



## **Emergency Solutions Grant (ESG)**

### **Program Policies and Standards**

## **A. Program Description**

The Emergency Solutions Grants (ESG) Program was created when the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act was signed into law in 2009. The HEARTH Act amended and reauthorized the McKinney-Vento Homeless Assistance Act, and included major revisions to the existing Emergency Shelter Grant Program.

The new Emergency Solutions Grant Program is designed to identify sheltered and unsheltered homeless persons, as well as those at risk of homelessness, and provide the services necessary to help those persons to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. The change in the program's name reflects the change in the program's focus from addressing the needs of homeless in emergency or transitional shelters to assisting people to regain stability in permanent housing.

All funded agencies are required to follow federal guidelines (i.e. *Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, aka "OMB Super Circular") and the San Antonio/Bexar County Continuum of Care minimum written standards in the implementation of the ESG program. Additionally, all agencies are required to follow City of San Antonio (City) policies (i.e. procurement) and the *DHS Contract Administration and Monitoring Protocol*. The City has written the following policies and procedures to facilitate the agencies in implementing ESG guidelines as set by the U.S. Department of Housing and Urban Development.

Agencies will provide assistance related to housing of persons at risk of becoming homeless and housing persons that are currently homeless, as well as provide housing relocation and stabilization services. Each sub-grantee will first be directed to read and follow ESG guidelines as set forth issued by the Department of Housing and Urban Development, and as may be amended from time to time. The procedures contained herein serve to simplify the implementation of the regulations and identify the activities selected for funding by the City of San Antonio.

## **B. Definitions**

Terms used herein will have the following meanings:

- **CoC**-Continuum of Care (San Antonio/Bexar County CoC)
- **DHS**- Department of Human Services and City of San Antonio Department-organization and direct grantee that administers the ESG funds.
- **ESG**- Emergency Solutions Grant program
- **HUD**- U.S. Department of Housing and Urban Development;
- **Sub-recipient**- A unit of local government or non-profit organization that receives an ESG allocation from the City of San Antonio.

## **C. Eligible Activities**

## **1. Rapid Re-Housing Component**

### **a) Rapid Re-Housing - Rental Assistance**

Eligible rental assistance includes:

- short-term rental assistance (up to 3 months)
- medium-term rental assistance (more than 3 months and up to 24 months)
- one-time payment for up to 6 months of rent in arrears, to include late fees.

Eligible costs includes: rental application fees, security deposits, last month's rent, utility deposits, utility payments (with a limit of 6 months in utility payment arrears), moving costs (including storage costs up to 3 months).

Payments shall not exceed 24 months total during a 3-year period. The 24 months may include a one-time payment for up to 6 months of rent arrears on the tenant's portion of the rent. Rent amount must not exceed HUD's published Fair Market Rent and the HUD standard for rent reasonableness (24 CFR 982.507). There must be a rental assistance agreement between the landlord and agency and a written lease between tenant and landlord. Eligibility and income shall be reviewed no less frequently than annually. Participants in rapid rehousing are required to meet with case managers no less frequently than monthly.

### **b) Rapid Re-Housing - Housing Relocation and Stabilization Services**

Eligible services include: housing search and placement, housing stability case management mediation, legal services, and credit repair. Eligible services under case management include: centralized coordinated assessments, initial evaluation, counseling, and coordinating services (for a complete list of eligible case management activities please reference 24 CFR 576.105(b)(2)).

## **2. Prevention Services Component**

### **a) Homelessness Prevention - Rental Assistance**

Eligible rental assistance includes:

- short-term rental assistance (up to 3 months)
- medium-term rental assistance (more than 3 months and up to 24 months)
- one-time payment for up to 6 months of rent in arrears, to include late fees.

Eligible costs includes: rental application fees, security deposits, last month's rent, utility deposits, utility payments (with a limit of 6 months in utility payment arrears), moving costs (including storage costs up to 3 months). Sub-recipients must re-evaluate the program participant's eligibility and type and amounts of assistance the program participants needs no less than every three (3) months.

### **b) Homelessness Prevention - Housing Relocation and Stabilization Services**

Eligible services include: housing search and placement, housing stability case management, mediation, legal services, and credit repair. Eligible services under case

management include: centralized coordinated assessments, initial evaluation, counseling, and coordinating services (for a complete list of eligible case management activities please reference 24 CFR 576.105(b)(2)).

### **3. Emergency Shelter Component**

Eligible emergency shelter costs include: costs of providing essential services to homeless families and individuals in emergency shelters, renovating buildings to be used as emergency shelter for homeless families and individuals, and operating emergency shelters as identified in 24 CFR 576.102. Shelter services shall be restricted to the following populations: 1) domestic violence victims (provided by a domestic violence victim service provider), 2) homeless youth, and 3) families with children.

### **4. Street Outreach Component**

Eligible street outreach costs include: costs of providing essential services necessary to reach out to unsheltered homeless people; connect them with emergency shelter, housing, or critical services; and provide urgent, non facility- based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility, as further identified in 24 CFR 576.101. For the purposes of this section, the term "unsheltered homeless people" means individuals and families who qualify as homeless under paragraphs (1)(i) of the "homeless" definition under 24 CFR 576.2.

#### **D. Participant Eligibility**

Initial Evaluation & Re-evaluation: Sub-recipients must conduct an initial evaluation to determine eligibility of each individual or family's eligibility for ESG assistance and the amount and types of assistance the individual or family needs in accordance with the centralized or coordinated assessment requirements set forth under 24 CFR 576.400(d) and the written standards under 24 CFR 576.400(e). All sub-recipients must evaluate a participant's eligibility of the ESG program participant at least once every three months for all households receiving homeless prevention assistance, and once annually for households receiving Rapid Re-housing assistance.

Documentation to verify the requirements of this section have been met includes completing a participant intake form. Sub-recipients may use their own form, however, they must be up-to-date and representative of the services provided. All sub-recipients must keep verification of this requirement in each participant file.

The Homeless Definition final rule, published in the Federal Register on December 5, 2011, defines homeless in four (4) categories as follows (which must be documented in order to receive assistance):

#### **Category 1 Literally Homeless**

Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

- (1) 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;
- (2) An individual or family living in a supervised publicly or privately operated shelter designed 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

- (3) An individual exiting an institution where the individual or family has resided for 90 or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.

Recordkeeping Requirements:

- Written observation by the outreach worker; or
- Written referral by another housing or service provider; or
- Certification by the individual or head of household seeking assistance stating that (s)he was living on the streets or in shelter
- For individuals exiting an institution- one of the forms of evidence above AND: 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.

### **Category 2 Imminent Risk of Homelessness**

Individual or family who will immediately lose their primary nighttime residence, provided that:

- (1) Residence will be lost within 14 days of the date of application for homeless assistance;
- (2) No subsequent residence has been identified; and
- (3) The individual or family lacks the resources or support networks needed to obtain other permanent housing.

Recordkeeping Requirements:

- 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; and
- 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.

### **Category 3 Homeless under other Federal Statutes**

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:

- (1) Are defined as homeless under the other listed federal statutes located at 24 CFR part 576.1 "Definitions";
- (2) Have not had a lease, ownership interest, or occupancy agreement in permanent housing during 60 days prior to the homeless assistance application;
- (3) Have experienced persistent instability as measured by two moves or more during the preceding 60 days; and
- (4) Can be expected to continue in such status for an extended period of time due to special needs or barriers.

Recordkeeping Requirements:

- 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 PH in last 60 days; and

- Certification by the individual or head of household, and any available supporting documentation, that (s)he has moved to two or more times in the past 60 days; and
- Documentation of special needs or 2 or more barriers.

**Category 4 Fleeing/Attempting to Flee Domestic Violence**

Any individual or family who:

- (1) Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
- (2) Has no other residence; and
- (3) Lacks the resources or support networks to obtain other permanent housing.

Recordkeeping Requirements:

- 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 or a certification by the intake worker.

Minimum standards for evaluating individual or family eligibility for assistance under ESG are:

1. **Street Outreach** – People are eligible for these services if they are ‘unsheltered homeless,’ based on category (1)(i) of the “homeless” definition found at 24 CFR 576.2 are eligible for the following activities, in compliance with federal ESG rules (24 CFR 576.101): engagement, case management, emergency health and mental health services, transportation.
2. **Emergency Shelter** – People are eligible for these services if they qualify as ‘homeless,’ based on categories (1, 2, or 4) of the “homeless” definition found at 24 CFR 576.2 Eligible activities, in compliance with federal ESG rules (24 CFR 576.102) in addition to the provision of decent, safe and sanitary emergency shelter accommodations are: *case management; child care; education; employment and life skills services; legal services; health; mental health and substance abuse services; and transportation.*

To receive assistance under **Rapid Re-housing**, participants(s) must be Homeless at the time of assistance under Category 1 or 4. In addition, the sub-recipient must confirm that the individual or family does not have sufficient resources or support networks immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) above.

3. **Rapid Re-housing (RR)** – To be eligible for Rapid Re-Housing Relocation and Stabilization Services and Short-term and Medium-term Rental Assistance:
  - Persons defined as Homeless under Category 1 (Literally Homeless) or Category 4 (Fleeing/Attempting to Flee Domestic Violence)
  - Reassessment at 1 year: Income at or below 30 AMI and whether the person lacks sufficient resources and support networks necessary to retain the housing without assistance.

To receive assistance under **Homeless Prevention**, participants(s) must be at risk of becoming homeless and rental assistance is only necessary to prevent the individual or family from moving into an emergency shelter or other place not meant for human habitation. The individual or family

must have insufficient resources immediately available to attain housing stability or other support networks in the community to prevent them from becoming homeless.

4. **Homelessness Prevention** – To be eligible for Homeless Prevention Housing Relocation and Stabilization Services and Short-term and Medium-term Rental Assistance:

- Persons defined as Homeless under Categories 2 (Imminent Risk of Homelessness), Category 3 (Homeless Under Other Federal Statutes), or Category 4 (Fleeing/Attempting to Flee Domestic Violence); and
- Have an annual income below 30% of the Median Income for the Area.
- Demonstrate no support networks and no financial resources immediately available to prevent literal homelessness;
- Be a resident of Bexar County for at least 30 days prior to requesting assistance.
- Reassessment required every 3 months continue to be eligible for homeless prevention. Income at or below 30 AMI and whether the person lacks sufficient resources and support networks necessary to retain housing without ESG assistance.

**E. Income Determination**

Minimum standards for determination of an individual or family’s annual income consist of calculating income in compliance with 24 CFR 5.609. Annual income is defined as:

*Annual income* means all amounts, monetary or not, which:

- (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
- (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
- (3) Which are not specifically excluded in paragraph (c) of 24 CFR 5.609.
- (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has success.

Individuals and families assisted under ESG are required to have annual incomes at or below 30% of AMI at the annual reassessment. In verifying income, ESG providers are required to obtain third party verification whenever possible.

**F. Program Requirements**

1. *Coordination with other targeted homeless services-* Sub-recipients must coordinate and integrate, to the maximum extent practicable, ESG funded activities with other programs targeted to homeless people in the area covered by the CoC to provide a strategic, community-wide system to prevent and end homelessness for that area.
2. *System and Program Coordination with Mainstream Resources-* Sub-recipient must coordinate and integrate to the maximum extent practicable, ESG funded activities with mainstream housing, health, social services, employment, education, and youth programs for which families and individuals at risk of homelessness and homeless individuals and families may be eligible. Sub-recipients will follow the Coordinated Entry process as stated in the San Antonio/Bexar County CoC Written Standards.

3. *Centralized or Coordinated Assessment Systems and Procedures*- Sub-recipients must keep documentation evidencing the use of, and written intake procedures for, centralized or coordinated assessment system(s) developed by the CoC in accordance with the requirements established by HUD. Sub-recipients will follow the Coordinated Entry process as stated in the San Antonio/Bexar County CoC Written Standards
4. *Participation in HMIS*- All sub-recipients receiving ESG funds must comply with the HMIS reporting requirements and will be required to participate in the local HMIS except as prohibited by law. If the sub-recipient is a victim service provider or a legal service provider, it may use a comparable database that collects client-level data over time and generates unduplicated aggregate reports based on the data. Information entered into a comparable database must not be entered directly into or provided to an HMIS.
5. *Rent Reasonableness*- All sub-recipients must ensure that ESG funds used for rental assistance for the Rapid Re-housing and Homeless Prevention components do not exceed the actual rental cost which must be in compliance with HUD's standard of "rent reasonableness". Rent reasonableness means that the total rent charge, including utilities, for a unit must be reasonable in relation to the rents being charged during the same time period for comparable units in the private unassisted market and must not be in excess of rents being charged by the owner during the same time period for comparable non-luxury unassisted units.
6. *Fair Market Rents (FMR)*- Sub-recipients must ensure that ESG funds used for rental assistance for the Rapid Re-housing and Homeless Prevention components do not exceed the FMR as established by HUD. The FMR for individual counties can be found in HUD's website at [www.huduser.org/portal/datasets/fmr.html](http://www.huduser.org/portal/datasets/fmr.html).
7. *Habitability Standards*- Sub-recipients cannot use ESG funds to help a program participant remain in or move into housing that does not meet the minimum habitability standards under 576.40 (c). This restriction applies to all activities under the homeless prevention and rapid re-housing components. Sub-recipients must certify that the unit has passed habitability standards BEFORE the lease has been signed and the tenant moves in.
8. *Lead Based Paint Requirements*- Sub-recipients are required to conduct a Lead Based Paint Inspection on all units receiving assistance under the Rapid Re-housing and Homeless Prevention components if the unit is built before 1978 in which a child under age of six or a pregnant woman resides or will reside.
9. *Confidentiality*- Sub-recipients must develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided with ESG assistance.
10. *Termination of Housing Assistance*- Sub-recipients may terminate assistance to a program participant who violates program requirements. Sub-recipients may also resume assistance to a program participant whose assistance was previously terminated. In terminating assistance to a program participant, sub-recipients must provide a formal process that recognizes the rights of individuals receiving assistance to due process of law. This process, at a minimum, must consist of:

- a. Recognize individuals rights;
- b. Allow termination in only the most severe case;
- c. Provide a written notice to the program participant, with clear statement of reasons for termination;
- d. 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 who made or approved the termination decision; and
- e. Prompt written notice of the final decision to the program participant.

11. *Recordkeeping*-Sub-recipients must keep records and make any reports (including those pertaining to race, ethnicity, gender, and disability status data) that HUD may require with the timeframe specified.

12. *Monitoring*-DHS is responsible for monitoring all ESG activities, including activities that are carried out by sub-recipients, to ensure that the program requirements established by HUD, DHS and CoC are met. DHS will monitor in accordance with policy and procedures of the *DHS Contract Administration and Monitoring Protocol* and ESG rules and regulations.

#### **G. Rental Assistance Duration:**

Minimum standards for determining how long a particular program participant shall be provided with rental assistance and whether and how the amount of that assistance shall be adjusted over time are:

1. Participants shall receive approval for the minimum amount of financial assistance necessary to prevent homelessness. Documentation of financial need shall be kept in the participant's file for each quarterly assessment. Participants shall not be approved for more rental assistance than can be justified given their income and expenses at a given time.
2. Approval for rental assistance shall be granted for renewable periods not to exceed three months. Sub-recipients must re-assess the continuing need for rental assistance before approving an additional increment. In no event will assistance under rapid rehousing exceed 24 months in any 36 month period.
3. Any additional requirements regarding how long a program participant shall be provided with rental assistance and whether and how the amount of that assistance shall be adjusted over time shall be determined by the individual Sub-recipients' policies and clearly communicated to program participants.

#### **H. Limitations on Financial Assistance**

Financial assistance provided to participants under ESG funded prevention and rapid rehousing services may not exceed the limitations set forth below:

- a) **Use with other subsidies** – Payment for Financial Assistance costs shall not be provided to a participant who is receiving the same type of financial assistance through other public sources or to a participant who has been provided with replacement

- housing payments under the URA, during the period of time covered by the URA payments.
- b) **Rental application fees** – Payment shall only be made for fees charged by the owner to all applicants.
  - c) **Security deposits** – Payment shall not exceed two (2) month’s rent.
  - d) **Last month’s rent** – Payment shall not exceed one (1) month’s rent and shall be included in calculating the participant’s total rental assistance.
  - e) **Utility deposits**– Payment shall only be made for gas, electric, water and sewage deposits.
  - f) **Utility payments:** Payment shall not exceed 24 months per participant, including no more than 6 months of utility payments in arrears, per service.
    - A partial payment counts as 1 month.
    - Payment shall only be made if the utility account is in the name of the participant or a member of the same household.
    - Payment shall only be made for gas, electric, water and sewage costs.
    - Participants shall not receive more than 24 months of utility assistance within any 3-year period.
  - g) **Moving costs** – reasonable one-time moving expenses are eligible.
  - h) **Rental Assistance:**
    - Payment shall not exceed 24 months total during a 3-year period in tenant-based or project-based (ESG only) housing.
    - Payment for short-term rental assistance shall not exceed 3 months.
    - Payment for medium-term rental assistance shall be for more than 3 months, but shall not exceed 24 months.
    - Payment for rent arrears shall not exceed 6 months and shall be a one-time payment, including any late fees
    - Except for a one-time payment of rental arrears on the participant’s portion [ESG only], payment shall not be provided to a participant who is receiving tenant-based rental assistance or living in a unit receiving project-based assistance or to a participant who has been provided with replacement housing payments under the URA, during the period of time covered by the URA payments.
    - Payment shall comply with HUD’s standard of rent reasonableness (24 CFR 982.507).
    - Calculation of the rental payment amount shall only include monthly rent for the unit, any occupancy fees under the lease (except for pet and late fees) and if the participant pays separately for utilities, the monthly utility allowance established by the public housing authority for the area in which the housing is located.
    - Payments of any late payment penalties incurred by the agency shall not be claimed for reimbursement.
    - The rental assistance agreement with the unit owner shall be terminated without further payment if: 1) the participant moves out of the unit, 2) the lease terminates and is not renewed, 3) or the participant becomes ineligible to receive ESG rental assistance.

## **I. Performance Standards**

DHS must ensure that programs and activities funded through the ESG program meet certain Performance Standards as set by the local CoC.

**J. Matching Funds**

Each sub-recipient must match its ESG funding amounts with an equal amount of funds received from sources other than this program. Matching funds must be obtained from any source, including any Federal source other than the ESG program, as well as State, local and private sources. The City will be sole deciding factor on determining is matching funds are acceptable.

**K. Conflicts of Interest**

1. *Organizational Conflicts*-The provision of any type or amount of ESG assistance may not be conditioned on an individual's or family's acceptance or occupancy of emergency shelter or housing owned by the recipient, the sub-recipient, or a parent or subsidiary of the sub-recipient. No sub-recipient may, with respect to individuals or families occupying housing owned by the sub-recipient, or any parent or subsidiary of the sub-recipient, carry out the initial evaluation required under § 576.401 or administer homelessness prevention assistance under § 576.103. Sub-recipients must also maintain written standards of conduct covering organizational conflicts of interest required under 2 CFR 200.318.
2. *Individual conflicts of interest*. For the procurement of goods and services, sub-recipients must comply with codes of conduct and conflict of interest requirements under 24 CFR 84.42. For all other transactions and activities, the following restrictions apply:
  - a. *Conflicts prohibited*. No person described in paragraph (b)(2) of this section who exercises or has exercised any functions or responsibilities with respect to activities assisted under the ESG program, or who is in a position to participate in a decision-making process or gain inside information with regard to activities assisted under the program, may obtain a financial interest or benefit from an assisted activity; have a financial interest in any contract, subcontract, or agreement with respect to an assisted activity; or have a financial interest in the proceeds derived from an assisted activity, either for him or herself or for those with whom he or she has family or business ties, during his or her tenure or during the one-year period following his or her tenure.
  - b. *Persons covered*. The conflict-of- interest provisions of this section apply to any person who is an employee, agent, consultant, officer, or elected or appointed official of the recipient or its sub-recipients.

**L. Record Retention**

Documentation of participant eligibility and assistance provided must be retained for fives (5) years after the expenditure of all funds from the grant award under which the program participant served.