (separate files that correspond to each indexed tab).
  - c. The binder and CD or USB flash drive should be clearly labeled **“FY2017 ESG Application, Attention: Alice Davis”** and include the applicant’s name.

Applications received after 4:00 p.m. on March 17, 2017, will not be accepted. Telephone, internet or faxed applications will NOT be considered.

The basic elements of the threshold score are presented in the Application Narrative section of the ESG Application. The Narrative Exhibits must be included in the application in order for the project to be considered for maximum funding capability. The Exhibits are determined by DSHA before the application process begins and may change periodically at their discretion according to funding focus and HUD guidelines. Using defined rating criteria; applications are reviewed and rated by a Review Panel comprised of professionals with knowledge and experience in homeless issues and grant management. Scores from each member are averaged for each proposal; the averaged score reflects the Panel’s determination of the merit of the project.

## Awards and Agreements

Subgrantees will be notified in writing of the amount of the grant award. Included with the award letter will be a Grant Agreement and a Match Certification form, which must be signed and returned within a specified time frame.



## **Section 3 - Program Activities**

### **Homeless Status**

The Subgrantee must develop, maintain and follow written intake procedures to ensure compliance with the homeless definition in 24 CFR 576.500(b). 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 services, or being immediately admitted to shelter or receiving services provided by a victim service provider. Records contained in a CMIS or comparable database used by a victim service provider or the Homeless Planning Council are acceptable evidence of third-party documentation.

### **Homeless Definition and Certification-Emergency Shelter and Rapid Re-Housing**

\*\*\*Providers of Emergency Shelter and Rapid Re-Housing services shall admit individuals and families who meet the HUD definition of "homeless" as specified in 24 CFR 573.2 (Categories, 1, 2, 3, 4)

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#### **\*\*GENERAL HOMELESS CERTIFICATION**

**\*\*Categories 1 and 4 are eligible for Emergency Shelter and Rapid Re-housing Assistance**

##### **CATEGORY 1: Literally Homeless**

- A. Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
- (i) Has a primary nighttime residence that is a public or private place not meant for human habitation; **or**
  - (ii) Is living in a 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 and local government programs).

**To certify homeless status for the above, the Subgrantee must provide documentation of two of the following:**

- Written referral by another housing or service provider; or
  - Written observation by the outreach worker; or
  - Certification by the individual or head of household seeking assistance stating that (s) he was living on the streets or in shelter.
- B. Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
- (iii) Is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution (**documentation must include one of the above forms of evidence AND 1 of the following**).
  - Discharge paperwork **or** written/oral referral; **or**
  - Written record of intake worker's due diligence to obtain above evidence **and** certification by individual that they exited institution.

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**\*\*Categories 2 and 3 are considered “homeless” but receive assistance under Homeless Prevention which is currently not a DSHA eligible activity.**

**CATEGORY 2: Imminent Risk of Homelessness**

- A. Individual or family who will imminently lose their primary nighttime residence, provided that:
- (i) 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 needed to obtain other permanent housing.

**Documentation must include one of the following:**

- A court order resulting from an eviction action notifying the individual or family that they must leave; **or**
- For individual and families leaving a hotel or motel—evidence that they lack the financial resources to stay; **or**
- A documented and verified oral statement.

**In addition to one of the above, documentation must include BOTH of the following:**

- Certification that no subsequent residence has been identified; **AND**
- Self-certification or other written documentation that the individual lack the financial resources and support necessary to obtain permanent housing.

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**CATEGORY 3: Homeless under Other Federal Statutes**

- A. 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 the other listed federal statutes;
  - (ii) Have not had a lease, ownership interest, or occupancy agreement in permanent housing during the 60 days prior to the homeless assistance application;
  - (iii) Have experienced persistent instability as measured by 2 moves or more during the preceding 60 days; **and**
  - (iv) Can be expected to continue in such status for an extended period of time due to special needs or barriers.

**Documentation must include all of the following:**

- Certification by the nonprofit or state or local government that the individual or head of household seeking assistance met the criteria of homelessness under another federal statute; **and**
  - Certification of no public housing in the last 60 days; **and**
  - Certification by the individual or head of household, and any available supporting documentation, that (s)he has moved 2 or more times in the past 60 days; **and**
  - Documentation of special needs **or** 2 or more barriers.
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#### **CATEGORY 4: Fleeing/Attempting to Flee Domestic Violence**

- A. Any individual or family who:
- (i) Is fleeing, or is attempting to flee, domestic violence;
  - (ii) Has no other residence; **and**
  - (iii) Lacks the resources or support networks to obtain other permanent housing

**Documentation required:**

*For victim service providers:*

- An oral statement by the individual or head of household seeking assistance which states: they are fleeing; they have no subsequent residence; and they lack resources. Statement must be documented by a self-certification **and** a certification by the intake worker.

*For non-victim service provider (must document **all** of the following):*

- Oral statement by the individual or head of household seeking assistance that they are fleeing. This statement is documented by a self-certification **or** by the caseworker. Where the safety of the individual or family is not jeopardized, the oral statement must be verified; **and**
- Certification by the individual or head of household that no subsequent residence has been identified; **and**
- Self-certification or other written documentation, that the individual or family lacks the financial resources and support networks to obtain other permanent housing.

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#### **CHRONICALLY HOMELESS: Is Eligible for Rapid Re-housing Assistance Only.**

Individual or family:

- A. Is homeless and resides in a place not meant for human habitation, a safe haven, or in an emergency shelter and has been homeless and residing in such a place for at least 12 months *or* on at least four separate occasions in the last three (3) years where the combined occasions must total at least 12 months; **and**
- B. Has a head of 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.

**NOTE:**

- Transitional Housing *does not* qualify an individual/family for chronic status;
- Veterans receiving Supportive Services for Veteran Families (SSVF) or other grant per-diem programs offered by the Veterans Administration **do** maintain their Chronic Status;
- ESG Rapid Re-housing is not considered transitional housing;
- Institution stays of less than 90 days do not constitute a break and *can be* included in the time calculation as long as the individual/family were on the streets, in emergency shelter, or safe haven when they began;
- Stays in "housed" environments that are *less* than seven (7) consecutive nights *do not* constitute a break in homelessness.
- A BREAK in homelessness is defined as a stay in housing that lasts at least seven (7) consecutive nights; therefore a client *must have* at least four (4) separate occasions to qualify under this option.

**To certify individual living in a place not meant for human habitation, a safe haven or an emergency shelter, the following documentation must be provided.**

**Option 1:**

- An CMIS record or record from a comparable database. If not documented in CMIS for 12 months proceed to Option 2.

**Option 2\*\*:**

- A written observation by an outreach worker of the conditions where the individual was living *or*
- A written referral by another housing or service provider where the individual was living.

**\*\*Note:** One encounter per month, documented breaks in CMIS (stayed with relative for night etc. counts as homeless) is acceptable documentation. Must be documented in client file.

**Option 3: For use *only* in situations where no third-party certification is available; self-certification can be used only after attempts to collect documentation of Options 1 and 2 above.**

- Self-certification by the individual seeking assistance, which must be accompanied by the intake worker's documentation of the living situation of the individual or family seeking assistance and the steps that were taken to obtain evidence in Steps 1 and 2.

**To certify head of household disability, the following documentation must be provided:**

- Verification of Disability
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## Eligible Expenditures/Activities

### Categories of Eligible Spending

The four major categories of eligible spending for State of Delaware ESG funds are as follows:

- Emergency Shelter-renovation, major rehabilitation, conversion, shelter operations and essential services;
- Rapid Re-Housing -short-term and medium-term rental assistance, housing relocation and stabilization services;
- Community Management Information System (CMIS)-Management of CMIS; and Administrative Costs.

### Emergency Shelter Eligible Activities

The State of Delaware ESG funds may be used for activities that are designed to increase the quantity and quality of temporary shelters provided to homeless people, through the renovation or major rehabilitation of existing shelters or conversion of buildings to shelters, paying for the operating costs of shelters, and providing essential services per 24 CFR Section 576.102.

1. **Renovation**-defined as rehabilitation that involves costs that does not exceed **75 percent of the value of the building before rehabilitation**. Renovations assisted under this part must meet local government safety and sanitation standards (24 CFR 576.55) and the shelter receiving this level of improvement must be used as a shelter for at least 3 years. In addition, for projects of 15 or more units where rehabilitation costs are less than 75 percent of the replacement cost of the building, that project must meet the requirements of 24 CFR 8.23(b). "Value of the building" means the monetary value assigned to a building by an independent real estate appraiser, or as otherwise reasonably established by the grantee or State recipient.

Renovation costs may include labor, materials, tools and other costs of improving buildings, including repair directed toward an accumulation of deferred maintenance; replacement of principal fixtures and components of existing buildings; installation of security devices; and improvement through alterations or incidental additions to, or enhancement of, existing buildings, including improvements to increase the efficient use of energy in buildings.

**The State of Delaware will not allocate any ESG funds for this use in FY2017.**

2. **Major rehabilitation**-means a rehabilitation that involves costs **in excess of 75 percent of the value of the building before rehabilitation**. Renovations assisted under this part must meet local government safety and sanitation standards (24 CFR 576.55) and the shelter receiving this level of improvement must be used as a shelter for at least ten years. In addition, for projects of 15 or more units where rehabilitation costs are 75 percent of the replacement cost of the building, that project must meet the requirements of 24 CFR 8.23(a), and the accessibility requirements of Section 504 of the Rehabilitation Act of 1973, as amended.

**The State of Delaware will not allocate any ESG funds for this use in FY2017.**

3. **Conversion**-defined as a change in the use of a building to an emergency shelter for the homeless, where the costs of conversion exceed 75 percent of the value of the building after conversion.

**The State of Delaware will not allocate any ESG funds for this use in FY2017.**

*Note: Any building for which ESG funds are used for renovation must be maintained as a shelter for the homeless for not less than a three-year period after which such assistance is provided; or if the ESG funds are used for major rehabilitation or conversion, the building must be used for a shelter for not less than ten (10) years after which such assistance is provided.*

4. **Shelter Operations**-eligible costs are the costs of maintenance (including minor or routine repairs under \$1,000.00), rent, security, fuel, equipment, insurance, utilities, food, furnishings, and supplies necessary for the operation of the emergency shelter.
5. **Essential Services**-are defined as immediate needs of the homeless. ESG funds may only be used to provide essential services to individuals and families who are in emergency shelters. **Note: Essential Services are limited to no more than 30% of the total awarded grant.** Eligible essential services are as follows:

**The State of Delaware will not allocate any ESG funds for this use in FY2017.**

- **Case Management**-The cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant for eligibility. Component services and activities consist of:
  - Conducting the initial evaluation required including verifying or documenting the participant's homelessness;
  - Counseling;
  - Developing, Securing, and coordinating services and obtaining Federal, State, and Local benefits;
  - Monitoring and evaluating program participant progress;
  - Providing information and referrals to other providers;
  - Providing ongoing risk assessment and safety planning with victims of domestic violence, dating, violence, sexual assault, and stalking; and
  - Developing an individualized housing and service plan, including planning a path to permanent housing stability.
- **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.

- 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.
- 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.
- Outpatient Health Services-Eligible costs are for the direct outpatient treatment of medical conditions and are provided by licensed medical professionals. 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 non-cosmetic dental care.
- Legal Services-ESG funds may be used only for these services to the extent that other appropriate legal services are unavailable or inaccessible within the community and only fees based on the actual service performed are eligible. Legal services for immigration and citizenship matters and issues relating to mortgages are ineligible cost. Retainer fee arrangements and contingency fee arrangements are also considered ineligible costs.
  - 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.

- 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.
- Component services or activities may include client intake, preparation of cases for trial, provision of legal advice, representation at hearings, and counseling.
- 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.
- Mental Health Services-Eligible costs are the direct outpatient treatment by licensed professionals of mental health conditions. 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.
  - 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.
  - 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.
- Substance Abuse Treatment Services-Eligible substance abuse treatment services are designed to prevent reduce, eliminate, or deter relapse of substance abuse or addictive behaviors and are provided by licenses or certified professionals. 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.



- 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.
- 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 cost of a program participant's travel on public transportation;
  - The travel costs of recipient or Subgrantee staff to accompany or assist program participants to use public transportation.
- Services for Special Populations-ESG funds may be used to provide services for homeless youth, victim services, and service for people living with HIV/AIDS, so long as the costs of providing these services are eligible. The term victim services means services that assist program participants who are victims of domestic violence, dating violence, sexual assault, or staking, including services offered by rape crisis centers and domestic violence shelter, and other organizations with a documented history of effective work concerning domestic violence, dating violence, sexual assault, or stalking.
- 6. Centralized Intake-** All applicants approved and awarded State of Delaware ESG funds are required to participate with the Delaware Centralized Intake Emergency Shelter Referral Process and Rejection Policy effective August 1, 2015.

## **Rapid Re-Housing Eligible Activities**

State of Delaware ESG funds may be used for activities that are designed to move homeless people quickly to permanent housing and achieve stability in that housing through short-term and/or medium-term rental assistance and housing relocation and stabilization services per CFR 24 Section 576.104.

### **1. Rental Assistance**

**General Provisions**-A Subgrantee may provide a program participant with up to 18 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.

- i. Short-term rental assistance-is assistance for up to 3 months of rent.
  - ii. Medium-term rental assistance-is assistance for more than 3 months but not more than 18 months of rent.
  - iii. Rental Arrears-consist of a one-time payment for up to 6 months of rent in arrears, including any late fees on those arrears.
  - iv. Rental Assistance-can be tenant-based or project-based.
- **Tenant-Based rental assistance**-Program participants select a housing unit in which to live (must be within the specified service area) and receive short or medium term rental assistance.
  - **Project Based Rental Assistance**-Subgrantees identify permanent housing units (must be within the specified service area) that meet ESG requirements and enter into a rental assistance agreement with the owner to reserve the unit and subsidize its rent so that eligible program participants have access to the units.
  - **Rental Assistance Agreement**-The Subgrantee may make rental assistance payments only to an owner with whom the Subgrantee 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 Subgrantee 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. The rental assistance agreement cannot extend longer than 12 months.
  - **Late Payments**-The Subgrantee 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 Subgrantee is solely responsible for paying late payment penalties that are incurred with non-ESG funds.

- **Lease Agreement**-A lease agreement is a legally binding, written lease between tenant and landlord and is required to receive either short term or medium term rental assistance. “Master-leasing” is not allowed whereby the Subgrantee signs the lease and sub-leases it to the program participant. A lease agreement must be in place and the program participant must be on the lease in order to use ESG funds for the rent or security deposit.
- **Rent Restrictions-**
  - Medium term or short term rental assistance cannot be provided unless the rent plus utilities does not exceed the Fair Market Rent (FMR) established by HUD, as provided under 24 CFR part 888, and also complies with HUD’s standard of rent reasonableness, as established under 24 CFR 982.507.
  - 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.
- **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.
- **Setting Caps and Conditions**-Subject to the requirements of this section, the Subgrantee must set a maximum amount or percentage of rental assistance that a program participant may receive as well as a maximum period for which a program participant may receive any of the types of assistance or services described within this section. The Subgrantee may also allow program participants to share in the cost of rent as long as both participants are listed on the lease agreement.

## 2. Financial Assistance

**General Provisions**-Subject to the general conditions under CFR 24 Section 576.103, ESG funds may be used to pay housing owner, utility companies, and other third parties for the following costs;

- **Rental Application Fees**-ESG funds may pay for the rental housing application fee that is charged by the owner to all applicants.
- **Security Deposits**-ESG funds may pay for a security deposit that is equal to no more than one month’s rent.
- **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 18 months during any 3-year period.

- **Utility Deposits**-ESG funds may pay for a standard utility deposit required by the utility company for utilities required for the rental unit. Eligible services are gas, electric, water and sewage.
- **Utility Payments**-ESG funds may pay for up to 18 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 18 months of utility assistance within any 3-year period.
- **Moving Costs**-ESG funds may pay for moving costs, such as truck rental or hiring a moving company.
- **Other Subsidies**-Except for a one-time payment of no more than 6 months of utility arrears, utility 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.
- **Setting Caps and Conditions**-Subject to the requirements of this section, the Subgrantee must set a maximum amount or percentage that a program participant may receive for each type of financial assistance under this section. The Subgrantee must also set a maximum period for which a program participant may receive any of the types of assistance described within this section. The limits on the assistance under this section apply to the total assistance an individual receives and must not exceed 18 months during any 3-year period.

### 3. **Services Costs**

**General Provisions**-Subject to the general conditions under CFR 24 Section 576.104, ESG funds may be used to pay housing owner, utility companies, and other third parties for the following costs;

- **Housing search and placement**-Services or activities necessary to assist program participants in locating, obtaining, and retaining suitable permanent housing.
- **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 18 months during the period the program participant is living in permanent housing.

- **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.
- **Legal Services**-ESG funds may pay for legal services, as set forth in CFR 24 Section 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.
- **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.

## 6. Centralized Intake

- All applicants approved and awarded State of Delaware ESG funds are required to participate with the HPC's Centralized Intake and the Delaware Continuum of Care Rapid Re-Housing Standards effective October 11, 2016.
- HPC will maintain the Rapid Re-Housing waiting list and will assess and prioritize households that qualify for assistance and will make appropriate referrals.
- If there are no HPC Rapid Re-Housing centralized intake applicants, the State of Delaware ESG grant may assist qualified applicants from other referral systems, including the recipient only upon DSHA prior written approval.

## Administrative Activities

**Eligible Costs**-The recipient may use up to six (6) percent of its total 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 carry out activities eligible under CFR 24 Section 576.101 through Section 576.104 because those costs are eligible as part of those activities. Eligible administrative costs include:

- Costs of overall program management, coordination, monitoring, and evaluation. These costs include, but are not limited to, necessary expenditures of salaries, wages, and related costs of the Subgrantee's staff or other staff engaged in program administration.
- Administrative services performed under third-party contracts or agreement, including general legal services, accounting services, and audit services.

### **Ineligible ESG Activities**

ESG funds shall not be used for activities other than those stated in this ESG manual or in accordance with HUD regulations. Examples of ineligible uses include:

- **Emergency Shelter**
  - Acquisition costs of real property to be used as an emergency shelter.
  - New Construction of an emergency shelter.
  - Property clearance or demolition.
  - Rehabilitation administration.
  - Staff training or fundraising costs associated with rehabilitation.
  - Major building maintenance and repairs over \$1,000.00.
  - Mortgage payments for shelters.
  - Staff training or conference costs.
  - Bad debts/late fees
  - Depreciation
  
- **Rapid Re-Housing**
  - Rental assistance longer than 18 months.
  - Utility assistance longer than 18 months.
  - Direct payments to program participants.
  - Payment of credit arrears (credit cards, loans, etc.)
  - Operational costs for housing programs.
  - Mortgage assistance.
  - Rental arrear payment over 6 months.
  - Utility arrear payment over 6 months.
  - Project based rental assistance over 12 months.
  - Rent or utility assistance in project-based housing.

## **Section 4 – Program Requirements**

This section describes the program requirements and responsibilities under the ESG program. As a grantee of ESG funding and a grantee through DSHA, there is a responsibility to demonstrate compliance with all of the program requirements as well as the ESG Regulations in 24 CFR Part 576.

- **Initial Intake Assessment**-The Subgrantee must conduct an initial evaluation or intake assessment if one is not provided to the Subgrantee by the CMIS provider to determine the eligibility of each individual or family and the types of assistance the individual or family needs.
  
- **Documentation of Homelessness**-Every client served by ESG funds must qualify for assistance according to HUD standards. Service providers are responsible for determining eligibility status, for homeless clients. This documentation must come from a third party information source or case worker or the participant and is required to be completed at intake. A copy of the documentation must be kept in the client file and made available to DSHA or HUD for monitoring or risk analysis purposes. Simply knowing that each individual you serve is homeless is not sufficient.

- **Community Management Information System (CMIS)**-HUD and DSHA requires Subgrantees of Federal funds to collect unduplicated client data each year by CMIS. This is a computerized data collection tool specifically designed to capture client level system-wide information over time on the characteristics and service needs of men, women and children experiencing homelessness. The system is used not only for an accurate count of the homeless in Delaware, but also to assist them in getting the appropriate services faster, decrease duplicative intakes and assessments and streamline the referral process. The Statewide integrated system has the ability to track the use of services throughout Delaware by people who are homeless and can provide agencies the ability to see what services have been accessed in the past and help to determine what referrals are needed. Participation in the CMIS is mandatory for those who received ESG assistance from DSHA.
- **Coordination with Mainstream and Targeted Homeless Providers**-DSHA requires Subgrantees receiving funds through ESG to maximize the use of available Federal, State and local mainstream resources to ensure the long-term stability of program participants. Providers shall actively seek to engage in partnerships with programs and services that are targeted to address homelessness and poverty within their communities.
- **Termination or Denial of Assistance**-ESG Subgrantees may terminate assistance provided by ESG-funded activities to participants who violate program requirements. The termination must allow for the due process of the terminated participants rights.
  - Subgrantees must have written denial, termination, and grievance policies and procedures. The policies and procedures should be readily available to program participants either in writing or by posting them in a public place. Copies and explanation of the policies and procedures must be provided directly to any client when denial, termination or other action affects the client's ability to receive assistance. The notice must provide the specific reason(s) for the action and provide a process the applicant can follow to request a review of the decision.
  - If Subgrantee is terminating rental assistance to the program participant, they must immediately notify the landlord of the date rental assistance for their tenant will end.
  - Termination from assistance does not prevent Subgrantee from providing further assistance, later, to the same household or individual if they are determined eligible for such assistance.
- **Grievance and Appeals Process**-Subgrantees are required to have an established process for addressing client grievances. At a minimum, the process must include the following components:
  - For Rapid Re-housing clients, allow the participant a minimum of seven days within which to request an administrative review;
  - For Shelter clients, allow the participant a minimum of 24 hours within which to request an administrative review; and
  - Inform the participants of their right to present written or oral objections;
- Any person or persons designated by Subgrantee can complete the administrative review.

- **Preventing Involuntary Family Separation**- Maintaining family unity is important when homeless households with children under the age of 18 enter homeless shelters or housing. DSHA expects Subgrantees to ensure homeless households with children under the age of 18 are not denied admission and are not separated.
- **Length of Stay**-Subgrantees shall make every effort to ensure program participants are discharged from Emergency Shelter services in accordance with their shelter policies. For Domestic Violence situations, any additional Length of Stay limitations shall be determined by the individual service provider's policies and procedures and clearly communicated to program participants. Length of Stay extensions may be granted at the discretion of the shelter's case manager after discussion with the program participant. All Length of Stay extensions must be documented in the client's case file.
- **Confidentiality**-All records containing personally identifying information of any individual or family who applies for and/or receives ESG assistance will be kept secure and confidential. Disclose information only for the purpose of determining program eligibility, providing benefits, or investigating possible violation of federal, state and local regulation(s) associated with ESG delivery and never in a public setting.
  - Subgrantees must have policies and procedures that ensure all client information and records are secure and confidentially maintained. Subgrantees' officers, employees and agents must be aware of and comply with Subgrantees' confidentiality policies and procedures. \*\*\*All participants should sign a confidentiality statement with notification of their privacy during the intake process.
  - The address or location of any domestic violence, dating violence, sexual assault, or stalking shelter projects assisted under the ESG will not be made public except with written authorization of the person responsible for the operation of the project. 42 U.S.C. 11375 (c) (5) requires service providers assisting participants in domestic violence situations to ensure that their records are kept confidential. DSHA will not disclose non-public, personal information to any non-affiliated third party except as required by law, or with the client's written permission. Client information should not be accessible to any persons other than authorized Service Provider personnel, or authorized personnel from DSHA and HUD for Compliance Monitoring and/or Audit purposes.
  - Client release of information should not be released without written authorization from the client. A Release of Information form must be completed by the applicant at the time of intake. Client refusal to provide such authorization cannot be the basis for denying program services to otherwise eligible clients.



## **Emergency Shelter Requirements**

- **Client Files**-Client files should document the following;

- Initial/Intake assessment by Shelter
- Homelessness Eligibility/Certification
- Confidentiality Statement
- Centralized Intake referral documentation
- Case Management ongoing documentation
- Kept secured in a locked cabinet

ESG funding is directly related to project performance. Program outcomes can only be measured if full and precise information about activities and services provided are gathered and maintained for reporting.

- **Emergency Shelter Habitability Standards**-DSHA requires the following minimum habitability standards for ESG funded shelters:

- **Structure and Materials**-The shelter should be structurally sound to protect the residents from the elements and not pose any threat to the health and safety of the residents. Any renovation (including major rehabilitation and conversion) carried out with ESG assistance uses Energy Star and Water Sense products and appliances.
- **Access**-Where applicable, the shelter is 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.
- **Space and Security**-The shelter provides each program in the shelter with an acceptable place to sleep and adequate space and security for themselves and their belongings.
- **Interior Air Quality**-Each room or space within the shelter has a natural or mechanical means of ventilation. The interior air is free of pollutants at a level that might threaten or harm the health of residents.
- **Water Supply**-The shelter's water supply should be free of contamination.
- **Sanitary Facilities**-Each program participant in the shelter has access to sanitary facilities that are in proper operating condition, are private, and are adequate for personal cleanliness and the disposal of human waste.
- **Thermal Environment**-The shelter has any necessary heating/cooling facilities in proper operating condition.
- **Illumination and Electricity**-The shelter has adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There are sufficient electrical sources to permit the safe use of electrical appliances in the shelter.
- **Food Preparation**-Food preparation areas, if any, should contain suitable space and equipment to store, prepare and serve food in a safe and sanitary manner.

- Sanitary Conditions-The facility should be maintained in a sanitary condition.
- Fire Safety-There is at least one working smoke detector in each occupied unit of the shelter. Where possible, smoke detectors are located near sleeping areas. All public areas of the shelter have at least one working smoke detector. The fire alarm system is designed for hearing-impaired residents. There is a second means of exiting the building in the event of a fire or other emergency.
- **Emergency Shelter Reasonable Accommodation and the Americans with Disabilities Act (ADA)**  
– DSHA requires all ESG funded shelters to follow the following regulation. The ADA and Section 504 both stipulate that “no otherwise qualified person with disabilities shall, solely by reason of his or her disability, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving federal financial assistance. The Fair Housing Amendments Act regulations state “it shall be unlawful for any person to refuse to make reasonable accommodations in rules, policies, practices, or services, when such accommodations may be necessary to afford a person with a disability equal opportunity to use and enjoy a dwelling unit including public and private use areas.”

## **Rapid Re-Housing Requirements**

- **Client Files**-Client files should document the following;
  - Initial Intake Evaluation/Income Determination by provider
  - Centralized Intake referral documentation
  - Homelessness Eligibility/Certification
  - Confidentiality Statement
  - Case Management documentation
  - Housing and Services Plan
  - Rent Reasonableness documentation
  - Utility Allowance documentation
  - FMR documentation
  - Lease Agreement
  - Permanent Housing Habitability Standards Inspection
  - 90 Day Re-Evaluation, if necessary
  - Income Verifications and Calculation
  - Kept secured in a locked cabinet
- **Initial Intake Evaluation**-An initial evaluation to determine program eligibility of individuals and/or families will be conducted by the Subgrantee. At that time, program staff will start to determine anticipated income that must be at or below 50% of Area Median Income (AMI) as well as the type of services needed to regain stability and move to permanent housing.
- **Centralized Intake Referral Documentation**- documentation from HPC that the household was assessed and referred by HPC through the Centralized Intake Process.
- **Homelessness Eligibility/Certification**-Stated in Section 3 above, see page 9, as applicable.

- **Confidentiality Statement**-Statement must document that all records containing personally identifying information (as defined in HUD's standards for participation, data collection, and reporting in a local CMIS) of any individual or family who applies for and/or received ESG assistance will be kept secure and confidential.
- **Case Management Documentation**-Assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for each program participant. This includes:
  - Developing, securing, and coordinating services
  - Obtaining Federal, State, and local benefits
  - Monitoring, evaluating program participant progress
  - Providing information and referrals to other providers, if applicable
  - Maintaining documentation all of the above
- **Housing and Services Plan**-Housing and services plan should be completed for all participants that receive an initial intake evaluation. The plan is intended to be a guide for both the participant and the Subgrantee. It should focus on obtaining or maintaining housing with defined goals, outcomes and timelines. The plan should also identify needed community resources, referrals to partnering agencies especially for mainstream benefits, budget education and tenant education.
- **Rent Reasonableness Documentation**-Rent reasonableness is an ESG requirement when determining if a unit is eligible for ESG assistance. It is determined on a case-by-case basis and should consider this following:
  - The reasonableness in relation to rents being charges for comparable unassisted units, taking into account the location, size, and amenities of each unit; and
  - The rent should not be in excess of rents currently being charged by the same owner for comparable unassisted units. Comparison can include units advertised for rent as well as documenting actual rent charged.
- **Utility Allowance Documentation**- The utility allowance established by the applicable Public Housing Authority should be used in determining the utility allowance calculation for the permanent housing unit. Records must document the monthly allowance for utilities (excluding telephone) used to determine compliance with the rent restriction.
- **FMR Documentation**-Per the ESG Rule, rental assistance cannot be provided if the tenant rent plus utility allowance exceeds the Fair Market Rent (FMR) 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.
- **Lease Agreement**-Stated in Section 3 above, see page 19.

- **Permanent Housing Habitability Standards**-DSHA requires the following minimum habitability standards for ESG Rapid Re-Housing permanent housing:
  - Structure and Materials-The shelter should be structurally sound to protect the residents from the elements and not pose any threat to the health and safety of the residents.
  - Space and Security-Each resident is provided adequate space and security for themselves and their belongings. Each resident is provided an acceptable place to sleep.
  - Interior Air Quality-Each room or space has a natural or mechanical means of ventilation. The interior air is free of pollutants at a level that might threaten or harm the health of residents.
  - Water Supply-The shelter's water supply should be free of contamination.
  - Sanitary Facilities-Residents 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.
  - Thermal Environment-The housing has any necessary heating/cooling facilities in proper operating condition.
  - Illumination and Electricity-The structure has adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There are sufficient electrical sources to permit the safe use of electrical appliances in the structure.
  - Food Preparation-All food preparation areas contain suitable space and equipment to store, prepare and serve food in a safe and sanitary manner.
  - Sanitary Conditions-The housing is maintained in a sanitary condition.
  - Fire Safety-
    - a. There is a second means of exiting the building in the event of fire or other emergency.
    - b. The unit includes at least one battery-operated or hard-wired smoke detector, in property working condition, on each occupied level of the unit. Smoke detectors are located, to the extent practicable, in a hallway adjacent to a bedroom.
    - c. If the unit is occupied by hearing-impaired persons, smoke detectors have an alarm system designed for hearing-impaired persons in each bedroom occupied by a hearing-impaired person.
    - d. The public areas are equipped with 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, day care centers, hallways, stairwells, and other common areas.

- **90-Day Re-Evaluation**-After 90 days of assistance and/or if the Subgrantee determines that long-term financial and/or rental assistance is necessary, the participant must be re-evaluated. At a minimum, the re-evaluation of eligibility must establish that:
  - The program participant does not have an annual income that exceeds 30 percent of median family income for the area, as determined by HUD.
  - The program participant lacks sufficient resources and support networks necessary to retain housing with ESG assistance.
  - The Subgrantee may require each program participant receiving assistance to notify the Subgrantee regarding changes in the participant's income or other circumstances that affect the participant's need for assistance under ESG.
  - The program participant will require a re-evaluation not less than once every 90 days to determine the individual or family's need to regain stability in permanent housing.
- **Income Eligibility**-When determining the annual income of an individual or family, the Subgrantees must use the standard for calculating annual income under 24 CFR 5.609.
  - All assistance provided through the ESG program must benefit individuals and/or families who have an annual income below 30 percent of median income for the area based on household size as updated by HUD. To obtain area income limits, go to <http://www.huduser.org/datasets/il.html>.
  - The ESG regulations require that Subgrantees will determine income eligibility by examining source documentation. All family and/or household members are included in the determination of income and recipients over the age of 18 must sign 3<sup>rd</sup> party verification forms which will allow staff to verify any income source required to make the determination of eligibility.

## **Section 5 - Other Federal Requirements**

**Homelessness Participation**-The Subgrantee is required to provide for the participation of not less than one (1) homeless individual or formerly homeless individual on the Board of Directors or other equivalent policy-making entity, to the extent that the entity considers and makes policies and decisions regarding any facilities, services, or other assistance that receive funding under Emergency Solutions Grant (ESG). Staff members may not be substituted for Board members to meet this requirement. Subgrantees must also involve homeless or formally-homeless individuals and families in providing work or services pertaining to facilities or activities funded with ESG funds, to the maximum extent practicable.

**Local Match Requirements**-Subgrantees shall be required to provide matching funds in an amount at least equal to their approved ESG funding amounts for eligible program activities. Matching funds must be derived from sources other than the ESG Program. In calculating the amount of matching funds, the following types may be included:

- Other Federal Funds;

- State/Local Government funds;
- Private Funds/Grants;
- Cash Contributions;
- Fair rental value of any donated material or building;
- In-Kind Donations;
- Staff Salaries (Only staff paid to carry out the ESG program);
- Volunteer Professional Services; and
- The value of the time and services contributed by volunteers to carry out the program of the recipient at a current rate of \$5 per hour.

*Note: Volunteers providing professional services such as medical or legal services are valued at the reasonable and customary rate in the community.*

If the applicant is provided assistance under this grant solicitation, the provisions of matching funds as specified by the applicants in the proposal will be considered a commitment to provide the State amounts and types of matching contributions. The provision of matching funds will be a contractual requirement of any assistance agreement. During the review process of proposals, DSHA reserves the right to require additional information concerning matching funds commitments, as necessary to be reasonably assured that such resources will be available. **ESG funds will not be released until after sufficient matching funds requirements have been met.**

**Non-Discrimination**-Units of general local government and nonprofit organizations shall make it known that facilities and services supported by this grant are available to any person (who otherwise meets the eligible criteria for the program) without discrimination on the basis of race, color, religion, sex, marital status, national origin, familial status, disability, age, sexual orientation, or creed.

Minimum standards shall comply with the requirements for non-discrimination equal opportunity identified in 24 CFR 576.407. In addition, providers receiving ESG funding shall follow HUD's "Equal Access to Housing in HUD Programs, Regardless of Sexual Orientation or Gender Identity" final rule, published on February 3, 2015. Providers shall train program staff and contractors so as to ensure that employees and contractors who interact directly with potential clients and current clients are aware of this rule and take prompt corrective action to address any noncompliance. Refer to CPD Notice 15-02 for further guidance.

**Drug and Alcohol-Free Facilities**-The 1988 Amendment Act requires grantees, recipients and project sponsors under each of the homeless housing programs authorized by Title IV of the McKinney-Vento Homeless Assistance Act, to administer in good faith, a policy designed to ensure that the homeless facility is free from the illegal use, possession or distribution of drugs or alcohol by its beneficiaries

**Minimum Standards for Conflicts of Interest:**

- Conflict of Interest (Organizational)**-ESG assistance will not be contingent on the individual's or family's acceptance or occupancy of emergency shelter or housing owned by the provider or a provider's subsidiary or parent. No provider, with respect to individuals or families occupying housing owned by the provider or a provider's subsidiary or parent, will carry out the initial evaluation under 24 CFR 576.401.

**b. Conflict of Interest (Individual)**-When procuring goods and services, the provider will comply with codes of conduct and conflict of interest requirements under 24 CFR 84.42 (private non-profit) or 24 CFR 85.36 (government).

**c. All Transactions/Activities**-No persons involved with the ESG program or who is in a position to participate in a decision-making process or gain inside information regarding the program activities, shall obtain a financial interest or benefit from an assisted activity; or have a financial interest in any related contract, subcontract, or assisted activity; or have a financial interest in the activity's proceeds during his or her tenure or for one year following tenure. These conflict of interest provisions apply to any employee, agent, consultant, officer or elected or appointed official of the provider's agency.

**Relocation and Displacement**-Any ESG rehabilitation project that displaces residents is subject to the requirements of the Uniform Relocation Act. The costs of relocation assistance may be paid by ESG funds or other funding sources. See the requirements at 24 CFR 576.59 for more detailed information.

**Environmental Review Requirements**-The environmental effects of each application must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD's implementing regulations at 24 CFR Parts 50 and 58.

- Environmental regulations provide certain categorical exclusions under NEPA and under Part 58 set conditions under which excluded activities may be determined exempt from all environmental review requirements. In cases where proposed assistance and matching contributions solely involve operating costs for facilities or the provision of essential services, and the structures and sites involved in the project meet the program requirements of this part, these activities are categorically excluded by regulation and may be determined fully exempt from environmental review by DSHA.
- Funds may not be obligated or expended for activities in projects that have not been previously environmentally cleared. ESG funds distributed by the State to units of local government, will require that unit of local government to assume the environmental responsibility specified in Section 104 (g)(1) of the Housing and Community Development Act of 1974. The State will be responsible for providing the release of funds in accordance with the requirement of 24 CFR Part 58.
- Funds distributed by the State to nonprofit organizations will require the State to assume the environmental responsibilities specified in Section 104 (g)(1) of the Housing and Community Development Act of 1974, as amended in 1992. The State will provide the release of funds in this instance. In either case, funds may be obligated or expended only after the Request for Release of Funds and Certification of Compliance with Environmental Regulations at 24 CFR Part 58 have been approved for projects provided that fifteen (15) calendar days have elapsed from the time of receipt of the Request for Release of Funds and the Certification and if no objections from the public are received. An Environmental Determination Guide for ESG Activities may be found in Section 9.5 of this manual.

**Faith-Based Activities**-Minimum standards for faith-based activities (24 CFR 576.406) are:

- Providers receiving ESG funding shall not engage in inherently religious activities as part of the ESG funded programs or services. Such activities must be offered separately from ESG-funded programs and services and participation must be voluntary.
- An organization receiving ESG funding shall not discriminate against a participant or prospective participant based on religion or religious beliefs.
- ESG funding shall not be used for rehabilitation of structures used specifically for religious activities, but may be used for rehabilitating structures that are used for ESG-eligible activities.

**Lead-Based Paint**-The lead-based paint requirements exist to protect vulnerable families from potential health hazards. To prevent lead-poisoning in young children, ESG grantees must comply with the Lead-Based Paint Poisoning Prevention Act of 1973 and its applicable regulations.

- The ESG deals primarily with the operation of short-term emergency shelters that can be defined as “zero-bedroom dwellings” according to the Lead-Based Paint (LBP) Hazard Regulations at 24 CFR Part 35, which is hereby included for reference. Therefore, ESG is governed by Subpart K of this regulation. Most emergency shelters are exempt from the regulations, such as studio apartments, dormitories, SRO units, barracks and group homes. Any emergency shelters built prior to 1978 need only comply with the following simplified lead requirements:
  - Provide the Lead Hazard Information Pamphlet available through HUD;
  - Do a visual assessment of painted surfaces to identify deterioration;
  - Complete paint stabilization by repainting deteriorating surfaces; and
  - Incorporate ongoing LBP maintenance.
- Housing that is not exempted by the definitions above, or housing where children under the age of six (6) reside frequently, is subject to all LBP regulations. Rapid Re-Housing services are subject to lead regulations because the units assisted with these funds are not temporary residences and do not fall under the shelter exemption. Assistance for first month’s rent cannot be provided for housing units that are not known to be free of LBP contamination.

**Affirmative Outreach**

Subgrantee must communicate and make known that use of ESG funded facilities, assistance and services are available to all on a nondiscriminatory basis. Subgrantee must develop and implement affirmative outreach written procedures and communication tools and materials to inform persons without regard to race, color, creed, ethnicity, religion, sex, age, national origin, familial status, or disability, how to obtain access to facilities and services.

The Subgrantee must be committed to an affirmative action program as well as to comply with all “Equal Opportunity” laws and regulations which provide that no person in the United States shall on the grounds of race, color, creed, religion, sex, familial status, sexual orientation or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with ESG funds.



## **Section 6 - Program Implementation**

### **Project Planning**

The activities necessary for carrying out the project will be outlined in the original ESG application and should be maintained throughout the period of the grant. Any additional, unplanned or unexpected activities may not be added to the budget without prior approval by DSHA. Risk Management guidelines dictate that drifting from the original scope of the application is “high risk” in project management and indicates insufficient planning in grant spending that should trigger a monitoring visit.

### **Performance Measures**

The local government and Subgrantee nonprofit organizations must keep unduplicated counts of the number of homeless individual families assisted and report them to the State. For FY2016, this will continue to be done by the Annual Performance Report that is required to be submitted with the Application.

Further, the Subgrantees involved in the activities will be required to complete standardized performance measures for significant outcomes on a quarterly basis. (*Keeping in mind the State goal of ESG-funded programs is to increase permanent housing, stability and self-sufficiency in the homeless population*). Submitting these Quarterly Progress Reports implies understanding and agreement of the required data collection for this grant.

**Note:** This year the Annual Performance Report will be required under the application submission stage of funding. The data used to submit this document will be projections based on previous year’s performance reports. This assists the State meet Federal IDIS reporting requirements. As usual, a final Annual Performance Report to close out the grant year will be required.

### **Approved Budget**

Federal programs are governed by regulations that delineate types of spending allowed under each grant. The Eligible Activities for the ESG are listed above and at 24 CFR 576.21. During the application process, a Budget Worksheet is required to show how the recipient plans to spend the requested ESG funds. These budgets are reviewed and must be approved by DSHA before the activity is set up for drawing funds. The Final Approved Budget is used by DSHA throughout the grant period to monitor spending and the funded agency must adhere to the planned budget line items explicitly unless an **Amendment to the Grant Agreement** is approved by DSHA.

### **Spending Deadlines and Recapture**

A normal spending cycle for the ESG is 12 months. Rapid Re-Housing spending may be up to 24 months. Subgrantees are expected to plan their budgets in a way that project goals are met by the end of the spending period with little or no budget adjustments. In the event that DSHA determines a Subgrantee to be unable to spend all grant monies by the contractual deadline, funds may be recaptured and redistributed to a recipient that will be able to spend the funds in a timely manner on eligible activities. Any Subgrantee having funds recaptured by DSHA in a grant cycle will have the same amount subtracted from any ESG award made to that applicant in the following grant cycle. Subgrantees that are slow to expend the funds may have funds recaptured and allocated to another grantee.

### **Reimbursement of Costs**

Instructions and forms for requesting reimbursement for eligible expenses are supplied by DSHA with the Grant Agreement. The ESG is built on a reimbursement basis and only costs that have already been paid will qualify. Invoices and receipts with proof of payment will be required before draws will be processed. According to ESG policy guidelines provided by HUD, it is the responsibility of DSHA “to minimize the time between when a recipient incurs grant expenses and when it seeks reimbursement from the Federal government” (24 CFR 85.20 (b)(7)).

### **Reimbursement Procedure**

- Subgrantees are responsible to use the reimbursement forms provided by DSHA to ensure that funds will be extracted from the proper grant.
- Subgrantees may choose to submit reimbursement requests on a monthly or quarterly basis. Other reimbursement schedules may be submitted to DSHA for approval.
- Subgrantees must adhere to the line items approved by DSHA on the budget submitted with the Grant Application for all reimbursement requests.

Subgrantees are responsible to provide required documentation of program costs. Failure to provide required documentation will delay processing and prevent a timely reimbursement to the Subgrantee.

### **Documentation of Allowable Costs**

- Date of Service-Only expenses incurred on or after the date of the formal award is allowable. This includes utility receipts that may have service dates beginning before this date, but ending within the grant period. If services begin before the date of the award, receipts must be prorated to reimburse costs only for the eligible days within the service period.
- Proof of Payment-Receipts submitted with draws for reimbursement must show proof of payment. This may come in the form of copied checks, or check numbers written on each receipt and initialed by the contact person. In the event that check numbers are written on receipts as proof of payment, agency draw files should be set up so that DSHA or HUD may easily verify these numbers at an onsite-monitoring visit.
- Documentation that is insufficient or difficult to decipher will delay or halt the reimbursement process, and may be grounds for the entire request to be returned to the Subgrantee for clarification and to be resubmitted properly at a later date.

### **DSHA Forms**

DSHA will provide most of the forms necessary for carrying out this grant. DSHA forms are created to fit the needs of the administration process and, most importantly, to fit the reporting requirements from HUD. It is important for Subgrantees to cooperate with the use of the forms provided, understanding that they are purposeful and necessary. Different or varied forms of these documents created by Subgrantees have proven to be problematic.

### **Reporting Requirements**

Subgrantees will be required to report fiscal, program and client data to DSHA within specific time frames. At a minimum, applicants are required to ensure that:

- Accounting systems shall meet and comply with generally-accepted accounting principles. Expenditures shall be supported by source documentation (i.e. time sheets which indicate specific ESG time spent, itemized store receipts, copies of checks, etc.), which identify the source and use of ESG contract funds;
- Subgrantees shall comply with DSHA requirements to collect demographic information of all homeless and at risk persons who seek assistance; and
- Subgrantees shall complete an Annual Performance Report for each program year during which ESG funds are expended. This report documents the services provided, persons served, persons turned away and other demographic information needed for HUD reporting purposes.

**Note:** Any demographic and service information requested on the Annual Performance Report should be a regular part of recordkeeping procedures for project sponsors. Client files should reflect dates, types, program costs, etc., of all services in order to document both efficient grant management and the success of the shelter project.

## **Section 7-Financial Responsibilities**

### **Financial Management**

Programs will maintain an accounting system which segregates each major ESG funding category. (Emergency Shelter/Rapid Re-Housing) Please note the following:

- Program must not make payments directly to program participants but only to third parties such as landlords and utility companies.
- Property receiving ESG financial or rental assistance funds may not be owned by the Subgrantee or the parent, subsidiary or affiliated organization of the Subgrantee.
- Rental assistance paid by program cannot exceed the actual rent costs.
- Programs may not charge program fees to participants.

### **Financial Standards**

Internal controls reflect the overall financial management of an organization. Standards for financial management systems of nonprofit organizations may be found in 24 CFR 84. The following areas should be included:

- **Budget Controls:** When budget controls are adequate, the Subgrantee will have a regular, on-going basis of comparison between actual expenditures and ESG-budgeted amounts for the activities. The ESG budget will cover intended activity expenses with very little necessity for adjustments during the grant period. The Subgrantee will also relate its financial information to

recorded outcomes, since awards are more likely to be made when performance measures are in place and outcomes are tracked.

- **Accounting Controls:** Expenditures must be supported by invoices, contracts, purchase orders, etc., even when DSHA does not require full details to accompany draw requests. If minimal documentation is allowed with a draw, Subgrantees must have detailed records onsite to provide a complete audit trail at any time.
- **Wages:** Wages supported by more than one funding source must be documented by records that clearly show the time distribution and wage breakdowns between programs.
- **Financial records:** Financial records that are relative to the ESG must be maintained for five (5) years from the last transaction with DSHA.
- **Procurement Rules:** 24 CFR Part 84 provides regulations that govern the procurement of supplies, equipment, construction and services to ensure that they are obtained economically and competitively. In summary, Subgrantees may use their own procurement procedures as long as they conform to the regulations. Important elements for Subgrantees to consider are: a system to handle contract disputes; a code of conduct preventing conflicts of interest; some form of cost analysis to ensure economic purchases; positive efforts to use small, minority- and woman-owned businesses to the maximum extent possible.
- **Property Controls:** The Federal regulations regarding property controls in 24 CFR 84.34 (f) are for the purpose of tracking the assets purchased with grant funds to ensure that they are properly maintained, secure and being used for authorized purposes. DSHA is required to do a periodic physical inventory on these items to verify their existence, current utilization and continued need. For this reason, agencies using ESG funds to purchase furnishings, vehicles or equipment for an activity should keep accurate records including the following: a complete description of the item purchased a serial or other identification number, the source of funds and Grant Agreement number, the acquisition date and the cost.

#### **Audit Requirements**

The Subgrantee shall conform to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Requirements) of 2 CFR 200.302, Financial Management, 2 CFR Part 200, Subpart F, Audit Requirements and 2 CFR 200.303, Internal Controls, as well as comply with the regulations, policies, guidelines and requirements of OMB Circular Nos. A-87, A-110, A-122, and A-133, as they relate to the acceptance and use of Federal funds under this Federally-assisted program. If the requirements of the OMB Circular A-133 do not apply, then the SUBGRANTEE will submit a financial audit by an independent auditor to DSHA for review.

### **Recordkeeping**

- Sufficient records must be established and maintained to enable DSHA and HUD to determine whether ESG requirements are being met. Subgrantee must make sure any Subrecipients assisting Subgrantee with the ESG program also maintain appropriate and complete records.
- Subgrantees shall retain all program records pertinent to client services and expenditures paid with ESG funds. Currently, program records including client files must be retained for a period of five (5) years. Fiscal records, which include books, documents, papers, and agency records that documents all program expenditures, must be retained for a minimum of six (6) years.
- If client file documents and signatures or policy documents are collected and maintained electronically, required documentation must be made available to DSHA in paper form when requested.

### **Other Federal Requirements**

Subgrantees' use of ESG funds must comply with the following additional requirements stated in the National Affordable Housing Act and at 24 CFR 576.57.

- The requirements of the Fair Housing Act (42 U.S.C. 3501-20) and implementing regulations at 24 CFR Part 100; Executive Order 11063 and implementing regulations at 24 CFR Part 107; and title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4).
- The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing regulations at 24 CFR Part 146, and the prohibitions against discrimination against otherwise qualified individuals with handicaps under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as amended by the Americans with Disabilities Act, and its implementing regulations at 28 CFR Part 36.
- The requirements of Executive Order 11246 and the regulations issued under the Order at 41 CFR Chapter 60.
- The requirements of Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1701U (see 570.607 (b)).
- The requirements of Executive Orders 11625, 12432 and 12138. Consistent with HUD's responsibilities under these Orders, the Subgrantee must make efforts to encourage the use of minority- and woman-owned businesses in connection with activities funded under this part.
- The requirement that the Subgrantee make known that the use of the facilities and services is available to all on a nondiscriminatory basis. Where the procedures that a Subgrantee intends to use to make known the availability of such facilities and services are unlikely to reach persons with handicaps or persons of any particular race, color, religion, sex, age, familial status or national origin within their services area who may qualify for them, the Subgrantee must establish additional procedures that will ensure that these persons are made aware of the facilities and services. Subgrantees must also adopt and implement procedures designed to make available to interested persons information concerning the existence and location of services and facilities that are accessible to persons with disabilities.

**Procurement**

Purchases of services from contractors or vendors by nonprofit Subgrantees with ESG funds are subject to 24 CFR Part 84. This includes standards that prohibit conflicts of interest, procedures for open competition with consistent technical solicitations, affirmative efforts to hire minority- and women- and veteran owned businesses, maintenance of selection documentation, and a contract administration system that provides sufficient monitoring. Purchases of services from contractors or vendors by public agencies with ESG funds are subject to 24 CFR Part 85.

**Lead-Based Paint**

Subgrantees must ensure that facilities meet the requirements at 24 CFR Part 35 in general for all expenditures of Federal funds.

**Flood Insurance**

Subgrantees must ensure that facilities meet the requirements at 24 CFR 576.79.

**Relocation**

Subgrantees must ensure that projects meet the requirements at 24 CFR 92.353.

**Minimizing Displacement**

Subgrantees must ensure that projects meet the requirements at 24 CFR 576.59 (a).

**Conflicts of Interest**

Subgrantees must ensure that projects meet the requirements at 24 CFR 576.57 (d) as stated now in 24 CFR 84.42 rather than in OMB Circular A-110.

**Drug-Free Workplace**

Subgrantees must ensure that projects meet the requirements at 24 CFR 576.79 (h).

**Primarily Religious Organizations**

Subgrantees' projects must meet the requirements at 24 CFR 576.23.

## **Section 8 - Definitions**

**Applicant**-any unit of general local government or public or private nonprofit organization submitting the necessary paperwork to be considered for funding as an ESG service provider.

**Annual Performance Report**-(APR) a yearly progress and outcome report required by DSHA for every project during each year that a grant agreement is active.

**Audit Trail**-a complete record of expenditures including: request for purchase and by whom, how approved, source of funds used for expense, date of acquisition and cost.

**Authorized Signature**-the signature of an executive officer, agency director, or other responsible employee designated by a recipient agency as an "Authorized Person" on the Authorized Signature Card for Requests for Payment and Witness Certification.

**Community Management Information System (CMIS)**-The State of Delaware has instituted the use of CMIS in response to requirements of the United States Congress under the HUD Appropriations Act HR-2620. HUD has required implementation and operation of management information systems for purposes of collecting unduplicated counts of homeless people and analyzing patterns of use of assistance funded by the Federal government.

**Conflict 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 an emergency shelter or housing owned by the subgrantee. The grantee and its subgrantees must also 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). A Conflict of Interest policy must be developed and implemented by each subgrantee.

**Conversion**-a change in the use of a building to an emergency shelter for the homeless, where the cost of conversion and any rehabilitation costs **exceed 75% of the value** of the building **after** conversion. Any building converted to an emergency shelter that is assisted with ESG funds must meet local government safety and sanitary standards, and must be maintained as a shelter for the homeless for not less than a **ten-year period**.

**DSHA**-the Delaware State Housing Authority, administrator of Federal funds to the State of Delaware.

**Emergency Shelter**-any facility where the **primary purpose** of which is to provide temporary shelter for the homeless in general or for specific populations of homeless persons.

**ESG**-the Emergency Solutions Grants Program is defined and controlled under HUD regulations found at Title 24, Code of Federal Regulations, Parts 91 and 576.

**Essential Services**-the coordination of services provided are intended to enable homeless individuals and families to become more independent and to secure permanent housing. These services should focus on bringing clients to the next step of the continuum. After meeting immediate personal needs, shelter services should provide assistance that will strengthen a client's ability to move into transitional, supportive or permanent housing.

**Fair Market Rent (FMR)**-amount of money a property would rent or lease for an available unit as determined by HUD. For the ESG program, the rent plus utility allowance shall be less than or equal to the current FMR as established for the area in which the housing is located.

**Faith-Based Organizations**-an organization affiliated with or sponsored by a church or other religious organization.

**Grantee**-the direct recipient of grant funds. In the ESG, DSHA is the grantee responsible to HUD for proper execution of the grant program through sub-contracted providers of homeless services in Kent and Sussex Counties, Delaware.

**Gross Income**-total income of the household that must be calculated in order to determine eligibility for the program. It must include all eligible income of all persons in the household, even if not a family member.

**Homeless**-means as the term is defined in 24 CFR Parts 91, 582, and 583, hereby included by reference. The definition, in summary, individuals and families who lack a fixed, regular, and adequate nighttime residence and includes individuals who live in an emergency shelter or a place not meant for human habitation or leaving an institution where he or she temporarily stayed, or individuals and families who will imminently lose their primary nighttime residence, or unaccompanied youth and families with children who are defined as homeless under other federal statutes, or individuals and families who are attempting to flee some sort of abuse, i.e. domestic, dating, sexual, etc.

**HUD**-the U.S. Department of Housing and Urban Development.

**In-Kind**-donated volunteer services or goods including staff time, shelter rent, shelter facilities or supplies of the same kind eligible under program guidelines.

**Internal Controls**-a combination of policies, procedures, personnel, defined responsibilities and records that allow an organization to maintain adequate oversight and control of its finances.

**Lead-Based Paint**-any housing unit constructed before 1978 may contain paint that can cause harm to young children and women who are pregnant. If the unit or building is constructed before 1978, the Lead-Based Paint regulations apply and an inspection of the property must be conducted and recorded in the file.

**Major Rehabilitation**-rehabilitation that involves costs **in excess of 75% of the value** of the building before rehabilitation. Buildings assisted at this level must be maintained as a shelter for the homeless for not less than a ten-year period.

**Management by Expenditure**-a term used by DSHA to ensure that cash management regulations regarding timely disbursement of funds are followed. In addition to HUD's "payment by reimbursement" rules for ESG, DSHA promotes financial accountability by asking for consistent draw requests from Subgrantees within 60 days of program expenses to be reimbursed.

**Match**-refers to the amount of goods or services required to be expended for the program by the subgrantee to receive ESG funding. Match for ESG must equal every dollar funded 100%.



**Minor Rehabilitation**-rehabilitation that involves costs below 75% of the value of the building before rehabilitation. Buildings assisted at this level must be maintained as a homeless shelter for not less than a three-year period.

**Permanent Supportive Housing**-is a successful, cost-effective combination of affordable housing with services that helps people live more stable, productive lives.

**Privacy Policy**-a policy created by each subgrantee that covers the processing of personal information for clients participating in the ESG program, including data entered into CMIS. The policy must be in writing and included as a part of the subgrantees policies and procedures.

**Private Nonprofit Organization**-a secular or religious organization described in Section 501© of the Internal Revenue Code of 1954, which is (a) exempt from taxation under Subtitle A, Title 26 of the Code, (b) has an accounting system and voluntary board, and (c) practices nondiscrimination in the provision of assistance.

**Project Sponsor**-any agency sponsoring an ESG-funded project and holding a formal grant agreement with DSHA for a designated contract period.

**Rapid Re-Housing**-activities designed to end the incidence of homelessness quickly. Primarily, the funds can be used for rental assistance, first month's rent, security or utility deposits for obtaining permanent housing, as well as relocation and stabilization services, which could include housing case managers who develop landlord relationships, assist with housing search and monitor progress on housing plans for mid-term assistance.

**Rent Reasonableness**-ESG funds cannot be used to pay rental assistance to eligible clients unless the units are "rent reasonable". First, the rent amount must be compared to similar, unassisted units in the surrounding area. Second, the rent must be compared to rents for similar units on the premises.

**Service Provider**-any entity that is successfully involved in providing needed services to Delaware's homeless. For the purpose of ESG, any entity that has successfully applied for grant funds and has been awarded a portion of the statewide ESG with which to support planned services to Delaware's homeless.

**Transitional Housing**-for the purpose of ESG assistance, housing that extends past the "3 days to 3 months" reasonable period for temporary housing (emergency shelter). HUD defines transitional housing as having the "purpose" of moving homeless individuals and families to permanent housing within 24 months. (42 U.S.C. 11384(b))

**Units of General Local Government**-a general-purpose political subdivision of the State of Delaware as determined by Delaware Code.

**Utility Allowance**-an allowance used in place of actual utility costs to calculate a household's total housing expense. The utility allowance is required when determining the rent reasonableness of a unit when using ESG funds for rental assistance.

**Value of the Building**-the monetary value assigned to a building by an independent real estate appraiser, or as otherwise reasonably established by DSHA.

## **Section 9-General Application Submittal Details**

To be considered for funding,

1. Applicants must submit a completed application package to DSHA by 4:00 p.m. on **Friday, March 17, 2017** at: 18 The Green, Dover, DE 19901.
2. The submitted application package **must** contain the following:
  - a. One paper copy bound in a three-ring binder and in an **indexed** format (tabbed dividers for each exhibit).
  - b. One electronic copy via a data CD or USB flash drive. The CD or flash drive should mirror the paper copy (separate files that correspond to each indexed tab).
  - c. The binder and CD or flash drive should be clearly labeled **“FY2017 ESG Application, Attention: Alice Davis”** and include the applicant’s name.

Applications received after 4:00 p.m. on March 17, 2017, will not be accepted. Telephone, internet or faxed applications will NOT be considered.

Alice Davis  
Community Development Section  
Delaware State Housing Authority  
18 The Green  
Dover, DE 19901  
(302) 739-4263

[alice@destatehousing.com](mailto:alice@destatehousing.com) (e-mail for questions only)

The following must be included for your application to be considered complete:

- 1) Application Cover Sheet
- 2) 2017 Funding Request
- 3) Matching Funds Request
- 4) Application Narrative
- 5) Program Budget
- 6) ESG Program Annual Report
- 7) Methods of Involving Homeless Persons
- 8) Required Attachments

If hand delivered, the envelope must be clearly marked “FY2017 ESG Application, “Attention: Alice Davis,” and include the applicant’s name. An official, authorized to bind the applicant to its provisions, must sign applications. **Verification of tax-exempt status**-Provide an IRS Determination letter, as well as a tax-exempt number.

## Section 10-Environmental Determination Guide for ESG Activities

ESG ACTIVITIES		LEVEL OF ENVIRONMENTAL REVIEW			
Category	Eligible Activities	Exempt	Categorically Excluded: Not Subject to §58.5	Categorically Excluded: Subject to §58.5 (also subject to §58.6)	Environmental Assessment (an EIS may be required if the project meets any of the conditions in §58.37)
		24 CFR 58.34	24 CFR 58.35(b)	24 CFR 58.35(a)	24 CFR 58.36
1	<b>Administrative Costs</b> 24CFR 576.21(a)(5)	T			
2	<b>Essential Services</b> 24 CFR 576.3	T			
3	<b>Rapid Re-Housing Activities</b> 24 CFR 576.3		T		
4	<b>Operational Costs</b> 24 CFR 576.21(a)(3)		T		
5	<b>Renovation/ Major Rehab/ Conversion</b> 24 CFR 576.3  <b>Renovation</b>  <b>OR</b>  <b>Major Rehabilitation</b>  <b>OR</b>  <b>Conversion</b>	Rehabilitation that costs <u>less than 75%</u> of the value of the building before rehabilitation.  Rehabilitation that costs <u>more than 75%</u> of the value of the building before rehabilitation.  Changing the use of a building to an emergency shelter where the cost of conversion and any rehab costs exceed 75% of the value of the building after conversion.  NOTE: Lead-based paint work is a renovation/rehab/conversion activity.		T  Costs are less than 75% of the replacement value of the building after rehabilitation; and Unit density is not changed by more than 20%; and There is no change in land use (e.g., from commercial or industrial to residential).	T  If any one of the three criteria that qualifies the activity as categorically excluded (listed in the column to the left) is NOT met.

## Section 11-Lead-Based Paint Requirements for ESG

[ESG Desk Guide, Section 8.2]

TYPE of PROJECT	CONSTRUCTION PERIOD	
Rehabilitation on property receiving less than \$5,000 assistance per unit	Pre-1978	<ul style="list-style-type: none"> <li>➤ Provision of pamphlet</li> <li>➤ Conduct paint testing of surfaces to be disturbed</li> <li>➤ Implement safe work practices during rehab</li> <li>➤ Repair all disturbed paint surfaces</li> <li>➤ Clearance examination of work site</li> <li>➤ Notice to Occupants of finished testing</li> </ul>
Rehabilitation on property receiving more than \$5,000, and up to \$25,000 per unit	Pre-1978	<ul style="list-style-type: none"> <li>➤ Provision of pamphlet</li> <li>➤ Conduct paint testing of surfaces to be disturbed</li> <li>➤ Risk assessment</li> <li>➤ Interim controls</li> <li>➤ Notice to Occupants</li> </ul>
Rehabilitation on property receiving more than \$25,000 per unit	Pre-1978	<ul style="list-style-type: none"> <li>➤ Provision of pamphlet</li> <li>➤ Conduct paint testing of surfaces to be disturbed</li> <li>➤ Risk assessment</li> <li>➤ Abatement of LBP hazards</li> <li>➤ Notice to Occupants</li> </ul>
Essential Service and/or Operations	Pre-1978	<ul style="list-style-type: none"> <li>➤ Provision of pamphlet</li> <li>➤ Visual assessment to identify deteriorated surfaces</li> <li>➤ Paint stabilization of deteriorated surfaces</li> <li>➤ Notice to Occupants</li> <li>➤ Ongoing LBP maintenance as part of operations</li> </ul>

### Exempt from LBP Regulations

- Housing built after January 1, 1978
- Housing exclusively for the elderly or disabled, unless small children reside there
- Zero-bedroom dwellings: SRO units, dormitories, barracks
- Inspector-certified properties that have been found to be free of LBP
- Properties where LBP removal has been completed
- Unoccupied housing that will be vacant until demolition
- Non-residential property
- Projects where rehabilitation will not disturb painted surfaces
- Emergency repairs to safeguard against imminent danger to human life, health or safety, or to protect from further structural damage
- Emergency shelters where clients will not stay longer than 100 days