



Office of Rental Assistance and Homeless Solutions

ESG Notice of Funding Availability (NOFA)

October 1, 2020 to September 30, 2021

Emergency Solutions Grant (ESG)

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CONTENTS

I.	Timeline.....	3
II.	General Overview	3
III.	New for October 1, 2020	4
IV.	Pay for Performance.....	5
V.	Program Description	6
VI.	Grant Term	6
VII.	Homeless Definitions for ESG Funding	7
VIII.	Collaboration.....	7
IX.	Defining Roles.....	8
X.	Selection Criteria.....	10
XI.	Use of Funds	12
XII.	ESG Funds to MDHHS for Domestic Violence Service Providers.....	13

I. Timeline

ESG FY 2020-2021 Funding	
October 1, 2020 to September 30, 2021	
June 23, 2020	NOFA and Exhibit 1 released and posted (6/23/20) at www.michigan.gov/mshda , click on Homeless and Special Needs. E-mail or phone your Homeless Assistance Specialist if you have any questions.
July 31, 2020 <u>No later than 5:00 p.m.</u>	ESG application is due on MATT 2.0
August 21, 2020	Grant documents mailed to the Fiduciary (No funds can be incurred until the grant has been signed by the grantee and MSHDA.)
August 28, 2020 <u>No later than 5:00 p.m.</u>	Exhibit 1 due. E-mail Exhibit 1 and all attachments to your Homeless Assistance Specialist. No faxes will be accepted.
October 1, 2020	Grant start date

II. General Overview

The Emergency Solutions Grant (ESG) is a Housing and Urban Development (HUD) federal entitlement-based program that serves households experiencing homelessness or who are at risk. In the 2020-2021 grant year, MSHDA will receive funds from HUD and will provide a 1:1 match to make an estimated \$9-10 million available across the State of Michigan. ESG requires the use of Coordinated Entry as an important process through which people experiencing homelessness or at risk of experiencing homelessness can access the housing crisis response system in a streamlined way. This Coordinated Entry system is created by all homeless service providers working together in a synchronized fashion in conjunction with an agency known as the Housing Assessment and Resource Agency (HARA).

The use of a standardized assessment tool known as the Vulnerability Index Service Prioritization Decision Assistance Tool (VI-SPDAT) used within local coordinated assessment processes considers the unique needs of the household, assesses vulnerability and prioritizes households to gain access to the best options to address their needs. Historically, the most intensive interventions are prioritized for those with the highest needs, rather than being evaluated for a single program within the homeless response system. As communities continue to experience impacts from the coronavirus pandemic (COVID-19), HUD supports communities considering other prioritization elements as necessary to prevent the spread of COVID-19 among those who are homeless or at risk of homelessness and to respond to those already impacted by the pandemic.

The Continuum of Care (CoC) or Local Planning Body (LPB) operates a Coordinated Entry system by mapping out the resources and delivery process used to prevent homelessness and rapidly re-house people living in homelessness. As a result, duplication of services is reduced and gaps within the community's system are identified. In addition, the CoC/LPB's Coordinated Entry system overcomes barriers that individual programs cannot address, allowing communication, coordination, and collaboration to be brought to scale on a community-wide level.

Through the Michigan Interagency Council on Homelessness, partners are working together to establish and provide ongoing support to communities carrying out the mission of preventing and ending homelessness in Michigan.

III. New for October 1, 2020

Due to COVID-19, several policy and procedure changes were implemented for ESG funding. The following changes remain in effect for this FY2020-2021 NOFA.

Signatures on ESG Forms:

- ESG grantees may accept verbal or electronic "signatures" on ESG forms, with the following provisions:
 - Notate as verbal or electronic signature for each form completed.
 - Provide staff initials and date when collecting the signature.

Housing Choice Voucher (HCV) Homeless Preference:

- HARAs may secure verbal Releases of Information (ROIs) for HCV Homeless Preference. Please note the use of verbal ROI on the HCV ROI document.
- The timeline to complete HCV Homeless Preference applications is extended from 5 days to 30 business days until further notice.

Rental Unit Inspections for ESG:

- Habitability Standards inspections are required under ESG and may be completed virtually as long as they can be checked and completed in real time. For example, landlords could use FaceTime or other platforms to engage directly with agency staff and walk through the unit to demonstrate each requirement and standard of the inspection checklist.
- Inspections of occupied units can be postponed until the unit can be safely accessed.

Rapid Re-Housing (RRH) Assistance Cap:

- MSHDA ESG's six (6) month cap for Rapid Re-Housing (RRH) rental assistance is extended to nine (9) months, as needed.

Hazard Pay for Staff:

- Agencies are allowed to consider reasonable hazard pay for any staff working directly with community members to prevent or respond to the spread of COVID-19 among those who are experiencing homelessness or at risk of homelessness.

Expanded Eligible Costs for Street Outreach and Emergency Shelter:

- HUD has approved the following as eligible costs under street outreach:
 - Engagement: Hand sanitizer, soap, tissue packets, masks, disposable gloves, other personal protective equipment
 - Case Management: Coordinating medical care
 - Transportation: Train or bus tokens, taxi or rideshare for program participant travel to and from medical care
 - Expanded Staffing: Hiring additional staff to support infectious disease preparedness, providing hazard pay to staff with direct participant contact
- HUD has approved the following as eligible costs under emergency shelter
 - Supplies: Cleaning supplies such as bleach, disinfectant wipes, scrubbers, mops; Protective equipment such as masks, disposable gloves; Program participant needs such as bed linens, towels, hand sanitizer, soap, tissue packets
 - Furnishings: Cots, room dividers
 - Equipment: Washers, dryers, portable handwashing stations
 - Transportation: Train or bus tokens, taxi or rideshare for program participant travel to and from medical care
 - Expanded Staffing: Hiring additional staff to support infectious disease preparedness, providing hazard pay to staff with direct participant contact

1% Rental Assistance Payment Requirement:

- Starting in FY2018-2019, MSHDA instituted a rental payment requirement for households receiving financial assistance. This payment is reflective of one percent (1%) of the household's gross annual projected income and is paid either directly to the HARA or to the landlord. **This is no longer a requirement under this NOFA for ESG FY 2020-2021.** However, CoCs/LPBs may choose to continue this practice and are still encouraged to progressively engage households to contribute to their monthly rental payment.

Amendments to Budgets:

- Budget amendments requested by Fiduciaries are considered active and immediately available once approval is confirmed via email with the assigned MSHDA Homeless Assistance Specialist.
- Fiduciaries must still complete the MATT amendment process following approval.

Income Verification Documents for Rapid Re-Housing Households:

- MSHDA ESG income verification documents are not required at intake for households receiving Rapid Re-Housing (RRH) assistance. These documents are required at the 6 month evaluation and/or program exit.
- Income data collection requirements in the ESG Policy and Procedures still are in effect as well as any other requirements in the Program Manual. The adjustment to MSHDA ESG document requirements does not change Federal ESG data collection requirements.

IV. Pay for Performance

In light of ongoing efforts to address COVID-19, MSHDA will not implement Pay for Performance measures under this NOFA. However, each CoC/LPB **must still submit the performance measures through the Exhibit 1** and is encouraged to review the following measures as part of an ongoing assessment of overall system performance.

1. CoC/LPBs have greater than 90% of Rapid Re-housing clients entering from streets, shelter, transitional housing or safe haven. ***MSHDA_CoC Outcomes Report (Measure 1)***
2. CoCs/LPBs have a minimum of 90% of Homeless Prevention clients discharged into permanent housing. ***MSHDA_CoC Outcomes Report (Measure 3)***
3. CoCs/LPBs have a minimum of 90% of Rapid Re-Housing clients discharged into permanent housing. ***MSHDA_CoC Outcomes Report (Measure 4)***
4. CoCs/LPBs have completed a VI-SPDAT for greater than 90% of clients receiving Rapid Re-housing services (SSVF/RHY projects excluded). ***MSHDA_CoC Outcomes Report (Measure 5)***
5. CoCs/LPBs have completed a VI-SPDAT for greater than 90% of clients receiving Emergency Shelter services for a period of 15 days or longer (SSVF/RHY projects excluded). ***MSHDA_CoC Outcomes Report (Measure 6)***
6. CoCs/LPBs achieve the following related to length of time households have experienced homelessness:
 - Decreased the average length of time (LOT) individuals remain homeless by more than 5% (>5%) from the previous year if their LOT homeless is less than 100 days;
 - Decreased by more than 10% (>10%) from the previous year if LOT homelessness is greater than 100 days; or
 - Kept LOT homeless below 40 days in both report timeframes. ***MSHDA_Length of Time Homeless Report (Measure 7)***
7. CoCs/LPBs have spent a minimum of 93% of their HUD CoC Program funds.

V. Program Description

The Emergency Solutions Grant (ESG) offers funding assistance to public and non-profit organizations that are responding to the needs of homeless populations through a comprehensive community wide planning process and implementation strategy known as the Plan to End Homelessness. Note that the HEARTH Act clarifies that local public housing agencies and state housing finance agencies are not eligible recipients of these ESG funds. MSHDA is eligible for these dollars as a pass-through entity to subgrantees.

A performing HARA shall remain the same year after year to ensure capacity and housing knowledge are developed, funding is appropriately directed, and community recognition is maintained. If the current HARA determines it can no longer perform the required functions, the CoC/LPB must recommend a new agency. If the CoC/LPB determines the HARA is having difficulties functioning as intended, please contact the assigned MSHDA Homeless Assistance Specialist for technical assistance.

Core Strategies for ESG:

- **Ensure emergency housing needs are met.**
- **Adoption of proven tools to prevent and end homelessness:** Use of a comprehensive community-based prevention and rapid re-housing system that embraces Progressive Engagement, VI-SPDAT, and Housing First activities. Promote program models with successful measurable outcomes that are supported by data.
- **Break-down silos:** Collaborate and coordinate across the CoC/LPB to ensure that local, state, and federal resources are used effectively and efficiently to end homelessness.
- **Re-align Programs:** Work as a community to re-align program dollars to keep people housed or to rapidly re-house them.
- **Build public support and political will for ending homelessness:** Share data and best practices with mayors, county officials, schools, and other interested parties;
- **Create a Communications Plan:** Key partners in the community, including MSHDA Housing Agents, mainstream service partners, government officials, consumers, and the general public will need to be notified about how coordinated intake works. Social media, brochures, and informational meetings are just some of the venue's communities could use.
- **Data collection, analysis, and reporting:** Collect and analyze data via the Homeless Management Information System (HMIS). (Domestic violence service agencies use a comparable database.) Staff should be trained on when to start entering data, what data must be entered, and how to share data with referral organizations.
- **Map out the Community Intake Process:** Meet with local agencies to create a map of intake using VI-SPDAT as an assessment and referral process, how people move through the system, and where flaws exist. Modify how the HARA can assist in a more coordinated approach.
- **Evaluate the HARA's Coordinated Entry policies and implementation** to ensure all HUD requirements are met and the system is equitable for all applicants.
- **Implement Continuous Quality Improvement** and at a minimum the performance measure outcomes as required by MSHDA and outlined in quarterly Consolidated Annual Performance and Evaluation Report (CAPER);
- **Alignment with and support of the local Plan to End Homelessness;**
- **Use of shelter beds and transitional housing only when necessary and with a Housing First approach, i.e. shelter diversion;**
- **Collaborate within the Interagency Service Teams (IST) to assist the hardest to serve.**

VI. Grant Term

Grants will begin on October 1, 2020 and end September 30, 2021.

VII. Homeless Definitions for ESG Funding

Following is HUD's definition of homelessness. The applicant and its proposed programs or services must serve individuals and families who are homeless as defined below. Households can also be eligible for Homelessness Prevention using HUD's At Risk of Homelessness criteria. MSHDA is requiring file documentation to verify need and homelessness.

Homeless means:

Category (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.

Category (2) An individual or family who will imminently lose their primary nighttime residence provided that:

- i. The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
- ii. No subsequent residence has been identified; and
- iii. The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, needed to obtain other permanent housing.

Category (3) MSHDA has removed Category (3) Homeless under other federal statute as MSHDA is required to apply for a waiver from HUD to be able to use this category.

Category (4) Any individual or family who:

- i. **Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member,** including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
- ii. Has no other residence; and
- iii. Lacks the resources or support networks, e.g., family, friends, and faith-based or other social networks, to obtain other permanent housing.

VIII. Collaboration

By collaborating, local partners will work to leverage and coordinate community resources. Although the HARA may provide many services, it is beneficial to partner with other local organizations to assure a cadre of available supports.

For use of ESG funds, a community Memorandum of Understanding (MOU) must be developed between the CoC/LPB, Fiduciary, HARA, and Subgrantees, hereafter referred to as "key partners". The MOU identifies what services will be provided, how services will be coordinated, and how monitoring will be conducted to assure all HUD and MSHDA requirements are met. (A sample template is available at www.michigan.gov/mshda.)

MSHDA will have one grant with the designated Fiduciary and the Fiduciary will be responsible for grant distribution of funds, compliance and monitoring with community subgrantees.

IX. Defining Roles

Following is an explanation of the minimum duties performed by the CoC/LPB, Fiduciary, HARA, and subgrantee agencies. As in previous ESG NOFAs, the CoC/LPB recommends to MSHDA, via completion of the Exhibit 1 – CoC/LPB Update, the agencies that will receive funding in line with ESG NOFA parameters and other community identified resources. The CoC/LPB-recommended Fiduciary will be awarded the funds; therefore, the Fiduciary is the only agency billing MSHDA for reimbursement.

MSHDA reserves the right to alter any/all recommendations based on issues of prior applicant performance, applicant capacity, eligibility of project activities, and consistency with the criteria and standards discussed in this NOFA.

The CoC/LPB will be responsible to:

- Affirm the selected MSHDA ESG Fiduciary;
- Affirm all selected MSHDA ESG subgrantees (including the HARA);
 - Agencies currently designated as the HARA for the 2019-2020 ESG Program will continue their role as the HARA for the 2020-2021 ESG fiscal year, unless there is documented evidence of poor performance or extenuating circumstances. CoCs/LPBs that decide to designate a new HARA for 2020-2021 ESG fiscal year must obtain approval from MSHDA prior to the submission of the ESG application. This policy supports capacity building within system change and fosters community partners to have a vested interest in the success of their designated HARA. Note: the HARA must be an agency that serves **all** populations.
- Develop and affirm the budget and corresponding implementation plan for the ESG funding;
- Develop a CoC/LPB culture that teaches and makes decisions based upon outcomes;
- Ensure collaboration and coordination within and among CoC/LPB membership, including all other available sources of funding to support community-wide planning and strategy implementation for the homeless crisis response system;
- Analyze the CoC/LPB grant portfolio to determine most effective mix of housing and services to meet the needs of the homeless households that present for assistance. Determine whether funding for some projects, in whole or in part, should be reallocated to make resources available for new efforts;
- Develop a system of care plan that specifically addresses assisting individuals and families living in chronic homelessness, how the plan will be monitored, and what the outcomes are;
- Assure that services provided by the Fiduciary, HARA, and subgrantees are meeting the needs of the local community and that critical issues are addressed;
- Prioritize the use of ESG funds for proven strategies, especially rapid re-housing for those experiencing homelessness (Note: people **cannot** be denied rapid re-housing because of zero income);
- Explore partnerships with mental health or substance abuse providers to provide support services for permanent supportive housing;
- Partner with programs that serve veterans in the CoC/LPB geographic area and ensure linkages for eligible households;
- Require ESG grantees to embrace strength-based case management;
- Partner with Project Based Voucher (PBV) management agents, developers, and service agencies to assist with development and annual updates to a Memorandum of Understanding (MOU) for case management services to supportive housing units as they are made available in the community via the Low-Income Housing Tax Credit Program;
- Provide MSHDA with annual Point in Time (PIT) Chart and access to HUD Stella P; and
- Provide meeting minutes and e-mail minutes, notices, and agendas to the assigned MSHDA Homeless Assistance Specialist.
 - CoCs/LPBs must have the following standing agenda items for each meeting:
 - Adequacy of Homeless Preference names on the Housing Choice Voucher (HCV) waiting list;
 - Adequacy of names on the PBV waiting lists for MSHDA developments within the CoC/LPB; and
 - If there are By-Name Lists for Veterans, Youth, Chronically Homeless and/or Families, discuss what progress has been made toward a functional end of homelessness for those populations.

- Prior to the CoC/LPB meeting, communication with the MSHDA Housing Agent regarding lease-up of the vouchers and discussing the status of the Homeless Preference waiting list at the Planning meetings is required. For PBV maintaining an adequate supply of names will require communication with the management company prior to CoC/LPB meetings and discussing the status of the available units at the CoC/LPB meetings.
- Note: Agencies funded through MSHDA ESG must participate in CoC/LPB meetings.

The Fiduciary will be responsible to:

- Execute grant documents for the community's allocation, including:
 - Memorandum of Understanding (MOU) with the CoC/LPB and with all Key Partners,
 - Sign contract and applicable documents required by MSHDA, and
 - Initiate and execute subgrants as needed.
- Assure the use of funds in accordance with the grant agreement, communicate knowledge of fraudulent activities to MSHDA and the CoC/LPB;
- Complete MATT 2.0 billing;
- Advise the CoC/LPB of agencies not using dollars in a timely manner to avoid loss of funds to the community/recapture by MSHDA;
- Evaluate the quality of services and provide oversight of the Subgrantees based upon documented outcomes and in partnership with the CoC/LPB;
- Collect and submit quarterly Consolidated Annual Performance and Evaluation Reports (CAPERs) that address specific performance outcomes supported by HMIS data. (Domestic violence service agencies use a comparable database.) CAPERs are submitted to MSHDA via MATT 2.0 with a copy provided to the CoC/LPB;
- Monitor ten percent (10%) of all tenant files, as well as the financial records of Subgrantees, and provide a copy of your findings report to your MSHDA Homeless Assistance Specialist; and
- Maintain financial and client level records to support billings. The information must be retained for five years.

Housing Assessment and Resource Agency will be responsible to:

- Administer all financial assistance dollars for prevention and rehousing;
- Practice shelter diversion;
- Embrace rapid re-housing (Note: people with zero income cannot be denied rapid re-housing);
- Employ staff to function as a Housing Resource Specialist, a position that works with landlords to house people;
- Employ staff to oversee the HCV Homeless Preference waiting list. This position ensures the following:
 - People living in homelessness within the CoC/LPB are entered on the HCV Homeless Preference waiting list;
 - Re-verification of homelessness every 120 days;
 - Maintains knowledge of MSHDA developments within the CoC/LPB that have PBVs, refer applicants to the PBV waiting list, and have quarterly contact with the management company at the development regarding availability of the units.
 - Staff costs are an eligible ESG expense as part of housing stabilization, and MSHDA's grant management system, Matt 2.0, has a budget line where this cost can be entered.
- Practice strength-based case management;
- Practice progressive engagement;
- Work with the CoC/LPB to ensure quality service delivery;
- Enter client information as well as doing VI-SPDAT on HMIS;
- Routinely review and correct HMIS data quality issues and monitor outcome performance;
- Submit quarterly CAPERs that address specific performance outcomes supported by HMIS data to the Fiduciary as outlined in the contract; and
- Provide services and/or make referrals to other service agencies as needed.

Subgrantees will be responsible to:

- Collaborate and coordinate with the HARA and CoC/LPB to re-align program dollars, where possible, to fill gaps to end homelessness;
- Collaborate with the HARA and CoC/LPB to re-align program dollars, where possible, to fill gaps to end homelessness;
- Provide services as allowed and defined by this NOFA and as specified within their contract with the Fiduciary;
- Practice shelter diversion;
- Practice strength-based case management;
- Practice progressive engagement;
- Work with the CoC/LPB to ensure quality service delivery;
- Enter client information as well as VI-SPDAT on HMIS;
- Routinely review and correct HMIS data quality issues and monitor outcome performance;
- Maintain financial and client level records to support billings. Retain records for five years;
- Request payment and provide necessary supportive documentation to the Fiduciary;
- Submit quarterly CAPERs that address specific performance outcomes supported by HMIS data to the Fiduciary as outlined in the contract; and
- Ensure compliance with grant terms and provide the Fiduciary and MSHDA access to financial and programmatic records.

X. Selection Criteria

Fiduciary:

- Recommended by the local CoC/LPB;
- A 501(c)3 nonprofit agency or local unit of government that operates its principle place of business in the State of Michigan (CoC/LPB, if incorporated as a 501(c)3 Entity, is eligible);
- Actively involved in the CoC/LPB planning process;
- Uses HMIS to produce quarterly reports (Domestic violence service agencies use a comparable database);
- Participation in a Qualified Service Organization Business Associate Agreement (QSOBAA) to allow sharing within HMIS;
- Exhibits the financial capacity to administer funds as demonstrated through an audited federal financial statement;
- Has financial management systems in place such as cash receipts and disbursement logs, invoices and cancelled check registers, etc.;
- Employs staff who possess Bachelor's degree in accounting, or possess experience in accounting along with college accounting credits, or a bookkeeper whose work is overseen by an accounting firm; and
- Considered a leader in the community with the ability to collaborate, coordinate, and partner with other local organizations.

Housing Assessment and Resource Agency:

- A 501(c)3 nonprofit agency or local unit of government that operates its principle place of business in the State of Michigan (CoC/LPB, if incorporated as a 501(c)3 Entity, is eligible);
- Actively involved in the CoC/LPB planning process;
- Experienced in serving homeless populations;
- Experienced in providing assessments, referrals, and case management services specifically targeted to people who are homeless;
- Experienced with successful HMIS data collection;
- Ability to enter VI-SPDAT into HMIS and use VI-SPDAT as a tool to help ensure that the right individual/family is getting to the right program to end their homelessness;
- Participation in a QSOBAA to allow sharing within HMIS;
- Exhibits the financial capacity to administer funds as demonstrated through an audited federal financial statement;

- Has financial management systems in place such as cash receipts and disbursement logs, invoices and cancelled check registers, etc.;
- Employs staff who possess Bachelor's degree in accounting, or possess experience in accounting along with college accounting credits, or a bookkeeper whose work is overseen by an accounting firm;
- Capacity to place households on the MSHDA HCV Homeless Preference Waitlist and refer applicants for the PBV Program;
- Have established office hours Monday through Friday, sometime between 8:00 a.m. to 6:00 p.m., in the geographic area being served, i.e. a rural HARA may have office hours between 8:00 a.m. to 2:00 p.m. Monday through Friday (no phone only system); and
- Considered a leader in the community with the ability to collaborate, coordinate and partner with other local organizations.
- **Note:** Agencies currently designated as the HARA for the 2019-2020 ESG Program will continue their role as the HARA for the 2020-2021 ESG fiscal year, unless there is documented evidence of poor performance or extenuating circumstances. CoCs/LPBs that decide to designate a new HARA for 2020-2021 ESG fiscal year must obtain approval from MSHDA prior to the submission of the ESG application. This policy supports capacity building within system change and fosters community partners to have a vested interest in the success of their designated HARA. Note: the HARA must be an agency that serves **all** populations.

Subgrantees:

- Recommended by the CoC/LPB;
- A 501(c)3 nonprofit agency or a local unit of government that operates its principle place of business in the State of Michigan;
- A local unit of government can subgrant the funds to a PHA;
- Actively involved in the CoC/LPB planning process;
- Willing to re-align existing program structures and use of funds to fill gaps and end homelessness;
- Willing to use HMIS to collect relevant data (Domestic violence service agencies use a comparable database);
- Capacity to use the VI-SPDAT;
- Participation in a QSOBAA to allow sharing within HMIS;
- Exhibits the financial capacity to administer funds as demonstrated through an audited financial statement;
- Has financial management systems in place such as cash receipts and disbursement logs, invoices and cancelled check registers, etc.;
- Employs staff person who possess Bachelor's degree in accounting, or possess experience in accounting along with college accounting credits, or a bookkeeper whose work is overseen by an accounting firm;
- Does not require program participants to complete any prerequisites in order to receive services (i.e. religious activities, sobriety treatment, etc.); and
- Displays the ability to collaborate, coordinate and partner with other local organizations.

MSHDA reserves the right to evaluate the past performance of all recommended agencies and to approve or deny their participation.

XI. Use of Funds

Additional information and details for each component can be found in the Eligible Expense Guide.

1. Street Outreach

- **Essential Services** related to reaching out to unsheltered homeless individuals and families, connecting them with emergency shelter, housing, or critical services, and providing them with urgent, non-facility-based care. Eligible costs include case management and transportation.

2. Emergency Shelter

- **Essential Services:** Case management related to emergency shelter, referrals to employment, health care, substance abuse and related services within the community. (Note that referrals can be provided, however, direct case management for employment, health, substance abuse and other related services cannot be provided with these funds.)
- **Shelter Operations:** including maintenance, rent, repair, security, fuel, equipment, insurance, and utilities. These funds cannot be used for construction or rehabilitation of shelters.

3. Homelessness Prevention: To serve those certified as Homeless, Categories 2-4; certified At Risk of Becoming Homeless

Housing relocation and stabilization services and short-and/or medium-term rental assistance as necessary to prevent the individual or family from becoming homeless if:

- Annual income of the individual or family is below **30 percent of median family income**
- Assistance is necessary to help program participants regain stability in their current permanent housing or move into other permanent housing and achieve stability in that housing.

Eligible costs include security deposits, rent arrearages, leasing assistance, utility deposits/arrearages, housing search and placement, housing stability case management, and mediation.

4. Rapid Re-Housing: To serve those certified as Homeless, Category 1; certified as Literally Homeless (*This also includes households fleeing domestic violence through use of emergency shelter or living in places not meant for human habitation.*)

- Annual income of the individual or family is below **30 percent of median family income.**

Housing relocation and stabilization services and short-and/or medium-term rental assistance as necessary to help individuals or families living in shelters or in places not meant for human habitation move as quickly as possible into permanent housing and achieve stability in that housing. Eligible costs also include security deposits, 1st month's rent, utility deposits/arrearages, housing stability case management, landlord-tenant mediation, tenant legal services, and credit repair.

5. HMIS Data Entry: Up to ten percent (10%) for the costs of participating in HMIS and equipment. Domestic violence service agencies are required to use a comparable database.

6. Administrative: Up to **seven and a half percent (7.5%)** of the recipient's allocation can be used for general management, oversight, coordination, and reporting on the program. (**Note:** MSHDA passes 100% of the available administrative funds to its subgrantees and does not keep any funds for its role in applying for and administering these grant funds.)

Additional Parameters for CoC/LPB Budget Allocation of MSHDA ESG Funds:

- A minimum of forty percent (40%) of the total grant amount must be awarded to the HARA, and funding to the HARA cannot be reduced from last year's level. In addition, if the CoC receives an increased allocation, **funding to the HARA must increase equal to or higher than the highest percent increase provided to a subgrantee.** For example, a CoC's total allocation increases \$30,000, and a subgrantee requests a 55% percent increase or \$16,500. Note that a 55% increase would **not** be allowed because the HARA must receive a **percent equal to or higher than the highest percent increase to a subgrantee.** Example two: A CoC's total allocation increases by \$30,000 and there are a total of four

subgrantees; this includes the HARA. Subgrantee One is requesting a 25% increase or \$7,500. Subgrantees Two and Three are each requesting a 15% increase or \$4,500, totaling \$9,000. The remaining 45% or \$13,500 would go to the HARA. This is acceptable because the HARA is receiving an increase equal to or higher than any other subgrantee. **Of the funds awarded to the HARA, 20% of all financial assistance must be allocated to rapid re-housing rental assistance.**

- Shelter funding includes shelter operations and shelter essential services, i.e., case management, and funding to shelters is **capped at 30% of the total grant amount**. If a CoC/LPB has a shelter receiving over 30% of the total grant amount, this amount must be reduced 5% annually until shelter operations/essential cap of 30% is reached. Shelters will be required to submit quarterly CAPERs to the Fiduciary.
- MSHDA provides a portion of the State of Michigan's ESG funds directly to MDHHS to support Domestic violence service agencies as they provide emergency shelter services. Because of this, **CoCs/LPBs cannot allocate any additional portion of their awarded funds to Domestic violence service agencies**. However, the HARA must still provide homelessness prevention and rapid re-housing assistance to domestic violence survivors. The HARA is also responsible for entering homeless survivors onto the Homeless Preference Housing Choice Voucher Waiting List.
- **No grant to an ESG subgrantee shall be less than \$10,000.**

XII. ESG Funds for MDHHS for Domestic Violence Service Providers

ESG funds directly granted to MDHHS cannot be used to supplant existing mainstream resources and services, i.e., ESG funds can only be used when mainstream funding has been denied or exhausted. MDHHS should be mindful of positive outcomes, based on the Domestic Violence Agencies computer system and other data, before selecting agencies for funding. Agencies must be mindful that these ESG funds are used for services that are directly related to obtaining or sustaining housing. (See eligible activities/uses below.)

ESG policy and use of ESG forms applies to these grant dollars unless so stated.

MDHHS DV funds can only be used for the following:

- **The funds will be used for shelter operations and housing case management services;**
 - Shelter repairs over \$500 must be approved by the MSHDA Homeless Assistance Specialist.
- **Grant administration is limited to seven and a half percent (7.5%) of the total grant amount. (Note: MSHDA passes 100% of the available administrative funds to its subgrantees and does not keep any funds for its role in applying for and administering these grant funds.)**
- **Data Entry – Inputting homeless data into a computer system is required and is limited to ten percent (10%) of the total grant amount.**

These MDHHS DV funds cannot be used for:

- Construction or rehabilitation of existing shelters.
- Financial assistance in the form of homelessness prevention and rapid re-housing dollars.
- Entering names on the Homeless Preference Waiting List. This activity is completed by the HARA.

No grant to a DV ESG sub-grantee can be less than \$10,000. (This rule applies to all ESG subgrantees.)