

**SUBSTANTIAL AMENDMENT TO CITIES OF PORTLAND AND GRESHAM, AND
MULTNOMAH COUNTY CONSOLIDATED ANNUAL ACTION PLAN FOR FISCAL
YEAR (FY) 2011-2012**

Second Allocation of Emergency Solutions Grants Program Funds

This substantial amendment is prepared and submitted in accordance with the citizen participation plan and the requirements of 24 CFR part 91, as amended by the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act Emergency Solutions Grants (ESG) Program Interim Rule. It follows the outline provided as Appendix B of the U.S. Department of Housing and Urban Development (HUD) "Notice of the FY 2011 Substantial Amendment Process and Other Related Information for Recipients of Emergency Solutions Grants Program Funds" as published in the Federal Register on January 27, 2012.

B. Required Contents of Substantial Amendments

1. SF-424

[To be attached as Exhibit A in final submission]

2. Summary of Consultation Process

- Describe how the recipient consulted with the Continuum(s) of Care on:
 - determining how to allocate ESG funds for eligible activities;
 - developing the performance standards for activities funded under ESG; and
 - developing funding, policies, and procedures for the operation and administration of the HMIS.

The City of Portland Housing Bureau (PHB) is the grantee for ESG funds, as well as the lead agency for statewide Homeless Management Information System (HMIS), the Portland/ Gresham/ Multnomah County Continuum of Care (CoC) and the Portland and Multnomah County Ten-Year Plan to End Homelessness. The Coordinating Committee to End Homelessness (CCEH) coordinates both these efforts with staffing support and grantee oversight from PHB. The Federal Funding Oversight Committee (FFOC) is a legal entity created by resolution of the three Consolidated Plan jurisdictions (City of Portland, City of Gresham, and Multnomah County) upon Council acceptance of the 2011-2016 Citizen Participation Plan. The FFOC holds public hearings required by the Citizen Participation Plan, recommends allocation of federal housing and community development formula funds to the jurisdictions, recommends allocation of CoC funds, and acts as the primary decision-making group for the CoC. Both in planning and in implementing ESG-funded activities, PHB will consult with and receive recommendations from CCEH and the FFOC and will work through its direct contracting process

with subawardees to assure strategic alignment and integration with broader CoC and Ten-Year Plan efforts. Specifically to-date, PHB provided summaries of planned activities to and solicited input for allocations and administration of ESG funds under this Substantial Amendment from the CCEH and its Steering Committee in meetings on February 15, 2012, and February 28, 2012, a joint meeting of the CCEH and the FFOC on April 18, 2012, and a meeting of the FFOC on April 25, 2012. Generally, planned implementation of ESG activities will use strategies, performance standards, and policies and procedures previously developed to implement the Ten-Year Plan.

3. Summary of Citizen Participation Process

- Summarize citizen participation process used;
- Summarize the public comments or views received; and
- Summarize the comments or views not accepted and include the reasons for not accepting those comments or views.

The Portland Housing Bureau followed its Citizen Participation Plan for substantial amendments to the 2011-12 Action Plan by:

- Publishing a summary of the substantial amendment in the *Daily Journal of Commerce*
- Posting a summary of the substantial amendment on the jurisdiction's website
- Having copies of the summary and/or text of the substantial amendment available at the jurisdiction's office for distribution to the public free of charge
- E-mailing a summary and/or the text of the substantial amendment to interested stakeholders, community groups and other parties that have requested to be so notified

The City received and considered public comments on the substantial amendment by:

- Providing for a 30-day public inspection/comment period beginning April 13, 2012, and ending May 13, 2012
- Including the name, e-mail, and mailing address of a contact person for public comments in hearing notices
- Posting the name and e-mail address of a contact person for public comments on the jurisdiction's website
- Attaching a summary of public comments to the substantial amendment along with the jurisdiction's responses
- Soliciting public feedback to shape the plan at the CCEH and FFOC meetings described in the narrative response to section B.2 above.

[Summary of public comments and PHB response to be added here in final submission]

4. Match

- Describe:
 - types of cash and/or non-cash resources used as match
 - specific amounts of resources used as match

- proposed uses of match resources

PHB will match the full amount of the second allocation with cash resources summarized in the following table:

Fund Source	Amount	Activities
FY2012 Portland HOME allocation	\$218,069	HOME tenant based rent assistance (TBRA) via subaward to Home Forward Short Term Rent Assistance (STRA) Program, including housing relocation and stabilization services for rapid rehousing and homelessness prevention
FY2012 Portland HOME allocation	\$29,580	HOME administration funds allocated to PHB and/or via subaward to Home Forward STRA Program

5. Proposed Activities and Overall Budget

a. Proposed Activities

- All recipients must include the following details for each proposed activity:
 - 1) corresponding priority needs from recipient's Annual Action Plan
 - 2) concise description of the activity, including the number and types of persons to be served
 - 3) corresponding standard objective and outcome categories
 - 4) start date and completion date
 - 5) ESG and other funding amounts
- Local governments and territories are required, and States are encouraged, to include the following details for each proposed activity:
 - 6) one or more performance indicators
 - 7) projected accomplishments, in accordance with each indicator, to be made within one year
 - 8) projected accomplishments, in accordance with each performance indicator, to be made over the period for which the grant will be used for that activity

Note: Table 3C ("Consolidated Plan Listings of Projects" for local governments and territories) or the projects workbook spreadsheet in the Consolidated Plan Management Process tool may be used to format and provide some or all of these details, as applicable.

Project Name	Contractor	Description	Funding Source	FY 2010-11 Amount	FY 2011-12 Amount (First Allocation)	FY 2011-12 Amount (Second Allocation)	Outcome Description	One Year	Five Year	Indicator
Homeless Facilities & Services										
Short Term Rent Assistance	Home Forward	Provide rapid re-housing rental assistance and housing relocation and stabilization services to homeless low-income families and individuals; does not include program administration costs.	ESG	\$0	\$0	\$218,069	Affordability for the purpose of creating decent affordable housing.	Provide rent assistance and/or housing relocation and stabilization services to 15 households.	Provide rent assistance and/or housing relocation and stabilization services to 75 households.	Number of Households
Administration										
PHB Program & Grant Management	PHB	Portland Housing Bureau administration for the Emergency Solutions Grant and other related activities.	ESG	\$21,308	\$22,013	\$29,580				

5. Proposed Activities and Overall Budget

b. Discussion of Funding Priorities

- Explain why the recipient chose to fund the proposed activities at the amounts specified (recommended: if available, use locally-relevant data to support the funding priorities, and explain how the funding priorities will support the national priorities established in *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness*)
- Identify any obstacles to addressing underserved needs in the community.

In alignment with priorities identified in through the local Consolidated Plan, CoC and Ten-Year Plan to End Homelessness, ESG funding has supported homeless facilities operations for multiple years. These activities remain a priority, and to that end, we did not reprogram any existing FY2011 first allocation ESG funding amounts.

The 2011 Point-in-Time Count of Homelessness in Portland and Multnomah County identified 1,718 unsheltered individuals experiencing homelessness and an additional 1,009 individuals in emergency shelters on a single night in Multnomah County. Other federal, state, and local funds help to support homelessness prevention and rapid re-housing activities. Based on consultation with the CoC and other local bodies, PHB has chosen to dedicate ESG fully to Rapid Re-housing activities. There are several reasons for this funding priority:

- the local persistence of literal homelessness
- HUD's strong encouragement that grantees use of ESG funds for rapid re-housing
- the restrictively complex client eligibility documentation requirements associated with using ESG for homelessness prevention activities under the Interim Rule

Homelessness Prevention and Rapid Re-housing program (HPRP) data indicate that the primary need for rapid re-housing assistance is short- and medium-term rent assistance, and the majority of ESG second allocation funds are dedicated to this use. HPRP data similarly indicate need for housing relocation and stabilization financial assistance and services costs. Some ESG second allocation funds are reserved for these activities accordingly.

The general prioritization of ESG for rapid re-housing activities will help us incrementally to meet the primary goals of *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness*: (1) Finish the job of ending chronic homelessness in five years; (2) Prevent and end homelessness among Veterans in five years; (3) Prevent and end homelessness for families, youth, and children in ten years; and (4) Set a path to ending all types of homelessness.

The primary obstacle to addressing underserved needs in the community remains the general disconnect between the community-level need and available resources to meet that need. The significant decrease in federal funding to address rapid re-housing needs in our community resulting from the end of HPRP funding is a clear example of this challenge. Further, the regulatory framework created through the ESG Interim Rule includes client- and unit-level eligibility and documentation standards that are unnecessarily burdensome in relation to the depth and duration of assistance provided through ESG. This decreases our ability to meet actual needs in a flexible, efficient, responsive manner, and increases the staffing and administrative burden required to manage the funds.

c. Detailed Budget

- Include detailed budget of planned activities and funding levels accounting for entire second allocation and any reprogrammed funds from the first allocation (may use Table 3 in this Notice).

Detailed budget is attached as Exhibit B in the format provided as Table 3 in the HUD notice.

6. Written Standards for Provision of ESG Assistance

- If the recipient is a metropolitan city, urban county, or territory: include written standards for providing the proposed assistance.
- The written standards must include:
 - a. Standard policies and procedures for evaluating individuals' and families' eligibility for assistance under ESG.
 - b. Policies and procedures for coordination among emergency shelter providers, essential service providers, homelessness prevention and rapid re-housing assistance providers, other homeless assistance providers, and mainstream service and housing providers.
 - c. Policies and procedures for determining and prioritizing which eligible families and individuals will receive homelessness prevention assistance and which eligible families and individuals will receive rapid re-housing assistance.
 - d. Standards for determining the share of rent and utilities costs that each program participant must pay, if any, while receiving homelessness prevention or rapid re-housing assistance.
 - e. Standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time.
 - f. Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the program participants receives assistance; or the maximum number of times the program participants may receive assistance.

Draft written standards are attached as Exhibit C. These standards are based primarily on existing Home Forward Short Term Rent Assistance (STRA) standards for delivery of Homelessness Prevention and Rapid Re-housing Program (HPRP) standards, but have been adapted to meet conditions of the ESG Interim Rule. PHB expects that we will significantly refine these draft written standards through direct collaboration with subawardees and other community partners throughout the first year of program implementation. In general, the standards will be adapted to:

- integrate directly with other STRA program policies and procedures, with continued movement toward a more unified service delivery system across STRA providers
- comply fully with the ESG Interim Rule as described in CFR § 576 and its subparts

- maintain maximum flexibility to STRA program service providers in delivering eligible rapid re-housing activities to eligible households

Many existing standardized forms are currently being adapted for use in documenting ESG activities. These forms are referenced throughout the draft standards and will be completed prior to initiation of ESG activities.

7. Describe Process for Making Sub-awards

PHB will award all funds through a procured subcontract with Home Forward (the new name for the Housing Authority of Portland) for administration through its Short Term Rent Assistance (STRA) program. The STRA program was created as an early achievement in the local Ten-Year Plan to End Homelessness in order to increase the effectiveness and accessibility of short-term rent assistance resources throughout the community. The STRA program currently consolidates more than \$4 million in federal, state, and local short- and medium-term rent assistance funds that provide rapid re-housing and homelessness prevention throughout Multnomah County. Home Forward, in turn, subcontracts with competitively procured service providers to deliver STRA program assistance in the community. A pool of 19 experienced not-for-profit social service agencies has provided services since initial procurement in 2007. Home Forward is currently conducting a new competitive procurement process which will select STRA service providers for the five-year period beginning in July 2012.

8. Homeless Participation Requirement

- For those recipients who cannot meet the participation requirement in § 576.405(a), the substantial amendment must include a plan that meets the requirements under § 576.405(b).

The Portland City Council is the policy-making entity for the Portland Housing Bureau. Because all members of Portland City Council are democratically elected officials, PHB is unable to meet the homeless participation requirement under § 576.405(a). In order to meet the requirements under § 576.405(b), PHB will consult with homeless and formerly homeless individuals in considering and making policies and decisions regarding any facilities, services, or other assistance that receive funding under the Emergency Solutions Grant through periodic consultation with the regional Coordinating Committee to End Homelessness (CCEH). CCEH meets monthly to oversee the ongoing implementation of the regional Ten-Year Plan to End Homelessness and includes representation by homeless and formerly homeless individuals.

9. Performance Standards

- The recipient must describe the performance standards for evaluating ESG activities, which must be developed in consultation with the Continuum(s) of Care.

In establishing the coordinated Short Term Rent Assistance (STRA) program, the Coordinating Committee to End Homelessness (CCEH) developed two primary performance standards for short-term rent assistance activities under the Ten-Year Plan to End Homelessness (and subsequently within the Continuum of Care (CoC)):

1. Number of households placed or retained in permanent housing
2. Percentage of assisted households retaining permanent housing at 3, 6, and 12 months post-subsidy

Performance data are recorded by STRA providers in the regional HMIS and reported via the standardized Shared Housing Assessment Report. Cumulative STRA program performance standards for housing retention are 90% of assisted households at 3 month post-subsidy, 80% at 6 months, and 70% at 12 months.

ESG activities will be evaluated using these existing performance standards. As HUD provides a detailed regulatory framework for implementation of the HEARTH Act via the Continuum of Care Interim Rule, PHB and the local CoC will collaborate to develop shared CoC and ESG program performance standards that align with community-level performance standards established through that regulatory framework.

10. Certifications

[Required certifications to be attached as Exhibit D in final submission]

C. Written standards required for recipients who are eligible and decide to use part of the second allocation of FY 2011 funds for emergency shelter and street outreach activities

1. If the recipient is a metropolitan city, urban county, or territory: include written standards for providing the proposed assistance, as follows.

The written standards must include:

- a. If funding essential services related to street outreach with second allocation: standards for targeting and providing these services.
- b. If funding any emergency shelter activities with second allocation: policies and procedures for admission, diversion, referral and discharge by emergency shelters assisted under ESG, including standards regarding length of stay, if any, and safeguards to meet the safety and shelter needs of special populations and persons with the highest barriers to housing.
- c. If funding essential services related to emergency shelter with second allocation: policies and procedures for assessing, prioritizing, and reassessing individuals' and families' needs for essential services related to emergency shelter.

PHB is not eligible to and will not fund any part of the second allocation of FY 2011 ESG funds for emergency shelter and street outreach activities.

D. Requirements for recipients who plan to use the risk factor under paragraph (1)(iii)(G) of the “at risk of homelessness” definition

- If recipient plans to serve persons “at risk of homelessness,” based on the risk factor “otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness,” describe specific characteristics associated with instability and increased risk of homelessness.

PHB does not plan to serve persons meeting this definition.

E. Requirements for Optional Changes to the FY 2011 Annual Action Plan

1. Centralized or Coordinated Assessment System

- If the recipient’s jurisdiction, or a portion of the recipient’s jurisdiction, currently has a centralized or coordinated assessment system and the recipient or subrecipients utilize the centralized or coordinated assessment system, the recipient should describe the assessment system in the substantial amendment.

Because HUD has not yet issued regulatory guidance regarding the definition of centralized or coordinated assessment systems, PHB cannot yet respond to this optional change.

2. Monitoring

- If existing monitoring procedures are not sufficient to allow recipients to monitor compliance with the new requirements, HUD encourages recipients to update their monitoring standards and procedures in the process of submitting this substantial amendment. This should address appropriate levels of staffing.

PHB is responsible for the overall administration of the Consolidated Plan and the monitoring and evaluation of CDBG, HOME, HOPWA, ESG and SHP program activities. Because PHB plans to award ESG funds through the STRA program’s high-performing housing providers, the implementation of HPRP will draw on existing infrastructure for effective service provision with an established oversight and reporting framework, including ongoing reporting through PHB’s HMIS and participation in the STRA program monitoring and evaluation procedures. In general, those existing monitoring procedures are sufficient to monitor compliance with new requirements, but they will require minor modifications to reflect the regulatory guidance set forth in the ESG Interim Rule.

Exhibit A – SF-424 Form

Completed form to be included in final submission. Blank form available for review at:
<http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/afa.pdf>

Exhibit B – Detailed Budget

FY 2011 Detailed Budget Table					
First Allocation	\$440,264.00	<u>FY 2011</u> <u>Emergency Shelter Grants/Emergency Solutions Grants</u> <u>Program Allocations</u>			
Second Allocation	\$247,649.00				
Grant Amount	\$687,913.00				
Total Administration	\$51,593.48				
		First Allocation		Second Allocation	Total Fiscal Year 2011
	Eligible Activities	Activity Amount	Reprogrammed Amount	Activity Amount	Activity Amount
Emergency Shelter Grants Program	Homeless Assistance	\$418,251.00	\$0.00		\$418,251.00
	Rehab/Conversion				\$0.00
	Operations	\$418,251.00			\$418,251.00
	Essential Services				\$0.00
	Homelessness Prevention				\$0.00
	Administration	\$22,013.00			\$22,013.00
	Emergency Shelter Grants Subtotal	\$440,264.00	\$0.00		\$440,264.00
Emergency Solutions Grants Program	Emergency Shelter**			\$0.00	\$0.00
	Renovation**			\$0.00	\$0.00
	Operation**			\$0.00	\$0.00
	Essential Service**			\$0.00	\$0.00
	URA Assistance**			\$0.00	\$0.00
	Street Outreach - Essential Services**			\$0.00	\$0.00
	HMIS				\$0.00
	Rapid Re-housing		\$0.00	\$218,069.00	\$218,069.00
	Housing Relocation and Stabilization Services			\$80,685.00	\$80,685.00
	Tenant-Based Rental Assistance			\$137,384.00	\$137,384.00
	Project-Based Rental Assistance				\$0.00
	Homelessness Prevention		\$0.00	\$0.00	\$0.00
	Housing Relocation and Stabilization Services				\$0
	Tenant-Based Rental Assistance				\$0
	Project-Based Rental Assistance				\$0.00
	Administration			\$29,580.00	\$29,580.00
	Emergency Solutions Grants Subtotal		\$0.00	\$247,649.00	\$247,649.00
		Total Grant Amount:		\$687,913.00	

**Allowable only if the amount obligated for homeless assistance activities using funds from the first allocation is less than the expenditure limit for emergency shelter and street outreach activities (see Section III.B. of this Notice).

Exhibit C – Draft Written Standards for Provision of ESG Assistance

- ✓ **Eligible Participants:** Household must be homeless as defined below, and lack the financial resources and support networks needed to obtain immediate housing or remain in existing housing without ESG assistance. Household needs to be at or below 30% AMI, must be recertified annually, and must meet with a case manager not less than once per month while receiving assistance.
- ✓ **Eligible Expenses:** ESG can be used to provide rent assistance, rent arrears, application and move-in fees, utility assistance, utility arrears, security and utility deposits, last month's rent, moving costs and limited storage. ESG may be used to pay application fees and move-in fees if they are directly related to obtaining housing for eligible ESG participants and they are required by the landlord as a condition of occupancy.
- ✓ **Term and Level of Assistance:** Rent and utilities-up to 24 months in any 3-year period; rent and utility arrears-up to 6 months which counts against the total limit of 24 months; storage is limited to 3 months; deposits are limited to two months' rent. Within these limits, agencies have broad discretion to determine the type, amount, and duration of assistance to any specific households. Such determinations should be based in collaborative assessment of household needs and reflective of household's permanent housing stability plan and STRA system-wide housing retention goals.
- ✓ **Eligible Units:** Unit must be rent reasonable and rent cannot exceed the Fair Market Rent. The property owner must enter into a lease with the tenant *and* a rental assistance agreement with Home Forward. Unit must meet minimum habitability standards. The unit must pass a lead-based paint visual assessment if the unit was built before 1978 and there's a child under 6 and/or a pregnant female in the household. STRA agencies cannot conduct initial eligibility assessments for households that later reside in ESG-assisted housing owned by the STRA agency.
- ✓ **Billing:** Monthly, agency should bill Home Forward using a Reimbursement Request form provided by Home Forward. Bills should be submitted by the 15th of the month. All bills within a quarter must be submitted by 15 days after the quarter ends or your agency may not be reimbursed for those billings.
- ✓ **Monitoring:** All agencies will be monitored during the 2012-2013 fiscal year. The following will be reviewed:
 - Required documents in client files
 - If your agency is using internal staff to complete inspections and lead visual assessment, staff qualifications will be checked

1. **Client Eligibility**

- **Rapid Rehousing**

- Initial consultation must be conducted
- Household income must be at or below 30% Area Median Income
- HH must be homeless and have assessment that concludes the household lacks the financial resources and support networks needed to obtain immediate housing or remain in existing housing
- For purposes of eligibility for ESG Rapid Re-housing assistance, "Homeless" means:
 - (1) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
 - (i) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
 - (ii) An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or
 - (iii) An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution
- Beyond these eligibility restrictions, agencies may retain broad discretion for determining which eligible client households to serve with ESG resources. Such decisions should be made in compliance with written agency policy and procedure, fair housing law and the STRA program's "no wrong door" policy. Decisions should also reflect the agency's stated target populations and service levels described in their STRA program application and contract, and should be made in consideration of other available resources within and external to the agency to serve eligible households. In general, the documentation burden associated with ESG funds is such that agencies may wish to reserve these resources for households that are likely to require longer periods of medium-term rent assistance.

- **Eligibility checks for Households**

Beginning in January 2014, STRA agencies must conduct the following eligibility checks:

ESG limits households to 24 months of rent and 24 months of utility assistance in any three-year period. Additionally, ESG limits rent and utility arrears to 6 months of assistance. In order to make sure a household does not exceed these limits, new ESG clients will require an eligibility check with the Portland Housing Bureau if the household has received rent or utility assistance from another STRA agency in the previous 18-months.

When a new household comes to your agency and you are screening them for eligibility, you must ask the household if they have received rent or utility assistance from any other agency/organization in the last 18 months.

If they have not, you don't need to do anything more. If they say they have, contact Hunter at the Portland Housing Bureau. He will check ServicePoint to see if the household has been served by another agency with ESG funds and if they have remaining ESG eligibility. Hunter's phone number is (503) 823-2381. If you cannot reach Hunter, call Wendy Smith.

Please begin checking eligibility only from January 1, 2014, forward. Prior to that point, it is not necessary.

Remember, this eligibility check is only required if the household has received rent or utility assistance from another agency in the last 18 months. It is not required for all households.

- **Housing stability case management**

- While providing ESG rapid re-housing assistance to a household, you must require the household to meet with a case manager not less than once per month to assist the household in ensuring long-term housing stability; and
- Develop a plan to assist the household to retain permanent housing after the ESG rent assistance ends
- The plan should address client-level needs for coordination among emergency shelter providers, essential service providers, homelessness prevention and rapid re-housing assistance providers, other homeless assistance providers, and mainstream service and housing providers

- **Recertification**

- Recertification is required no less than annually. You may choose to recertify the prior to the end of the first year of the assistance as long as the client is recertified at least annually.
- At recertification,
 - Complete all supporting documentation [forms currently under development]
 - Document ongoing barriers to stable housing (you do not need to get third party documentation)
- Please note that in situations where there is a break in assistance, the household must be re-evaluated as if they were going through an initial consultation

Information Required	Documentation
Proof of Initial Consultation	[All required documentation currently under development]
Income Documentation	
Assessment concluding household lacks financial resources and support networks needed to obtain or remain in housing	

Documentation of homelessness	
Release of Information	
Proof of eligibility re-certification at least annually	
Documentation of housing stability case management and permanent housing plan	
Other required documents	

2. Eligible Services

- **Rental assistance**

- Guidelines regarding rent payment

- Agencies can pay up to 24 months of rent payments in a 3-year period
 - "Last month's rent" – if paid as part of an initial deposit - is a separate eligible service (see below), *not* Rental Assistance.
 - Up to 6 months of the 24 month limit can be rent arrears if the payment is necessary to enable the program participant(s) to move in to an eligible rental unit.
 - ESG funds may be used to pay for late fees associated with rent or utility arrears, as long as the payment enables the program participant become re-housed. However, ESG funds may not be used to pay for damage costs incurred by the tenant.
 - Two levels of rent assistance:
 - Short Term: 1-3 months
 - Medium Term: 4-18 months
 - No mortgages can be paid

- General information regarding rental assistance

- Rental assistance cannot exceed the actual cost of rent which must be in compliance with rent reasonable standards and cannot exceed the Fair Market Rent
 - For the purposes of ESG, the payment becomes arrears when it is paid after the month for which it is due. If you are providing rental assistance on April 15th for April rent, the service type is rent even if the rent was due on April 1st. If you are providing rental assistance on May 2nd for April rent, then the service type would be rental arrears. Rent arrears assistance should always be in one month increments rounding up in the event that you are only paying a partial month of rent arrears.
 - In order to pay rent arrears, the agency must have the signed lease of the unit where the arrears were incurred and must make sure the rent meets the rent reasonable and Fair Market Rent requirements.
 - Agency can pay 100% of rent costs or can choose to pay graduated or declining amounts. Similarly, agency can provide up to the maximum number of months of assistance or may choose to provide fewer months. Such decisions should be made in collaboration with the assisted household and reflective of assessed needs and the household's permanent housing stability plan. Agencies are strongly encouraged to work actively and collaboratively with assisted households to determine the least amount of assistance necessary to maintain housing stability and provide only that level of support.
 - Client/household must have a signed lease/rental agreement in place

- Not all adult household members must be on the lease. However, the head of household must be on the lease, and all household members must be included in eligibility determinations.
 - All household members on the lease must be screened for eligibility even if unrelated.
 - If the lease expires, it must have a clause addressing the continuance of the agreement to a month to month arrangement. If the lease doesn't contain such a clause, in order to confirm that the automatic renewal is current and still in place, agency staff must request either a current lease or a statement from the landlord confirming that the lease and automatic renewal remain in force.
 - The property owner must enter into a Rental Assistance Agreement with Home Forward (See [document currently under development]).
 - Payments must be made to a third party but cannot be paid to collection agencies or other third-party debt collectors
 - Agencies CANNOT use ESG to pay the current tenant portion of subsidized rent. However, ESG CAN be used to pay rental arrears of the tenant portion of subsidized rent.
 - Other than late fees associated with arrears, late fees cannot be paid with ESG funds
 - ESG funds cannot be used to pay for damages to a unit
- Unit Requirements
- Must pass rent reasonable test (See [document currently under development] for instructions and calculation worksheet)
 - Rent cannot exceed the Fair Market Rent. Rent includes monthly rent, any fees required for occupancy under the lease (other than late fees or pet fees), and, if the tenant pays separately for utilities, the monthly utility allowance (See [document currently under development] for instructions and calculation worksheet)
 - Must pass lead based paint visual assessment if unit was built before 1978 and there's a child under the age of 6 and/or a pregnant female in the household (See [document currently under development])
 - Must meet habitability standards (See [document currently under development]).
 - Note: If Home Forward inspects the unit, the Home Forward inspector will do both the lead-based paint visual assessment and check the habitability standards.
 - A habitability standards check and/or the lead-based paint assessment must be completed annually. If Home Forward inspects the unit, the unit must be inspected annually.
 - STRA agencies cannot conduct initial ESG eligibility assessments for households that later reside in ESG-assisted housing owned by the STRA agency.

Information Required

Documentation

Written Rental Agreement / Lease	[All required documentation currently under development]
Rental Assistance Agreement between property owner and Home Forward	
Documentation that unit is rent reasonable	
Documentation that rent does not exceed Fair Market Rent	

Lead-based paint statement of disclosure	
Lead-based paint statement of receipt	
Proof unit has passed lead-based paint visual assessment if the unit was built before 1978 and there's a child under age 6 and/or a pregnant female in the unit	
Proof unit meets habitability standards if your agency has placed the household into a new unit	
If Home Forward is doing the inspection, proof the unit passes inspection	
Client assistance information	

- **Utility Assistance**

- Households can receive up to 24 months of utility payments in a 3-year period.
- Up to 6 months of the 24 month limit can be utility arrears. For the purposes of ESG, the payment becomes arrears when it is paid after the month for which it is due. Utility arrears assistance should always be in one month increments rounding up in the event that you are only paying a partial month of utility arrears.
- In order to pay utility arrears your agency should have the following: utility bill(s), proof that the ESG applicant is responsible for the utility payments, and the length of time the utility payment covers.
- If a household is determined eligible for ESG rental assistance, it is appropriate to identify an assistance plan that includes payment of both rent and utilities-even in the absence of a utility shut off notice. Agency staff should include documentation in the case file (case notes are fine) why payment of the utilities is necessary (for instance the household has no resources to pay utilities and/or any existing income must be used for other household needs such as food) and how it will help to achieve the goal of stabilizing the household.
- Eligible utilities include gas, electric, water, sewage. Garbage and other heating utilities are not eligible.
- If ESG funds are used to pay utilities during a month, more than one utility can be paid (for instance the agency could pay both water and electricity if the household was eligible for both and each was paid with ESG funds only). When determining the "month" of the bill, use the billing cycle dates as the month-you don't have to use a calendar year month.
- Payments must be made to a third party but cannot be paid to collection agencies or other third-party debt collectors
- Program participant or a member of his/her household must have an account with a utility company or proof of responsibility in his/her name to make utility payments (such as cancelled checks or receipts in his/her name from a utility company)
- Agencies can pay late fees and reconnection fees associated with utility arrears

Information Required

Documentation

Proof of utility payment responsibility	Copies of bills, cancelled checks, receipts in his/her name from a utility company; shut-off notice and lease for utility only assistance.
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- **Application and Move-in Fees, Last Month's Rent, and Security and Utility Deposits**

- Agencies can pay application and move-in fees as long as they are directly related to obtaining housing for eligible ESG program participants and they are required by the landlord as a condition of occupancy.
- If last month's rent is required up-front as a condition of occupancy, it may be paid as this type of eligible service – it is not Rent Assistance.
- Security and utility deposits can be paid on behalf of households moving into either subsidized or unsubsidized housing
- Payments must be made to a third party

Information Required

Documentation

Client assistance information	Supporting documents for client assistance amounts and dates of service such as copies of check requests or copies of Home Forward forms or receipts
Documentation that application and move-in fees are required as a condition of occupancy	Written and signed rental agreement or other written documentation of fee requirement

- **Moving Cost Assistance**

- Truck rental
- Hiring a moving company
- Short-term storage fees for a maximum of 3 months or until the program participant is in housing, whichever is shorter. Payment of temporary storage fees in arrears is not eligible.
- Moving costs are eligible for ESG payment only if they are accrued *after* the household begins receiving case management services and *before* the household moves into permanent housing.

Information Required

Documentation

Services procured	Bills from rental company and/or storage unit
Client assistance information	Supporting documents for client assistance amounts and dates of service such as copies of check requests or copies of Home Forward

	forms or receipts
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3. **Terminations**

Agencies may terminate the assistance of a program participant who violates program requirements. Agencies may resume assistance to a program participant whose assistance was previously terminated. Agencies must exercise judgment and examine all extenuating circumstances in determining when violations warrant termination so that a program participant's assistance is terminated only in the most severe cases. In terminating assistance to a program participant, the agency must provide a formal process that recognizes the rights of individuals receiving assistance. This process must, at a minimum, consist of the following:

- Written notice to the program participant containing a clear statement of the reasons for termination;
- A review of the decision, in which the program participant is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision; and
- Prompt written notice of the final decision to the program participant.

4. **How to Access ESG funds**

- Document that client/household is eligible, using the guidelines above.
- Document that unit is eligible, obtain documentation of lease and rental assistance agreement and arrange for your agency to make payment
- Agency issues check to landlord, utility company or other eligible institution. Checks may not be written directly to the client/household.
- Monthly, agency should bill Home Forward using a Reimbursement Request form provided by Home Forward. Bills should be submitted by the 15th of the month. All bills within a quarter must be submitted by 15 days after the quarter ends or your agency may not be reimbursed for those billings.

5. **Ensure client file includes all of the following:**

Proof of Initial Consultation	[All required documentation currently under development]
Income Documentation	
Assessment concluding household lacks financial resources and support networks needed to obtain or remain in housing	
Documentation of homelessness	
Release of Information	
Proof of eligibility re-certification at least	

annually	
Documentation of housing stability case management and permanent housing plan	
Client assistance information	
Other required documents	
For Rental Assistance:	
Written Rental Agreement / Lease	[All required documentation currently under development]
Rental Assistance Agreement between property owner and Home Forward	
Documentation that unit is rent reasonable	
Documentation that rent does not exceed Fair Market Rent	
Lead-based paint statement of disclosure	
Lead-based paint statement of receipt	
Proof unit has passed lead-based paint visual assessment if the unit was built before 1978 and there's a child under age 6 and/or a pregnant female in the unit	
Proof unit meets habitability standards if your agency has placed the household into a new unit	
If Home Forward is doing the inspection, proof the unit passes inspection	
For Application and Move-in Fees, Last Month's Rent, and Security and Utility Deposits	
Documentation that application and move-in fees are required as a condition of occupancy	[All required documentation currently under development]

For Utility Assistance:	
Proof of utility payment responsibility	[All required documentation currently under development]
For Moving Cost Assistance:	
Services procured	[All required documentation currently under development]

Exhibit D – Certifications

Completed certifications to be included in final submission. Blank forms available for review at:
<http://www.hud.gov/offices/cpd/about/conplan/pdf/conplancertifications.pdf>