



# Office of Rental Assistance and Homeless Solutions

## Policy Manual

### Emergency Solutions Grant (ESG)

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## I. PURPOSE

The Emergency Solutions Grants (ESG) program, formerly known as the Emergency Shelter Grants program, is a federal block grant authorized by subtitle B of the McKinney Vento Homeless Assistance act and administered by the U.S. Department of Housing and Urban Development (HUD). The [Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 \(HEARTH Act\)](#) revised the Emergency Shelter Grants program and renamed it the Emergency Solutions Grants (ESG) program.

The Michigan State Housing Development Authority (MSHDA) is the direct recipient of HUD ESG funding and allocates this funding statewide to ensure all communities can serve individuals and families who are experiencing homelessness or those who are at risk of homelessness with best practices that lead to housing placement and housing stability. This funding is intended to collaborate strategically with other funding sources in each community to provide the strongest response to homelessness, including HUD Continuum of Care and MDHHS Emergency Shelter Program.

Fund allocation to each Continuum of Care (CoC) or Local Planning Body (LPB) is noncompetitive, using a formula based on need. Each CoC or LPB is responsible for designating which agencies and programs should be funded and the eligibility for funding is confirmed by MSHDA. Funds are granted annually and amendments to these funds are supported by MSHDA's discretion.

The MSHDA ESG Policy serves as a guide to units of local government and non-profit organizations participating in the State-administered ESG program. The Policy describes the requirements of grantees and subgrantees to manage these funds. Grantees and subgrantees are also strongly encouraged to review HUD regulation 24 CFR Parts 91 and 576 for complete program information; however, always refer to the completed grant agreement and MSHDA's Policy Manual in determining what is allowable under the MSHDA ESG program.

**Note:** Changes may occur as statutory interpretations and clarifications become available from HUD, or as MSHDA rules, procedures, or guidelines are revised. In such situations, once the regulatory/programmatic changes are implemented, a new, revised version of the Policy will be sent out to all MSHDA ESG grantees and subgrantees, as well as posted on the [MSHDA ESG website](#).

Any questions regarding this policy can be directed at any time to [MSHDA-HS@michigan.gov](mailto:MSHDA-HS@michigan.gov).

## II. GUIDING PRINCIPLES

In administering this program, MSHDA affirms and supports the following guiding principles:

### HOUSING FIRST

Housing First is an approach to quickly and successfully connect individuals and families experiencing homelessness to permanent housing without preconditions and barriers to entry, such as sobriety, treatment, or service participation requirements. Supportive services are offered to maximize housing stability and prevent returns to homelessness as opposed to addressing predetermined treatment goals prior to permanent housing entry.

- Homelessness is first and foremost a housing crisis and can be addressed through the provision of safe and affordable housing.
- All people experiencing homelessness, regardless of their housing history and duration of homelessness, can achieve housing stability in permanent housing. Some may need very little support for a brief period of time, while others may need more intensive and long-term supports.
- Everyone is “housing ready”. Sobriety, compliance with treatment, or even criminal histories are not necessary to succeed in housing. Rather, homelessness programs and housing providers must be “consumer ready”.
- Many people experience improvements in quality of life – in the areas of health, mental health, substance use, and employment – as a result of achieving housing.
- People experiencing homelessness have the right to self-determination and should be treated with dignity and respect.
- The exact configuration of housing services depends upon the needs and preferences of the population.<sup>1</sup>

In addition, the Housing First approach contends that assistance may not be terminated to any households based upon perceived barriers. Examples of this include:

- Failure to participate in supportive services and case management activities
- Failure to make progress on a services plan
- Failure to make progress to improve income
- Being a victim of domestic violence

### PROGRESSIVE ENGAGEMENT

Progressive engagement is an approach to help households end their homelessness as rapidly as possible, despite barriers, with minimal financial and support resources. More supports are offered to households who struggle to stabilize and cannot maintain their housing without further assistance. In this approach, households are initially offered “light touch” assistance, including help creating a housing placement/stabilization plan, housing information and search assistance, and limited financial assistance for arrears, first month’s rent, or security deposit. Programs using progressive engagement regularly re-assess housing barriers and seek to close cases as soon as housing retention barriers are resolved. Assistance is provided on an “as-needed basis” and programs can offer more intensive support or additional rental assistance to keep the household housed. This approach also supports access and referrals to community-based assistance as a means of sustainable support for household needs following case closure.<sup>2</sup>

### STRENGTH BASED CASE MANAGEMENT

Strength based case management is a collaborative process between the household supported by services and those providing the services, allowing both to work as partners to determine goals and outcomes that draw on

<sup>1</sup> <https://files.hudexchange.info/resources/documents/Housing-First-Permanent-Supportive-Housing-Brief.pdf>

<sup>2</sup> [https://www.va.gov/HOMELESS/ssvf/docs/Progressive\\_Engagement\\_Overview.pdf](https://www.va.gov/HOMELESS/ssvf/docs/Progressive_Engagement_Overview.pdf)

the household's strengths and assets. It combines a focus on the household's strengths with the promotion of informal supportive networks and community integration. Exercising this method of case management promotes the opportunity for households to be co-producers of the services and supports, rather than solely consumers.

Standards of strength based case management include the following:

- **Goal Orientation:** The practice is goal oriented. The central and most crucial element of any approach is the extent to which households themselves set goals they would like to achieve.
- **Strengths assessment:** The primary focus is not on problems or deficits, and the household is supported to recognize the inherent resources they have at their disposal which they can use to counteract any difficulty or condition.
- **Resources from the environment:** In every environment there are individuals, associations, groups, and institutions who have something to give, that others may find useful, and that it may be the case manager's role to enable links to these resources.
- **The relationship is hope-inducing:** A strength based approach aims to increase the hopefulness of the household. This hope can be realized through strengthened relationships with people, communities, and culture.
- **Meaningful choice:** People are experts in their own lives and the case manager's role is to increase and explain choices and encourage households to make their own decisions and informed choices.<sup>3</sup>

## RACIAL EQUITY

People of color experience homelessness at disproportionately high rates due to historic and ongoing systemic racism.<sup>4</sup> Funders, CoCs, and homelessness programs have a significant and direct responsibility to minimally ensure they are not contributing to or supporting a disparate housing and service impact on Black, indigenous, and any people of color experiencing homelessness.

Additionally, all partners must proactively and intentionally engage to implement organizational, structural, policy-focused, and service-driven changes informed by data and – most importantly – lived experience. As evidenced in the HUD Continuum of Care Fiscal Year 2019 Competition Notice of Funding Availability, understanding racial disparities data within homeless service delivery is a critical first step towards establishing improved racial equity in service outcomes.<sup>5</sup>

## TRAUMA-INFORMED SERVICES

A trauma-informed approach begins with understanding the physical, social, and emotional impact of trauma on the individual, as well as on the professionals who partner with them. It incorporates three elements:

1. Realizing the prevalence of trauma.
2. Recognizing how trauma affects all individuals involved with the program, organization, or system, including its own workforce.
3. Responding by putting this knowledge into practice.

A program or organization or organization that is trauma-informed realizes the widespread impact of trauma and understands potential paths for healing; recognizes the signs and symptoms of trauma in staff, clients, and others involved with the system; and responds by integrating knowledge about trauma into policies, procedures, practices, and settings. As in the participant-centered approach, the priority is on the participant's safety and security and on safeguarding against policies and practices that may inadvertently traumatize or re-traumatize those served.<sup>6</sup>

Adopting a trauma-informed approach is not accomplished through any single technique or checklist. It requires constant attention, caring awareness, sensitivity, and possibly a cultural change at an organizational

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<sup>3</sup> <https://www.iriss.org.uk/resources/insights/strengths-based-approaches-working-individuals>

<sup>4</sup> <https://endhomelessness.org/resource/racial-equity-resources/>

<sup>5</sup> <https://files.hudexchange.info/resources/documents/FY-2019-CoC-Program-Competition-NOFA.pdf>

<sup>6</sup> <https://www.ovcttac.gov/taskforceguide/eguide/4-supporting-victims/41-using-a-trauma-informed-approach/>

level. On-going internal organizational assessment and quality improvement, as well as engagement with community stakeholders, will help to imbed this approach which can be augmented with organizational development and practice improvement.<sup>7</sup>

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<sup>7</sup> [https://www.cdc.gov/cpr/infographics/6\\_principles\\_trauma\\_info.htm](https://www.cdc.gov/cpr/infographics/6_principles_trauma_info.htm)

### III. FEDERAL AND MSHDA FUNDING REQUIREMENTS

All services provided under MSHDA ESG via grantees and subgrantees must meet the federal and MSHDA funding requirements as outlined in the topic areas below.

#### **FAIR HOUSING**

The goal of affirmatively furthering fair housing is to help bring an end to discriminatory housing practices, both past and present, that directly impact fair access and equal opportunity to safe and affordable housing. MSHDA requires all ESG grantees and subgrantees to following the detailed practices below.

##### **Affirmative Outreach**

Under [section 808\(e\)\(5\) of the Fair Housing Act](#), HUD has a statutory duty to affirmatively further fair housing. Grantees and subgrantees must communicate and make known that use of ESG funded facilities, assistance and services are available to all on a nondiscriminatory basis. Within CoC Coordinated Entry policies, grantees and subgrantees must develop and implement affirmative outreach written procedures and communication tools and materials to inform persons without regard to race, color, religion, sex, national origin, familial status, or disability, how to obtain access to facilities and services. If it appears the procedures grantees and subgrantees intend to use to accomplish this will not reach persons of any race, color, religion, sex, national origin, familial status, or disability who may qualify for those activities and services, grantees and subgrantees must establish additional procedures to ensure those persons are made aware of assistance opportunities.

Reasonable accommodations for persons with disabilities must be available to ensure disabled participants have an equal opportunity to utilize housing, including shelters, and receive essential services. Greater levels of accessibility may be required for some shelters in compliance with The Americans with Disabilities Act (ADA).

##### **Nondiscrimination**

MSHDA ESG grantees and subgrantees are required to comply with all state and federal statues relating to nondiscrimination and cannot take any of the following actions based on race, color, religion, sex, national origin, familial status, or disability:

- Refuse to rent housing or provide services
- Make housing or services unavailable
- Deny a dwelling or service
- Set different terms, conditions or privileges for rental of dwelling or obtaining services
- Provide different housing services or facilities or different services
- Falsely deny that housing is available for inspection or rental or that services are available
- Deny anyone access to a facility or service.

##### **Limited English Proficiency (LEP)**

The Federal government has issued a series of policy documents, guides and regulations describing how grantees and subgrantees should address the needs of citizens who have limited English proficiency (LEP). The abbreviated definition of persons with limited English proficiency is those who: have difficulty reading, writing, speaking, or understanding English, and do not use English as their primary language.

Grantees and subgrantees must have a LEP policy document within their CoC coordinated entry policies that describes actions they take to identify LEP populations in their service areas and defines actions they will take to provide language assistance and address language barriers. The policy must also state how and how often staff will receive training about assisting LEP persons, how the level of success of the policy will be identified and how changes will be made if needed.

Additional resources on Fair Housing:

- [MSHDA Fair Housing](#)
- [HUD Fair Housing](#)



## **VIOLENCE AGAINST WOMEN ACT (VAWA)**

On November 16, 2016, HUD published the [Violence Against Women Act \(VAWA\)](#) final rule regarding housing protections for victims of domestic violence, dating violence, sexual assault, or stalking. This final rule prohibits an applicant for assistance or tenant assisted with ESG from being denied assistance under, denied admission to, terminated from participation in, or evicted from housing on the basis or as a direct result of the fact that the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault or stalking, so long as the applicant otherwise qualifies for admission, assistance, participation or occupation ([24 CFR 5.2005 \(b\)\(1\)](#)).

In addition, the VAWA Final Rule requires that each housing provider produce a detailed emergency transfer plan, which ensures that a tenant receiving rental assistance through or residing in a unit subsidized under an ESG housing program who is a victim of domestic violence, dating violence, sexual assault, or stalking qualifies for an emergency transfer within the criteria stated in [24 CFR 5.2005 \(e\)\(2\)](#). MSHDA requires each CoC or LPB establish and maintain a detailed emergency transfer plan, using [HUD Form 5381](#) as the model.

All MSHDA ESG housing providers must maintain records on emergency transfers requested under [24 CFR 5.2005\(e\)](#). Documentation of emergency transfer requests can be completed using the optional [HUD Form 5383](#). MSHDA ESG housing providers are responsible to track data on the outcomes of each request and must be able to provide to MSHDA ESG program staff upon request.

All MSHDA ESG rental assistance activities must provide applicants and participants the ESG Notice of Occupancy Rights Under the Violence Against Women Act (VAWA) Form as noted within the ESG Participant File Checklist. This MSHDA form satisfies VAWA Final Rule requirements.

Rental assistance programs must provide copies of the HUD Forms to the property owner or manager at the time of lease-up.

All referenced HUD forms and additional information regarding VAWA procedures and requirements can be found on the [MSHDA ESG website](#).

## **HUD EQUAL ACCESS RULE**

On September 21, 2016, HUD published a final rule in the [Federal Register](#) entitled “Equal Access in Accordance with an Individual’s Gender Identity in Community Planning and Development Programs.” Through this final rule, HUD ensures equal access to individuals in accordance with their gender identity in ESG. This rule builds upon HUD’s February 2012 final rule entitled “[Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity](#)” (2012 Equal Access Rule), which aimed to ensure that HUD’s housing programs would be open to all eligible individuals and families regardless of sexual orientation, gender identity, or marital status.

Gender identity is defined as the gender with which a person identifies, regardless of the sex assigned to that person at birth and regardless of the person’s perceived gender identity. Perceived gender identity means the gender with which a person is perceived to identify based on that person’s appearance, behavior, expression, other gender related characteristics, or sex assigned to the individual at birth or identified in documents. MSHDA ESG grantees and subgrantees are required to establish equal access on gender identity policies (in line with federal rules and the requirements in this document) for:

- Program admissions
- Occupancy
- Operating policies and procedures (including privacy and security policies)

## **COORDINATED ENTRY**

Provisions in the HUD CoC program interim rule at [24 CFR 578.7\(a\)\(8\)](#) require that CoCs establish a Centralized or Coordinated Assessment System. HUD now refers to this as Coordinated Entry and Coordinated Entry System to help avoid the implication that CoCs must centralize the assessment process, and to emphasize that the process is easy for people to access, that it identifies and assesses their needs, and makes prioritization

decisions based upon needs. However, HUD considers these terms to mean the same thing. See [24 CFR 578.7\(a\)\(8\)](#) for information on current requirements.

HUD's primary goals for Coordinated Entry processes are that assistance be allocated as effectively as possible and that it be easily accessible no matter where or how people present. Most communities lack the resources needed to meet all of the needs of people experiencing homelessness. This combined with the lack of well-developed Coordinated Entry processes can result in severe hardships for people experiencing homelessness. They often face long waiting times to receive assistance or are screened out of needed assistance. Coordinated Entry processes help communities prioritize assistance based on vulnerability and severity of service needs to ensure that people who need assistance the most can receive it in a timely manner. Coordinated Entry processes also provide information about service needs and gaps to help communities plan their assistance and identify needed resources.

See HUD's [Coordinated Entry Policy Brief](#) for additional guidance.

## EMERGENCY SHELTER

### Involuntary Family Separation

If a HUD-assisted shelter serves any families with children, it must serve all types of families with children. The definition of family under the Equal Access Rule at [24 CFR 5.403](#) applies to ESG, which does not limit a "family" to women with children. Additional guidance on the definition of 'family' and how it applies to grantees and subgrantees of ESG and CoC Program funds may be reviewed in the [CoC FAQ 1529](#).

In addition, the "involuntary family separation" requirement found in [Section 576.102\(b\)](#) of the ESG program interim rule applies to all shelters that receive ESG program funding. This section of the interim rule requires that "the age of a child under 18 must not be used as a basis for denying any family's admission to an emergency shelter that uses ESG funding or services and provides shelter to families with children under the age of 18." The intent of the involuntary family separation provision in the ESG interim rule is to allow families with children to remain in shelter together if they choose.

Together, these policies prohibit HUD-assisted emergency shelters that serve any children from denying assistance to or separating members of a family with children based on gender or age. Just as a shelter cannot separate teenage boys from their families, it cannot separate out or deny assistance to adult men that present as a part of the family (e.g., fathers, uncles, the mother's boyfriend, etc.) since that has the end result of separating children from members of the family. Although we recognize that this may bring challenges, this is the law.

### Accommodating Families

If a HUD-assisted shelter has private rooms in which a family can stay together, then the family must be able to stay in a room together if they choose. In all cases (whether or not it is a congregate-style shelter), all families must be treated the same. For example:

- If the standard practice is to put down mats in a conference room for everyone who is considered "overflow" (beyond the capacity of the shelter beds), then it can shelter a family together in that space.
- If the standard practice is to place a family in its own room, it would be acceptable to leave a bed empty to accommodate the family, (e.g., a family of four could stay in a unit with 5 beds, and the fifth bed could be open). In this example, HUD would not expect a grantee or subgrantee to fill the 5th bed with an individual that is not a member of the family, so long as the grantee or subgrantee documented the reasons for having open beds.

### Single Sex Shelters

A HUD-assisted single-sex shelter is acceptable only under limited conditions in which the facilities meet both of the following requirements:

- The shelter must be for individuals only. A shelter that accepts families with children cannot be single sex. An example of this might be a shelter that serves single women only (women not in families, without children under 18); and
- The shelter must not be considered a "dwelling unit" and it must consist of a single structure with shared bedrooms or bathing facilities. This policy, which applies to ESG, is stated most clearly in the CoC interim rule, at [section 578.93](#): "The housing may be limited to one sex where such housing consists of a single structure with shared bedrooms or bathing facilities such that the considerations of personal privacy and the physical limitations of the configuration of the housing make it appropriate for the housing to be limited to one sex."

If the facility is not permitted under the HUD standards to operate as single-sex, then the project must serve people of any gender who are eligible. That means that a facility serving any families with children must serve all families with children and may not discriminate against specific families because of the gender of the head of household or child(ren).

## **Shelter Habitability and Lead Requirements**

### ***Shelter Operation Inspection Requirements***

Any emergency shelter that receives MSHDA ESG funds for shelter operations (including maintenance or minor or routine repairs) must meet the minimum safety, sanitation, and privacy standards as indicated in [24 CFR 576.403\(b\)](#). In addition:

- The grantee or subgrantee must ensure that the shelter meets any MSHDA standards that add to or exceed HUD's minimum standards.
  - Shelter staff must conduct quarterly on-site inspections to ensure compliance with minimum habitability standards by using the MSHDA ESG Minimum Habitability Standards Checklist. The current MSHDA ESG Minimum Habitability Standards Checklist can be found on the [MSHDA ESG website](#).
- The shelter must meet all standards for the entire period during which MSHDA ESG funds are provided for operating the emergency shelter.
- If the shelter is moved to a new site or structure, that new site or structure must meet all emergency shelter standards for the remaining period that ESG funds are used.

### ***Lead-Based Paint Remediation and Disclosure for Shelters***

It is best practice for all emergency shelters to follow lead-based paint regulations for the ongoing safety of all shelter residents. However, it is required for any emergency shelter or shelter space which serves pregnant women or children under the age of six and was constructed prior to 1978 to follow all lead-based paint regulation as outlined in the following: [The Lead-Based Paint Poisoning Prevention Act](#), the [Residential Lead-Based Paint Hazard Reduction Act of 1995](#), and implementing regulations in [24 CFR part 35](#), subparts A, B, H, J, K, M and R. Any households meeting these requirements and accessing emergency shelter constructed prior to 1978 must be provided a copy of the lead-based paint notification pamphlet. Emergency shelter grantees must refer to [24 CFR part 35](#), subpart K of the implementing regulations for guidance on appropriate steps for lead based paint inspection and remediation. The grantee or subgrantee MUST contact MSHDA ESG program staff immediately if they suspect that they are out of compliance with these regulations.

## **FAITH-BASED ACTIVITIES**

The provisions listed under [24 CFR 576.406](#) allow that faith-based organizations are eligible, on the same basis as any other organization, to participate in HUD programs and activities, provided that the organization does not use ESG funds to support or engage in any explicitly religious activities (including activities that involve overt religious content such as worship, religious instruction, or proselytization), or in any other manner prohibited by law.

If a grantee or subgrantee engages in explicitly religious activities (including activities that involve overt religious content such as worship, religious instruction, or proselytization), the explicitly religious activities must be offered separately, in time or location, from the programs or activities supported by direct Federal

financial assistance and participation must be voluntary for the beneficiaries of the programs or activities that receive direct Federal financial assistance.

### **DENIAL OF ASSISTANCE OR TERMINATION OF ASSISTANCE**

MSHDA ESG grantees and subgrantees must have written denial and termination policies and procedures. The policies and procedures should be readily available to program participants and applicants either in writing or by posting them in a public place. Copies and explanation of the policies and procedures must be provided directly to any participant or applicant when denial, termination or any other action affects the participant or applicant's ability to receive assistance. The notice must provide the specific reason(s) for the action and provide a process the participant or applicant can follow to request a review of the decision. This process, at a minimum, must consist of the following:

- Written notice to the program participant or applicant containing a clear statement of the reasons for denial or termination;
- A review of the decision, in which the program participant or applicant 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; and
- Prompt written notice of the final decision to the program participant or applicant.

Termination or denial of assistance does not prevent grantees and subgrantees from providing further or future assistance to the same household or individual if they are determined eligible for such assistance.

**Note:** If the grantee or subgrantee is terminating rental assistance to a program participant, they must immediately notify the landlord of the date rental assistance for their tenant will end. Case managers/housing resource specialists may contact MSHDA ESG program staff for guidance.

### **GRIEVANCE AND APPEALS**

As part of written policies and procedures, each grantee and subgrantee must develop written policies allowing for submission and remediation of grievances. These policies must allow for an appeal process in which, if a participant disagrees with remediation measures, the participant is given the opportunity to present written or oral objections before someone other than the person (or a subordinate of that person) who made or approved the remediation measures in question.

### **CONFLICTS OF INTEREST**

Grantees and subgrantees are expected to follow the conflicts of interest standards outlined in [24 CFR §576.404](#) related to the provision of ESG assistance, and procurement of goods and services.

### **CONFIDENTIALITY AND PRIVACY**

MSHDA ESG grantees and subgrantees must incorporate into their policies and procedures a process that will ensure the confidentiality of program participants' identifying information; records pertaining to any individual or family provided family violence prevention; and treatment services offered under any project assisted with ESG funds. Furthermore, the address or location of any shelter for victims of domestic violence assisted under ESG will be anonymous except upon written authorization from the person or persons responsible for the operation of the shelter for this information to be made public.

### **HOMELESS MANAGEMENT INFORMATION SYSTEM (HMIS)**

MSHDA ESG grantees and subgrantees must ensure that the information on all persons served and all activities assisted under the ESG program is entered into the CoCs or LPBs community-wide Homeless Management Information System (HMIS). Participation will be in accordance with HUD's standards on participation, data collection, and reporting.

If the subgrantee is a victim services provider, it is required to use a comparable database to ensure participant level data is collected over time and generates unduplicated aggregate reports based on the data.

## **RENTING FROM IN-LAW OR FAMILY MEMBERS**

HUD generally prohibits conflicts of interest lease agreements, such as family relationships between landlord and tenant, but does allow certain limited exceptions. When renting from In-Law or Family Members, grantees must present compelling evidence demonstrating that the unit had a pre-existing status as a rental unit prior to being rented out to a family member. This evidence should emphasize the unit's rental history and substantiate its status as a bona fide rental property before its occupancy by a family member.

Grantees may submit a variety of supporting documents and materials to help establish the unit's rental history:

- **Rental Agreement and Lease Records:** Past rental agreements outlining terms, duration, and payments from previous tenants (e.g., signed leases from prior tenants with payment receipts). Before submission, all personal and confidential information must be appropriately redacted to safeguard the privacy of individuals involved.
- **Advertisements and Listings:** Display ads from various sources that marketed the unit for rent (e.g., online listings, newspapers, showcasing features and availability).
- **Financial Records:** Bank statements or financial records showing rental income deposits (e.g., bank statements with consistent payments to a rental account).
- **Property Management Records:** If applicable, share reports from property management detailing rent, maintenance, and turnover (e.g., management reports covering rent collection and maintenance).
- **Tax Filings and Deductions:** If relevant, include tax return copies showing rental income and deductions (e.g., tax returns with reported rental income and related deductions).

By presenting a combination of these types of evidence, grantees may effectively establish the unit's pre-existing status as a rental property, meeting the requirements set forth by In-Law or Family Members. Approval of renting from In-Law or Family members is entirely within MSHDA's discretion.

## IV. MSHDA ESG COMPONENTS AND PARTICIPANT ELIGIBILITY

### MSHDA ESG COMPONENTS

#### **Street Outreach**

MSHDA ESG funds may be used for 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. (See [Street Outreach Component](#) of this policy for more detail)

#### **Essential Services**

- Engagement
- Case Management
- Transportation
- Services for Special Populations

#### **Emergency Shelter**

MSHDA ESG funds may be used for costs of providing essential services to homeless families and individuals in emergency shelters, i.e., case management and operating emergency shelters. (see [Emergency Shelter Component](#) of this policy for more detail)

#### **Essential Services**

- Case Management
- Child Care
- Education Services
- Employment Assistance and Job Training
- Transportation
- Services for Special Populations

#### **Shelter Operations**

- Maintenance (including minor or routine repairs)
- Rent
- Security
- Fuel
- Food (for shelter guests)
- Furnishings
- Equipment
- Insurance
- Utilities
- Supplies

**Note:** Maintenance (including minor or routine repairs) or furnishing costs over \$1,000.00 must receive written authorization by MSHDA ESG program staff prior to expenditure.

#### **Homelessness Prevention**

MSHDA ESG funds may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance necessary to prevent an individual or family from moving into an emergency shelter or another place described in paragraph (1) of the “homeless” definition in CFR 576.2. (See [Homelessness Prevention and Rapid Re-Housing Components](#) of this policy for more detail)

#### **Housing Relocation and Stabilization Services – Services Costs**

- Housing Search and Placement
- Housing Stability Case Management
- Mediation
- Legal Services

## **Housing Relocation and Stabilization Services – Financial Assistance**

- Rental Application Fees
- Security Deposits
- Utility Deposits
- Utility Payments
- Moving Costs

### **Short-Term and Medium-Term Rental Assistance**

- Short-Term Rental Assistance
- Medium-Term Rental Assistance
- Rental Arrears

## **Rapid Re-Housing**

MSHDA ESG funds may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance necessary to help a homeless individual or family move as quickly as possible into permanent housing and achieve stability in that housing. (See [Homelessness Prevention and Rapid Re-Housing Components](#) of this policy for more detail)

### **Housing Relocation and Stabilization Services – Services Costs**

- Housing Search and Placement
- Housing Stability Case Management
- Waiting List Case Management
- Mediation
- Legal Services

### **Housing Relocation and Stabilization Services – Financial Assistance**

- Rental Application Fees
- Security Deposits
- Utility Deposits
- Utility Payments
- Moving Costs

### **Short-Term and Medium-Term Rental Assistance**

- Short-Term Rental Assistance
- Medium-Term Rental Assistance

## **HMIS**

The HEARTH Act makes the Homeless Management Information System (HMIS) participation, or participation in a comparable database by victim service providers, a statutory requirement for ESG grantees and subgrantees, therefore costs associated with contributing data to the HMIS or comparable database are eligible for reimbursement for grantees and subgrantees funded under the HMIS component. (See [HMIS Component](#) of this policy for more detail)

- Equipment/Hardware and Software
- License Fees
- Agency Staff Costs
- HMIS Lead Agency Costs



## Administration

MSHDA ESG grantees and subgrantees may use up to 7.5% of the total grant allocation for the payment of administrative costs related to the planning and execution of ESG activities. (See [Administration Component](#) of this policy for more detail)

- General Management, Oversight, and Coordination
- Training on ESG Requirements

## INELIGIBLE ACTIVITIES

Ineligible activities that cannot be funded with MSHDA ESG include, but are not exclusive to:

- CoC or LPB coordinating expenses
- Replacement of existing mainstream resources
- Payments made directly to program participants
- Payments on a mortgage or land contract (rent to own/lease to purchase)
- Payment of rent for eligible individuals or families for the same period of time and for the same cost types being assisted through any other federal, state, or local housing subsidy program
- Pet care or pet deposits
- Construction or rehabilitation
- Car repair for program participants
- Food
- Medical or dental care and medicines
- Clothing and grooming
- Entertainment activities
- Payments on credit card bills or other consumer debt, including child support or garnishments
- Provision of cash assistance
- Payment of costs of discharge planning programs in mainstream institutions such as hospitals, nursing homes, jails, or prisons
- Payment for religious activities (**Note:** While organizations that are religious or faith-based are eligible to receive MSHDA ESG funds, religious activities must be conducted separately, in time and location, from MSHDA ESG-funded activities and participation must be voluntary for program participants).

## PARTICIPANT ELIGIBILITY

### Determining Participation

MSHDA ESG grantees and subgrantees must conduct an initial evaluation of eligibility to determine:

- Each individual or family's eligibility for ESG activities
- The applicant has no appropriate subsequent housing options
- The applicant lacks sufficient resources and support networks to obtain/retain housing
- Total household income is below 30% of median family income for the area (**Homelessness Prevention and Rapid Re-Housing Only**)
- The applicant has not already received more than 24 months of MSHDA ESG assistance within the past three years (**Homelessness Prevention and Rapid Re-Housing Only**)

Evaluations must be conducted in accordance with the local coordinated entry process and agency's program guidelines ([24 CFR 576.400](#)).

**Note:** In accordance with [the joint memorandum](#) from HUD, the Department of Justice, and Health and Human Services, MSHDA ESG services – including financial assistance – cannot be withheld based on immigration status.



## Income Requirements

Under Homelessness Prevention and Rapid Re-Housing components, income must be verified for all household members age 18 or older. A household must have a gross income below 30% of median income for the area. The median family income or Area Median Income (AMI) is determined according to state and local jurisdiction in which a household resides or enters the program and is dependent on the number of household members. Current income limits can be found on the [MSHDA ESG website](#).

Income verification for Homelessness Prevention must be completed at program intake, every three (3) months at re-evaluation, and at program exit. Income verification for Rapid Re-Housing must be completed at the six (6) month re-evaluation and/or program exit.

The sections below detail what is included and excluded for household income. When determining the annual income of a household, the grantee or subgrantee must refer to the standards for calculating income per 24 CFR 5.609 and use the MSHDA ESG Income Eligibility Worksheet to document annual household income. The current MSHDA ESG Income Eligibility Worksheet can be found on the [MSHDA ESG website](#).

### Income Inclusions

- Earned income (wages, salaries, net income from operating of a business or profession)
- Interest and dividend income
- Pension/retirement income
- Unemployment and disability
- TANF/Public Assistance
- Alimony and child support income
- Regular contributions or gifts from organizations or persons not residing in the dwelling
- Armed forces income
- Any other income included in the [HUD Handbook 4350.3, REV-1, Chapter 5, Exhibit 5-1](#)

### Income Exclusions

- Income of children, including foster care payments (under 18)
- Inheritance and insurance income
- Medical expense reimbursements
- Income of live-in-aids
- Disabled persons
- Student financial aid
- Armed forces hostile fire pay
- Temporary, non-recurring, or sporadic income
- Certain reparation payments
- Earnings in excess of \$480 for each full-time student who is 18 years old or older (excluding the head of household and spouse)
- Adoption assistance payments in excess of \$480 per adopted child
- Deferred periodic amounts from SSI or social security benefits that are received in a lump sum amount or in prospective monthly amounts
- Refunds or rebates for property taxes
- Amounts paid by the state to offset the cost to allow a developmentally disabled family member to remain in the home
- Any other income included in the [HUD Handbook 4350.3, REV-1, Chapter 5, Exhibit 5-1](#)

## Re-Evaluating Participation

In addition to conducting an initial evaluation and connecting program participants to other resources, eligibility for MSHDA ESG Homelessness Prevention and Rapid Re-Housing must be re-evaluated:

- At least once every three (3) months for Homelessness Prevention assistance
- At least once every six (6) months for Rapid Re-Housing assistance

At a minimum, the re-evaluation must establish that:

- Total household income is below 30% of AMI; and
- The program participant lacks sufficient resources and support networks necessary to retain housing without ESG assistance.

### Eligible Homeless Definitions

Per [24 CFR 576.2](#), Table 1 and Table 2 below summarize the homeless definitions able to be used by the MSHDA ESG program, to determine MSHDA ESG program participant eligibility.

Table 1. HUD Definition for Homeless

<p><b>Category 1: Literally Homeless</b></p> <p>Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:</p> <ul style="list-style-type: none"> <li>• Has a primary nighttime residence that is a public or private place not meant for human habitation; or</li> <li>• Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, and local government programs); or</li> <li>• Is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution</li> </ul>
<p><b>Category 2: Imminent Risk of Homelessness</b></p> <p>Individual or family who will imminently lose their primary nighttime residence, provided that:</p> <ul style="list-style-type: none"> <li>• Residence will be lost within 14 days of the date of application for homeless assistance;</li> <li>• No subsequent residence has been identified; and</li> <li>• The individual or family lacks the resources or support networks needed to obtain other permanent housing</li> </ul>
<p><b>Category 4: Fleeing/Attempting to Flee DV</b></p> <p>Any individual or family who:</p> <ul style="list-style-type: none"> <li>• Is fleeing, or is attempting to flee, domestic violence;</li> <li>• Has no other residence; and</li> <li>• Lacks the resources or support networks to obtain other permanent housing</li> </ul>

Table 2. HUD Definition for At Risk of Homelessness

<p><b>Category 1: Individuals and Families</b></p> <p>An individual or family who:</p> <ul style="list-style-type: none"> <li>• Has an annual income below 30% of the median family income for the area; and</li> <li>• Does not have sufficient resources or support networks immediately available to prevent them from moving to an emergency shelter or another place described in Category 1 of the “homeless” definition; and</li> <li>• Meets one or more of the following conditions (risk factors): <ul style="list-style-type: none"> <li>○ Has moved because of economic reasons 2 or more times during the 60 days immediately preceding the application for assistance; or</li> <li>○ Is living in the home of another because of economic hardship; or</li> <li>○ Has been notified that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance; or</li> <li>○ Lives in a hotel or motel and the cost is not paid for by charitable organizations or by Federal, State, or local government programs for low-income individuals; or</li> <li>○ Lives in severely overcrowded (SRO) housing or efficiency apartment unit in which more than 2 persons or lives in a larger housing unit in which there reside more than one and a half persons per room; or</li> </ul> </li> </ul>
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- Is exiting a publicly funded institution or system of care; or
- Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness (use the characteristics described in your jurisdictions Consolidated Plan)

**Category 2: Unaccompanied Children and Youth**

A child or youth who does not qualify as homeless under the “homeless” definition but qualifies as “homeless” under another Federal Statute.

**Category 3: Families with Children and Youth**

An unaccompanied youth who does not qualify as “homeless” under the homeless definition but qualifies as “homeless” under section 725(2) of the McKinney-Vento Homeless Assistance Act, and the parent(s) or guardians(s) or that child or youth if living with him or her.

**Eligibility by Component**

Table 3 below summarizes which homeless definition each MSHDA ESG-funded program component may serve.

Table 3. Eligibility by Component

**Street Outreach**

Street Outreach services shall target unsheltered homeless individuals and families, meaning those 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.

**Emergency Shelter**

Individuals and families eligible for Emergency Shelter assistance include those who meet the following definitions:

- **Homeless Category 1:** Literally Homeless
- **Homeless Category 2:** Imminent Risk of Homelessness
- **Homeless Category 4:** Fleeing/Attempting to Flee DV

**Homelessness Prevention**

Individuals and families eligible for Homeless Prevention assistance include those who meet the following definitions:

- **Homeless Category 2:** Imminent Risk of Homelessness
- **Homeless Category 4:** Fleeing/Attempting to Flee DV
- **At Risk of Homelessness:** All Categories

**Rapid Re-Housing**

Individuals and families eligible for Rapid Re-Housing assistance include those who meet the following definitions:

- **Homeless Category 1:** Literally Homeless
- **Homeless Category 4:** Fleeing/Attempting to Flee DV (if the individual or family is also literally homeless)

## **Eligibility Documentation**

Per [24 CFR 576.500](#), MSHDA ESG grantees and subgrantees must maintain and follow written intake procedures that include a requirement for written documentation verifying eligibility for program services in accordance with the following preferred order of documentation:

### ***Third Party Documentation***

Third party documentation (source documents provided by an outside source) is the preferable form of verification and includes but is not exclusive to a written statement or document from employer, landlord, public benefit worker, or agency service provider. Written verification sent directly to program staff or via the applicant/participant is preferred.

### ***Intake/Case Manager Worker Observation***

Staff documentation may include oral statements made by a social worker, case manager, or other appropriate official at an institution, shelter, or other facility and documented by the program intake worker/case manager. When the Intake Worker is unable to obtain a written or oral statement from a shelter, institution or facility staff, the Intake Worker must document, in writing, their efforts to obtain eligibility documentation and must place their documentation in the participant's case file.

### ***Participant Self-Certification***

Self-certification requires a written and signed document by the individual or head of household seeking assistance attesting to the eligibility facts for which they are certifying. A third party may be designated by a participant to sign documents on their behalf when they are unable to do so. If needed, subgrantee must provide access to language interpretation services and assistive devices necessary for participants to understand the documents they are certifying.

Self-certification documentation is only used when documented staff efforts verify that third-party or worker observation documentation is not available. However, lack of third party documentation must not prevent an individual or household from being immediately admitted to emergency shelter, receiving street outreach services or any other MSHDA ESG-funded activity.

Documentation of all client information must be available in client files or if kept electronically, available upon request. Documentation of all efforts to obtain higher preference of verification (3rd party and Intake Worker Observation) when lower forms of preference are used, must be in writing and kept in the tenant's file See the appendices in this manual for examples of appropriate documentation of applicant eligibility.

Appropriate homeless status documentation for intake files will vary depending on type of assistance provided and the circumstances of each participant (see [Recordkeeping](#) of this policy for more detail).

## **V. STREET OUTREACH COMPONENT**

MSHDA ESG funds may be used for 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. For the purposes of this section, the term “unsheltered homeless people” means individuals and families who qualify as homeless under paragraph (1)(i) of the “homeless” definition under 24 [CFR 576.2](#). The eligible activities/costs and requirements for MSHDA ESG Street Outreach consist of:

### **Engagement**

The costs of activities to locate, identify, and build relationships with unsheltered homeless people and engage them for the purpose of providing immediate support, intervention, and connections with homeless assistance programs and/or mainstream social services and housing programs.

Eligible engagement activities consist of:

- Making an initial assessment of needs and eligibility
- Providing crisis counseling;
- Addressing urgent physical needs, such as providing meals, blankets, clothes, or toiletries; and
- Actively connecting and providing information and referrals to programs targeted to people living in homelessness and mainstream social services and housing programs, including emergency shelter, transitional housing, community-based services, permanent supportive housing, and rapid re-housing programs.

Eligible costs include the cell phone costs of outreach workers during the performance of these activities.

### **Case Management**

The costs of assessing housing and service needs, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant.

Eligible services and activities are as follows:

- Using the centralized or coordinated assessment system as required under 24 [CFR 576.401\(d\)](#);
- Conducting the initial evaluation required under 24 [CFR 576.401\(a\)](#), including verifying and documenting eligibility;
- Counseling;
- Developing, securing and coordinating services;
- Obtaining Federal, State, and local benefits;
- Monitoring and evaluating program participant progress;
- Providing information and referrals to other providers; and
- Developing an individualized housing and service plan, including planning a path to permanent housing stability.

### **Transportation**

The transportation costs of travel by staff and program participants are eligible, provided that this travel takes place during the provision of services eligible under this section. These costs include the following:

- The costs of a program participant’s travel on public transportation;
- If staff use their own vehicle, mileage allowance for staff to visit program participants; and
- The travel costs of staff to accompany or assist program participants to use public transportation.

These rates are paid at the federal rate.

## **Services for Special Populations**

MSHDA ESG funds may be used to provide services for homeless youth, victims of trafficking, victim services, and services for people living with HIV/AIDS, so long as the costs of providing these services are eligible. The term victim services means services that assist program participants who are victims of domestic violence, dating violence, sexual assault, or stalking, including services offered by rape crisis centers and domestic violence shelters, and other organizations with a documented history of effective work concerning domestic violence, dating violence, sexual assault, or stalking.

## VI. EMERGENCY SHELTER COMPONENT

MSHDA ESG funds may be used for costs of providing essential services to homeless families and individuals in emergency shelters, i.e., case management and operating emergency shelters. MSHDA ESG funds may be used in an emergency shelter as follows:

### ESSENTIAL SERVICES

#### Case Management

The costs of assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant is eligible.

Eligible services and activities are as follows:

- Using the centralized or coordinated assessment system as required in [24 CFR 576.400\(d\)](#);
- Conducting the initial evaluation required under [24 CFR 576.401\(a\)](#), including verifying and documenting eligibility;
- Developing, securing, and coordinating services and obtaining Federal, State, and local benefits;
- Monitoring and evaluating program participant progress;
- Providing information and referrals to other providers;
- Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking\*; and
- Developing an individualized housing and service plan, including planning a path to permanent housing stability.

\*Denotes specialized services to be provided through domestic violence service agencies.

**Note:** Direct case management for health, substance abuse, and other related services cannot be provided with MSHDA ESG funds; however, referrals should be provided for these supports.

#### Child Care

The costs of child care for program participants are eligible, up to \$150.00 per child (per shelter stay, per grant year) as necessary, if not provided at the shelter, and other sources are not available. These costs may include providing meals and snacks, and comprehensive and coordinated sets of appropriate developmental activities. The children must be under the age of 13 unless they are disabled. Disabled children must be under the age of 18. In addition, the child-care center must be licensed by the jurisdiction in which it operates for those costs to be eligible and this must be verified and documented in the program participant's file.

#### Education Services

When necessary for the program participant to obtain and maintain housing, the costs of improving knowledge and basic educational skills are eligible up to \$150.00 per person (per grant year). Services include instruction or training in consumer education, health education, substance abuse prevention, literacy, English as a Second Language, and General Educational Development (GED).

Eligible services or activities include:

- Screening;
- Assessment and testing;
- Individual or group instruction;
- Tutoring; and
- Provision of books, supplies and instructional material.

## **Employment Assistance and Job Training**

The costs of employment assistance and job training programs are eligible up to \$150.00 per person (per grant year), including classroom, online, and/or computer instruction; on-the-job instruction; and services that assist individuals in securing employment, acquiring learning skills, and/or increasing earning potential. Learning skills include those skills that can be used to secure and retain a job, including the acquisition of vocational licenses and/or certificates. Services that assist individuals in securing employment consist of employment screening, assessment, or testing; structured job skills and job-seeking skills; special training and tutoring, including literacy training and prevocational training; books and instructional material; or job coaching.

## **Transportation**

The transportation costs of travel by staff and program participants are eligible, provided that this travel takes place during the provision of services eligible under this section. These costs include the following:

- The costs of a program participant's travel on public transportation;
- If staff use their own vehicle, mileage allowance for staff to visit program participants; and
- The travel costs of staff to accompany or assist program participants to use public transportation.

These rates are paid at the federal rate.

## **Services for Special Populations**

MSHDA ESG funds may be used to provide services for homeless youth, victims of trafficking, victim services, and services for people living with HIV/AIDS, so long as the costs of providing these services are eligible. The term victim services means services that assist program participants who are victims of domestic violence, dating violence, sexual assault, or stalking, including services offered by rape crisis centers and domestic violence shelters, and other organizations with a documented history of effective work concerning domestic violence, dating violence, sexual assault, or stalking.

## **SHELTER OPERATIONS**

Eligible costs are the costs of maintenance (including minor or routine repairs), rent, security, fuel, food for shelter guests, furnishings, equipment, insurance, utilities and supplies necessary for the operations of the emergency shelter.

**Note:** Maintenance (including minor or routine repairs) or furnishing costs over \$1,000.00 must receive written authorization by MSHDA ESG program staff prior to expenditure.



## VII. HOMELESSNESS PREVENTION AND RAPID RE-HOUSING COMPONENTS

Homelessness Prevention and Rapid Re-Housing assistance include housing relocation and stabilization services and short- and/or medium-term rental assistance.

**Homelessness Prevention** is assistance necessary to prevent an individual or family from moving into an emergency shelter or another place described in paragraph (1) of the “homeless” definition in [24 CFR 576.2](#). Program participants must meet the criteria under the “at risk of homelessness” definition or meet the criteria in paragraph (2), or (4) of the “homeless” definition in [24 CFR 576.2](#). The costs of homelessness prevention are only eligible to the extent that the assistance is necessary to help the program participant regain stability in the program participant’s current permanent housing or move into other permanent housing and achieve stability in that housing.

**Rapid Re-Housing** is assistance necessary to help an individual or family move as quickly as possible into permanent housing and achieve housing stability. Program participants must meet the criteria under paragraph (1) of the “homeless” definition in [24 CFR 576.2](#) or meet the criteria under paragraph (4) of the “homeless” definition and live in an emergency shelter or other place described in paragraph (1) of the “homeless” definition. Rapid Re-Housing assistance must be provided in accordance with the housing relocation and stabilization services requirements in [24 CFR 576.105](#), the short-term and medium-term rental assistance requirements in [24 CFR 576.106](#), and the written standards and procedures established under [24 CFR 576.400](#).

### **Initial Evaluation for Participation**

Assistance must be provided in accordance with the housing relocation and stabilization services requirements in CFR 576.105, the short-term and medium-term rental assistance requirements in [24 CFR 576.106](#), and the written standards and procedures established under [24 CFR 576.400](#).

Initial evaluations must be conducted to determine the eligibility of each individual or family served. Evaluations must be conducted in accordance with the centralized or coordinated assessment requirements set forth under [24 CFR 576.400\(d\)](#) and the written standards established under [24 CFR 576.400\(e\)](#).

The program participants assisted under either component must have an annual income below 30% of AMI. Income verification for Homelessness Prevention must be completed at program intake, every three (3) months at re-evaluation, and at program exit. Income verification for Rapid Re-Housing must be completed at the six (6) month re-evaluation and/or program exit.

### **Re-Evaluating Participation**

In addition to conducting an initial evaluation and connecting program participants to other resources, eligibility for MSHDA ESG Homelessness Prevention and Rapid Re-Housing must be re-evaluated:

- At least once every three (3) months for Homelessness Prevention assistance
- At least once every six (6) months for Rapid Re-Housing assistance

At a minimum, the re-evaluation must establish that:

- Total household income is below 30% of AMI; and
- The program participant lacks sufficient resources and support networks necessary to retain housing without ESG assistance.

## **HOUSING RELOCATION AND STABILIZATION SERVICES – SERVICES COSTS**

### **Housing Search and Placement**

Services or activities necessary to assist program participants in locating, obtaining, and retaining suitable permanent housing, include the following:

- Assessment of housing barriers, needs, and preferences;
- Development of an action plan for locating housing;

- Housing search;
- Outreach to and negotiation with owners;
- Assistance with submitting rental applications and understanding leases;
- Assessment of housing for compliance with ESG requirements for habitability, lead-based paint, and rent reasonableness;
- Assistance with obtaining utilities and making moving arrangements; and
- Tenant support.

### **Housing Stability Case Management**

MSHDA ESG funds may be used to pay the cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing. This assistance cannot exceed thirty (30) days during the period the program participant is seeking permanent housing and cannot exceed nine (9) months during the period the program participant is living in permanent housing.

Eligible services and activities consist of:

- Using the centralized or coordinated assessment system as required under [24 CFR 576.400\(d\)](#),
- Conducting the initial evaluation required under [24 CFR 576.401\(a\)](#), including verifying and documenting eligibility;
- Developing, securing, and coordinating services;
- Obtaining Federal, State, and local benefits;
- Monitoring and evaluating program participant progress;
- Providing information and referrals to other providers;
- Developing an individualized housing and service plan, including planning a path to permanent housing stability; and
- Conducting re-evaluations required under [24 CFR 576.401\(b\)](#).

Housing stability case management must include the following:

- Engagement at least once a month with the participant to help ensure long-term housing stability; and
- Development of a plan to assist the participant in retaining permanent housing after ESG assistance ends, including:
  - Participant's current or expected income and expenses;
  - Other eligible public or private assistance that the participant could apply for and receive; and
  - The relative affordability of other available housing in the area, as necessary.

### **Mediation**

MSHDA ESG funds may pay up to \$200.00 per program participant for mediation between the program participant and the owner or person(s) with whom the program participant is living, provided that the mediation is necessary to prevent the program participant from losing permanent housing in which the program participant currently resides.

### **Legal Services**

MSHDA ESG funds may pay up to \$200.00 per program participant for legal services for tenant/landlord matters. Services must be necessary to resolve a legal problem that prohibits the program participant from obtaining permanent housing or will likely result in the program participant losing the permanent housing in which the program participant currently resides.

## **HOUSING RELOCATION AND STABILIZATION SERVICES – FINANCIAL ASSISTANCE**

Subject to the general conditions under the Homelessness Prevention component ([24 CFR 576.103](#)), ESG funds may be used to pay housing owners, utility companies, and other third parties for the following costs:

## **Rental Application Fees**

MSHDA ESG funds may pay for the rental housing application fee that is charged by the owner to all applicants. CoCs and LPBs must set caps per household on this item.

## **Security Deposits**

MSHDA ESG funds may pay for a security deposit that is equal to no more than one and half months' rent. The security deposit remains with the household, unless the landlord can document repair costs equal to or greater than the deposit amount. Security deposits are not included on the IRS 1099 form.

## **Utility Deposits and Arrears**

MSHDA ESG funds may pay for a standard utility deposit required by the utility company for all customers for the utilities listed in this section; utility deposits and arrears are capped at \$1,500 or 6 months, whichever is less, per household. This assistance may only be provided for the program participant or a member of the same household who has an account in his or her name with a utility company or proof of responsibility to make utility payments and provides documentation that the utility will be shut-off if payment is not received. Eligible utility services are gas, electric, water and sewage.

## **Moving Costs**

MSHDA ESG funds may pay for moving costs, such as truck rental or hiring a moving company, up to \$250.00 per program participant. This assistance may include payment of temporary storage fees for up to 3 months, provided that the fees are accrued after the date the program participant begins receiving assistance and before the program participant moves into permanent housing. Payment of temporary storage fees in arrears is not eligible.

## **SHORT-TERM AND MEDIUM-TERM RENTAL ASSISTANCE**

For homelessness prevention and rapid re-housing short-term and medium-term rental assistance, MSHDA ESG funds may provide a program participant with up to nine (9) months of rental assistance per grant year, but no more than 24 months of rental assistance during any 3-year period. This assistance may be short-term rental assistance, medium-term rental assistance, payment of rental arrears (homelessness prevention), or any combination of this assistance. Rental assistance paid to landlords must be included on their IRS 1099 form.

**Note:** If more than 9 months of rental assistance is necessary to stabilize the household and prevent a return to homelessness, an extension may be granted. The grantee or subgrantee must submit a written request for an extension to MSHDA ESG program staff and receive written authorization. This documentation shall be kept in the program participant's file.

### **Short-Term Rental Assistance**

Short-term rental assistance is assistance for up to 3 months of rent.

### **Medium-Term Rental Assistance**

Medium-term rental assistance is assistance for more than 3 months but not more than 9 months of rent.

### **Rental Arrears (Homelessness Prevention Only)**

Payment of rental arrears consists of a one-time payment for up to 6 months of rent in arrears, including any late fees on those arrears.

## **RESTRICTIONS**

### **Fair Market Rent (FMR) and Rent Reasonableness**

For participants receiving rental assistance, unit rental costs must comply with both Fair Market Rent (FMR) and rent reasonableness.

## **FMR**

Household rent for participants receiving ESG-funded rental assistance must not exceed the Fair Market Rent (FMR) established by HUD. Current FMRs can be found on the [MSHDA ESG website](#). Gross rent is the measure for FMR and is determined by adding monthly contract rent and utility costs.

If tenants are responsible for paying their own utilities, the monthly utility allowance must be added to the contract rent amount to calculate gross rent. Utility costs may include gas, electric, water, sewer, and trash. Telephone, cable, satellite television, or internet service are not considered eligible utilities under ESG and cannot be included. Grantees and subgrantees must calculate the utility allowance using the annual utility allowance schedule on the [MSHDA ESG website](#).

**Mobile homes and lot rent:** If a household is/will rent a mobile home or trailer, the FMR is based on the mobile home rent and the lot rent combined. For example, a two-bedroom mobile home would be assessed for the two-bedroom FMR when adding both the mobile home rent and lot rent totals. If the household is seeking assistance for only lot rent, the lot rent must be at or below the amount listed in the mobile home (MH) column on the annual FMR document. Units that are intended for recreational purposes (i.e., campers, tents) or units that can be attached to a vehicle and readily moved from location to location are not eligible for ESG rental assistance.

## **Rent Reasonableness**

For participants receiving rental assistance, household rent must comply with HUD's standard of rent reasonableness meaning that the rent charged for a unit must be reasonable in relation to rents currently being charged for comparable units in the private unassisted market and must not be in excess of rents currently being charged by the owner for three (3) comparable unassisted units. MSHDA ESG grantees and subgrantees are required to use Go Section 8 to ensure this guideline has been met (see the [MSHDA ESG website](#) for more information). Rent reasonableness must be documented in the participant file.

**Note:** FMR and rent reasonableness requirements do not apply when a program participant receives only financial assistance or services under HUD's housing stabilization and relocation services. This includes housing search and placement, housing stability case management, mediation, legal services, rental application fees, security deposits, utility payments/deposits, and/or moving costs.

## **Habitability Standards**

Housing for all ESG program participants receiving rental assistance must meet HUD minimum habitability standards for permanent housing. MSHDA ESG grantees and subgrantees must document compliance with this standard by completing a Habitability Standards Checklist before the participant signs a lease or before the grantee or subgrantee provides any ESG rental or financial assistance specific to the unit. The current checklist can be found on the [MSHDA ESG website](#).

**Mobile homes:** A mobile home or trailer must be placed on the site in a stable manner and must be free from hazards such as sliding or wind damage. The home must be securely anchored by a tie-down device that distributes and transfers the loads imposed by the unit to appropriate ground anchors to resist overturning and sliding. Units that are intended for recreational purposes (i.e. campers, tents) or units that can be attached to a vehicle and readily moved from location to location are not eligible for ESG rental assistance.

## **Lead-Based Paint Requirements**

All HUD-funded programs with housing programs occupied by program participants are required to incorporate lead-based paint remediation and disclosure requirements. Generally, these provisions require the recipient to screen for, disclose the existence of, and take reasonable precautions regarding the presence of lead-based paint in leased or assisted units constructed prior to 1978.

ESG-funded programs are required to incorporate the Lead-Based Paint Poisoning Prevention Act ([42 U.S.C. 4821-4846](#)), the [Residential Lead-Based Paint Hazard Reduction Act of 1992](#) (42 U.S.C. 4851-4846), and [24 CFR part 35](#), subparts A, B, H, J, K, M, and R in the unit.

## Occupancy Standards

Occupancy standards are used to provide consistent criteria for determining the unit size for which the household is eligible and thus, the amount of assistance to be provided. The following basic standards can be modified to take into consideration specific household composition and circumstances (i.e., pending child custody cases, chronic illnesses, family member who is absent most of the time).

- No more than two persons are required to occupy a bedroom;
- Persons of different generations (i.e., grandparents, parents, children), persons of the opposite sex (other than spouses/couples) and unrelated adults are not required to share a bedroom;
- Children of the same sex (regardless of age) and couples co-habiting must share the same bedroom for purpose of assigning the number of bedrooms;
- A live-in care attendant who is not a member of the family is not required to share a bedroom with another household member;
- Individual medical problems (i.e., chronic illness) sometimes require either separate bedrooms for household members who would otherwise be required to share a bedroom or an extra bedroom to store medical equipment;
- In most instances, a bedroom is not provided for a family member who will be absent most of the time, such as a member who is away in the military.

Households are permitted to select smaller units that do not create seriously overcrowded conditions. A household may select a larger unit if it meets the FMR for the actual number of bedrooms for which they are eligible according to the eligibility guidelines. Households are not allowed to give the landlord additional funds for larger units.

**Undersized Units:** If a family elects to occupy a unit with fewer bedrooms than specified in the Occupancy Guidelines, the FMR is based on the actual number of bedrooms;

**Oversized Units:** If a family elects to occupy a unit with more bedrooms than specified in the Occupancy Guidelines, the FMR is based on the number of bedrooms specified in the Occupancy Guidelines.

If an additional bedroom is required for an individual who would normally be required to share a room, the reason must be documented in the participant file. For example: If an additional room is needed because of a medical condition, documentation may be a note from their doctor; otherwise, if the Housing Resource Specialist determines an additional room is needed (medical condition, caregiver, medical equipment, etc.) they must document the reason in the case management notes.

In cases where college students and children staying only for weekends etc., the amount of time spent in the unit should be taken into consideration before assigning additional bedroom(s). Where necessary, a living room can be counted as a sleeping room. If student/children will be in the unit more than 50% of the time, then an additional bedroom can be assigned.

A child who is temporarily away from the home because of placement in foster care is considered a member of the family in determining the family unit size. A family that consists of a pregnant woman (with no other person) is eligible for a two-bedroom unit. For all other households, grantees and subgrantees should consider the unborn child of any household member when determining the eligible unit size.

### **Single Room Occupancy**

A single room occupancy (SRO) unit provides living and sleeping space for the exclusive use of the occupant but requires the occupant to share sanitary and/or food preparation facilities with others. No more than one person may occupy an SRO unit.

- ESG assistance may be provided using SRO Fair Market Rent + utilities.
- Agencies can provide ESG assistance provided the rent is not already based upon income (subsidized)
- When providing ESG assistance in an SRO unit, there must be a lease in place.
- Because no children live in SRO housing, the lead based paint requirements do not apply.

## *Additional Habitability Standards for SRO*

**Access:** Access doors to the SRO unit must have working locks for privacy. The occupant must be able to access the unit without going through any other unit. Each unit must have immediate access to two or more approved means of exit from the building, appropriately marked and leading to safe and open space at ground level. The SRO unit must also have other means of exit required by State or local law.

**Fire Safety:** All SRO facilities must have a sprinkler system that protects major spaces. Major spaces are defined as hallways, common areas, and any other areas specified in local fire, building or safety codes. SROs must also have hard-wired smoke detectors, and any other fire and safety requirement required by state or local law.

Sanitary facilities and space and security standards must meet local code requirements for SRO housing. In the absence of local code standards, the requirements discussed below apply [24 CFR 982.605]:

**Sanitary Facilities:** At least one flush toilet that can be used in privacy, a lavatory basin and a bathtub or shower in proper operating condition must be provided for each six persons (or fewer) residing in the SRO facility. If the SRO units are leased only to men, flush urinals may be substituted for up to one half of the required number of toilets. Sanitary facilities must be reasonably accessible from a common hall or passageway and may not be located more than one floor above or below the SRO unit. They may not be located below grade unless the SRO units are located on that level.

**Space and Security:** An SRO unit must contain at least 110 square feet of floor space, and at least 4 square feet of closet space with an unobstructed height of at least five feet for use by the occupant. If the closet space is less than four square feet, the habitable floor space in the SRO unit must be increased by the amount of the deficiency. Exterior doors and windows accessible from outside the SRO must be lockable.

All other ESG eligibility requirements apply.

## **Lease Agreement**

Each program participant receiving rental assistance must have a legally binding, written lease for the rental unit. The lease must be between the owner and the program participant and signed by both parties. Lease agreements between the program participant and the owner must range from one month (month to month), up to 12 months or one year.

## **Rental Assistance Agreement**

In addition to a lease between the owner and the program participant, the ESG interim rule also requires a rental assistance agreement between the grantee or subgrantee and the housing owner. The grantee or subgrantee may make rental assistance payments only to an owner with whom the grantee or subgrantee has entered into a rental assistance agreement.

The rental assistance agreement must set forth the terms under which rental assistance will be provided, including the requirements that apply under this section. The rental assistance agreement must provide that, during the term of the agreement, the owner must give the grantee or subgrantee a copy of any notice to the program participant to vacate the housing unit, or any complaint used under state or local law to commence an eviction action against the program participant. Finally, the rental assistance agreement must contain the same payment due date, grace period, and late payment penalty requirements as the program participant's lease. The rental assistance agreement with the owner must terminate and no further rental assistance payments under the agreement may be made if:

- The program participant moves out of the housing unit for which the program participant has a lease;
- The lease terminates and is not renewed; or
- The program participant becomes ineligible to receive ESG rental assistance.

## **Use with Other Subsidies**

Except for a one-time payment of security deposit and/or utility deposit for ESG-eligible voucher holders, ESG rental assistance cannot be provided to a program participant who is receiving tenant-based rental assistance through other public sources (ex. HCV rental assistance, project based vouchers, permanent supportive housing).

Any participant seeking rental assistance must also apply for State Emergency Relief (SER) financial assistance through the Michigan Department of Health and Human Services (MDHHS). The SER approval or denial must be documented in the participant file, or the MSHDA ESG Waiver of SER Denial Letter form may be completed in place of this requirement.

**Late Payments**

MSHDA ESG grantees and subgrantees must make timely payments to each owner in accordance with the rental assistance agreement. All rent payments must go directly to a third-party (directly to landlord/owner). MSHDA ESG grantees and subgrantees are solely responsible for paying late payment penalties that it incurs with non-ESG funds.

## VIII. HMIS COMPONENT

The HEARTH Act makes the Homeless Management Information System (HMIS) participation, or participation in a comparable database by victim service providers, a statutory requirement for ESG grantees and subgrantees. Activities funded under this section must comply with HUD's standards on participation, data collection, and reporting under a local HMIS.

Eligible costs include:

- Purchasing or leasing computer hardware;
- Purchasing software or software licenses;
- Purchasing or leasing equipment, including telephones, fax machines, and furniture;
- Obtaining technical support;
- Leasing office space;
- Paying charges for electricity, gas, water, phone service, and high-speed data transmission necessary to operate or contribute data to HMIS;
- Paying salaries for operating HMIS, including:
  - Completing data entry;
  - Monitoring and reviewing data quality;
  - Completing data analysis;
  - Reporting to the HMIS Lead;
  - Training staff on using HMIS; and
  - Implementing and complying with HMIS requirements.
- Paying costs of staff to travel to and attend HUD-sponsored and HUD-approved training on HMIS and programs authorized by Title IV of the McKinney-Bento Homeless Act;
- Paying staff travel costs to conduct intake; and
- Paying participant fees charged by the HMIS Lead, if the grantee or subgrantee is not the HMIS Lead. The HMIS Lead is the entity designated by the CoC to operate the area's HMIS.

If the MSHDA ESG grantee or subgrantee is the HMIS Lead Agency, as designated by the CoC in the most recent fiscal year CoC program competition, it may also use ESG funds to pay the costs of:

- Administering the system;
- Reporting to providers, the CoC, and HUD; and
- Conducting training on using the system or a comparable database, including traveling to the training.



## **IX. ADMINISTRATION COMPONENT**

MSHDA ESG grantees and subgrantees may use up to 7.5% of the total grant allocation for the payment of administrative costs related to the planning and execution of ESG activities. This does not include staff overhead costs directly related to carrying out activities eligible under [24 CFR 576.101](#) through [24 CFR 576.107](#), because those costs are eligible as part of those activities. Eligible administrative costs include:

### **General Management, Oversight and Coordination**

The costs of overall program management, coordination, monitoring, and evaluation are eligible administrative activities. These costs include, but are not limited to, necessary expenditures for the following:

Salaries, wages, and related costs of the grantee or subgrantee staff engaged in program administration. In charging costs to this category, the grantee or subgrantee may either include the entire salary, wages, and related costs allocable to the program whose *primary* responsibilities with regard to the program involve program administration assignment, or the pro rate share of the salary, wages, and related costs of each person whose job includes any program administration assignments. The grantee or subgrantee may use only one of these methods for each fiscal year grant. Program administration assignments include the following:

- Preparing program budgets and schedules, and amendments to those budgets and schedules;
- Developing interagency agreements and agreements with subgrantees and contractors to carry out program activities;
- Monitoring program activities for progress and compliance with program requirements;
- Preparing reports and other documents directly related to the program for submission to HUD;
- Coordinating the resolution of audit and monitoring findings;
- Evaluating program results against stated objectives; and
- Managing or supervising persons whose primary responsibilities with regard to the program include such assignments as those described above.

Also eligible are travel costs incurred for monitoring of subgrantees as well as administrative services performed under third-party contracts or agreements (including general legal services, accounting services, and audit services) and other costs for goods and services required for administration of the program (including rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance (but not purchase) of office space).

### **Training on ESG Requirements**

Eligible costs include those of providing training on ESG requirements and attending HUD-sponsored ESG trainings.

## **X. INDIRECT COSTS**

MSHDA ESG funds may be used to pay indirect costs in accordance with [2 CFR part 200, subpart E](#).

Indirect costs may be allocated to each eligible activity under [24 CFR 576.101](#) through [24 CR 576.108](#), so long as that allocation is consistent with [2 CFR part 200, subpart E](#).

The indirect costs charged to an activity subject to an expenditure limit under [24 CFR 576.100](#) must be added to the direct costs charged for that activity when determining the total costs subject to the expenditure limit.

## **XI. ROLES AND RESPONSIBILITIES**

All identified roles are expected to uphold the guiding principles listed within this policy manual.

### **CONTINUUM OF CARE (CoC) OR LOCAL PLANNING BODY (LPB)**

Continuum of Care (CoC) and a Local Planning Body (LPB) are similar structures under MSHDA ESG funding. A CoC is a HUD-recognized independent jurisdiction and can apply directly to HUD for its CoC Program funds. A LPB is considered an equivalent to CoC under MSHDA ESG funding but is in fact part of the larger, HUD-recognized Michigan Balance of State CoC. Despite this distinction, both CoCs and LPBs share the same responsibilities under the MSHDA ESG program:

- Implement and maintain a homeless crisis response system that is routinely monitored and evaluated based on HUD's System Performance Measures and MSHDA ESG's Pay for Performance.
- Develop a culture that teaches and makes decisions based upon outcomes.
- Analyze the local portfolio of grants to determine if the right mix of housing and services is available 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.
- Prioritize the use of MSHDA ESG funds for proven strategies.
- Solidify and enhance partnerships within the following arenas:
  - Behavioral health
  - Domestic violence and human trafficking
  - Education and employment
  - Healthcare
  - Law enforcement
  - Veteran and youth services
- Further the application and implementation of best practices and ESG guiding principles among grantees and subgrantees.
- Confirm and support the identified agency(s) that will function as ESG Fiduciary and Housing Assessment and Resource Agency (HARA), and other subgrantees.
- Monitor services provided by the Fiduciary, HARA, and subgrantees to ensure they meet the needs of the local community and that any critical issues are addressed.
- Provide MSHDA with annual Point in Time (PIT) Count report.
- Provide meeting minutes, notices, and agendas to the designated MSHDA Homeless Assistance Specialist.
- Ensure that all MSHDA ESG funded agencies – including domestic violence service providers – participate in CoC or LPB meetings.
- Ensure completion of HMIS sharing agreement between all relevant CoC/LPB agencies.

### **FIDUCIARY**

The Fiduciary is an agency selected and affirmed by the CoC or LPB to receive and distribute MSHDA ESG funding as allocated by the approved budget. The Fiduciary agrees to the following responsibilities:

- Execute grant documents for the community's allocation, including:
  - Memorandum of Understanding (MOU) with the CoC or LPB and with all Key Partners.
  - Sign contract and applicable documents required by MSHDA.
  - Initiate and execute subgrantee grants as needed.
- Assure use of funds in accordance with the grant agreement, communicating knowledge of any fraudulent activity to MSHDA and the CoC or LPB.
- Submit quarterly Financial Status Reports (FSRs) in the MATT 2.0/IGX grant management system.
- Submit quarterly 7001.b HMIS data reports as part of the quarterly FSR submission.

- Advise the CoC or LPB of agencies not using dollars in a timely manner to avoid loss of funds to the community and possible recapture by MSHDA.
- Evaluate the quality of services and provide oversight to funding subgrantees based upon documented outcomes and in partnership with the CoC or LPB.
- Collect and submit quarterly Consolidated Annual Performance and Evaluation Reports (CAPERs) that address specific performance outcomes supported by HMIS data (domestic violence agencies use alternative system). CAPERs are submitted to MSHDA via MATT 2.0/IGX with a copy to the CoC or LPB.
- Monitor ten percent (10%) of all participant files, as well as the financial records of subgrantees except for emergency shelters.

### **HOUSING ASSESSMENT AND RESOURCE AGENCY (HARA)**

The Housing Assessment and Resource Agency (HARA) is an agency selected and affirmed by the CoC or LPB to facilitate the prioritization and referral of households within the homeless crisis response system or Coordinated Entry System. CoCs or LPBs may also support the HARA to complete primary entry functions such as access and assessment. Other agencies may also be identified by the CoC or LPB to provide access and assessment but MSHDA ESG funding requires recognition of one HARA per CoC or LPB. The HARA agrees to the following responsibilities:

- Implement the prioritization process for literally homeless households as developed by the CoC or LPB.
- Complete referrals based on prioritization, eligibility, and participant choice to all CoC- or LPB-identified housing resources within the geographic area of the CoC or LPB.
- Provide routine reports to the CoC or LPB on the prioritization and referral processes, including number of households identified and served by the CoC or LPB.
- Employ staff as Housing Resource Specialists to provide Housing Relocation and Stabilization Services and Rental Assistance dollars for Homelessness Prevention and Rapid Re-Housing.
- Employ staff to oversee the Housing Choice Voucher Homeless Preference waiting list.
- Maintain knowledge of MSHDA housing developments within the CoC or LPB, the availability of Project Based Vouchers within any developments, and at least quarterly contact with each development regarding availability of units.
- Assist developers to ensure that case management services are available to new units made available through the Low-Income Housing Tax Credit (LIHTC) Program, and if applicable, refer applicants to the Project Based Voucher waiting list.
- Ensure accessibility in each county served through established office hours.

### **ALL MSHDA ESG FUNDED GRANTEES AND SUBGRANTEES**

All MSHDA ESG funded grantees and subgrantees are selected and affirmed by the CoC or LPB. All MSHDA ESG funded ESG grantees and subgrantees agree to the following responsibilities:

- Collaborate with the CoC or LPB to align funding and address any gaps in system design to end homelessness.
- Provide eligible services as defined within this policy and as specified in their grant agreement with the Fiduciary.
- Enter client information on HMIS (Domestic Violence Agencies must use a comparable database).
- Coordinate with the HARA to ensure the required assessment tool and/or process is completed for literally homeless households.
- Routinely review and correct HMIS data quality issues and monitor outcome performance.
- Maintain financial and client level records to support billings, retaining records for five years.
- Request payment and provide necessary supportive documentation to the Fiduciary on at least a quarterly basis.
- Submit quarterly CAPERs that address specific performance outcomes supported by HMIS data to the Fiduciary as outlined in the grant agreement.
- Ensure compliance with grant terms and provide the Fiduciary and MSHDA access to financial and programmatic records when requested.

## **XII. SERVICE DELIVERY EXPECTATIONS**

In order to meet the expected outcomes of MSHDA ESG funding, the following service delivery expectations must be considered and implemented.

### **COORDINATED ENTRY SYSTEM**

The foundation of an effective Coordinated Entry System lies in the implementation and continuous improvement of four critical processes: access, assessment, prioritization, and referral.

MSHDA ESG funding is designed to assist CoCs and LPBs with implementation of a Coordinated Entry System. As noted previously, the HARA is responsible to implement the prioritization and referral functions of this system as designed by the CoC or LPB. CoCs or LPBs may also support the HARA to complete primary entry functions such as access and assessment. Other agencies may also be identified by the CoC or LPB to provide access and assessment but MSHDA ESG funding requires recognition of one HARA per CoC or LPB.

**Access:** The Coordinated Entry System in each CoC or LPB must be designed to ensure equitable access for any household experiencing homelessness or at imminent risk of homelessness. Access involves determination of immediate need and can occur through street outreach, emergency shelter, the HARA, or any agency identified and supported by the CoC or LPB to aid in the connection of households to the Coordinated Entry process. This includes the following provisions:

- All Coordinated Entry Systems must provide access either by phone or in person. Additional modes of access can be identified by each CoC or LPB as available.
- CoCs and LPBs must have protocols in place to ensure coverage of access when the HARA and other identified agencies are closed or unavailable. For example, a crisis line like 2-1-1 agrees to take calls during non-traditional work hours and provides connection to emergency services until the HARA or other agency is open.
- CoCs and LPBs can and should provide access for households experiencing domestic violence. Households who present with immediate safety issues should also be connected to other services as appropriate, including domestic violence service agencies or 9-1-1.
- If access results in a need other than immediate housing, households should be referred to the appropriate resource to address the need (e.g., food assistance through MDHHS, mental health through Community Mental Health, etc.), and a housing plan is not necessary.
- If access results in an immediate housing need (literally homeless or imminent risk of homelessness), households will proceed to assessment or be scheduled for assessment within two business days.

**Assessment:** Households who are homeless or at imminent risk of homelessness are asked a series of questions as part of an assessment process. The assessment process, at a minimum, will identify the housing needs of the household and aid with referral to appropriate available resources. If the household is determined to be literally homeless at the point of access, a more detailed assessment is required that contributes to household prioritization for any available CoC or LPB financial resources. Assessments must be completed in HMIS (or comparable database for domestic violence service providers).

- HARAs (and other agencies as identified by the CoC or LPB) must collect and enter information about the household that corresponds with all required universal data elements within HMIS.
- If a household is determined to be literally homeless, an assessment must be completed and entered into HMIS. The assessment may include a required tool or process as designated by MSHDA.
  - The HARA (and other agencies identified by the CoC or LPB) must consistently apply any assessment tools or processes so as not to create disparate outcomes.
  - Households may refuse to complete or answer any questions within the assessment process, without penalty or denial of access to assistance. CoCs and LPBs are responsible for ensuring a prioritization process that takes these scenarios into account, so as not to create disparate outcomes.

**Prioritization:** Each CoC and LPB is responsible for determining which factors will be considered when prioritizing literally homeless households for any financial assistance. This process includes, at a minimum, the

length of time the household has experienced homeless (especially chronic homelessness) and consideration of vulnerability identified through the assessment process. Factors for prioritization may be weighted differently and may include special consideration of target populations, as determined by the CoC or LPB through data trends and analysis.

- Under MSHDA ESG funding, the HARA is responsible for facilitating the prioritization process as designed and approved by the CoC or LPB. Other agencies identified by the CoC or LPB may participate in this process but the function of prioritization, as supported by MSHDA ESG funding, must be centralized.
- The HARA will provide routine updates to the CoC or LPB membership regarding prioritization, including any trends in prioritized unmet need.
- CoCs and LPBs are encouraged to utilize HMIS for tracking prioritization.

**Referral:** CoCs and LPBs are responsible for identifying all available resources for referral through the Coordinated Entry System. At a minimum, this must include all ESG financial assistance HUD CoC Program financial assistance. Referrals must be determined based on eligibility, prioritization, and participant choice.

- Under MSHDA ESG funding, the HARA is responsible for facilitating the referral process as designed and approved by the CoC or LPB. Other agencies identified by the CoC or LPB may participate in this process but the function of referral, as supported by MSHDA ESG funding, must be centralized.
- HARA staff will identify the most appropriate resources for which the household may be eligible and provide this information to the household both verbally and in a written form as part of the Housing Plan. Households can choose to decline a resource without punitive action and should remain in consideration for any other available resource or future resources.
- If the household agrees, the Housing Plan can be shared with other providers to assist in obtaining resources or housing.
- The HARA will provide routine updates to the CoC or LPB membership regarding referrals, including any trends in unfulfilled referrals.
- CoCs and LPBs are encouraged to utilize HMIS for tracking referrals.

## **HOUSING RESOURCE SPECIALISTS AND HOUSING NAVIGATORS**

Any agency that administers MSHDA ESG Homelessness Prevention or Rapid Re-Housing resources must employ Housing Resource Specialists and Housing Navigators to implement these activities.

Housing Resource Specialists should be well versed and trained on the following approaches and tools:

- Housing First
- Strength Based Case Management
- Progressive Engagement
- Trauma Informed Care
- Federal Requirements
- HMIS

Housing Navigators are primarily responsible to perform outreach to landlords, develop lists of available rental units, and assist households in identifying available housing units. They are familiar with the local rental housing stock and its turnover rate, as well as area landlords and the condition of their property.

## HOUSING PLANS

Each household assisted through MSHDA ESG Homelessness Prevention or Rapid Re-Housing resources (both Housing Relocation and Stabilization Services and Rental Assistance) must have a Housing Plan that is informed by the household and completed in partnership with the Housing Resource Specialist. The foundation of each Housing Plan is to support the long-term housing stability of each household, especially as it pertains to the following:

- Maintenance of the lease agreement
- Income – both earned and unearned – to support housing costs following assistance
- Other goals as identified by the household

Housing Plans must be documented in some capacity within the client file. MSHDA ESG grantees are encouraged to utilize HMIS (or comparable database) for this purpose.

## HOUSING CHOICE VOUCHER (HCV) HOMELESS PREFERENCE

Under MSHDA ESG funding, each HARA is responsible for the addition of homeless households to Housing Choice Voucher (HCV) waiting lists via Homeless Preference. The HCV waiting lists are held by county which means that some CoCs or LPBs may have multiple waiting lists within the geographic coverage area. The ability to add households to the HCV waiting list is secured via completion of the Key Person Security Agreement ([MSHDA Form 1796c](#)) and can only be completed by HARA staff. More information regarding HCV Homeless Preference can be found on the [MSHDA ESG website](#).

### **XIII. REPORTING AND OUTCOMES**

#### **CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER)**

HUD ESG funding requires annual submission of Consolidated Annual Performance and Evaluation Reports (CAPERs) to allow grantees and subgrantees to report on accomplishments and to ensure grantees and subgrantees are making progress toward the goal of ending homelessness. MSHDA completes this annual submission on behalf of all MSHDA ESG funding grantees as one report. To maintain the quality of this data leading up to the annual submission, each MSHDA ESG funded grantee is responsible to submit quarterly CAPERs for review by MSHDA staff.

Additional guidance regarding CAPERs can be found in the MSHDA ESG Billing and Reporting Procedures on the [MSHDA ESG website](#).

#### **LENGTH OF TIME HOMELESS REPORT (HMIS 700.1b)**

CoCs and LPBs are reviewed annually for HUD system performance measures. Within these measures, there is significant focus on the length of time a household experiences homelessness. To ensure that MSHDA ESG data does not negatively impact this measure for CoCs and LPBs statewide, MSHDA ESG grantees must submit the length of time homeless HMIS report (700.1b) on a quarterly basis to be reviewed by MSHDA staff. The report tracks the length of time individuals and households experience episodes of homelessness based on the approximate date the current episode of homelessness began. This data influences specific system performance measures for each CoC and LPB. These reports must be reviewed quarterly by the grantee to ensure that the approximate date of homelessness is inputted accurately – especially for any length of time homeless greater than 100 days.

Additional guidance regarding HMIS 700.1b reports can be found in the MSHDA ESG Billing and Reporting Procedures on the [MSHDA ESG website](#).

#### **PAY FOR PERFORMANCE**

MSHDA provides annual opportunities for CoCs and LPBs to demonstrate specific outcome measures that qualify for additional funding dollars above and beyond the annual allocation of funding. The intent of this opportunity is to encourage CoCs and LPBs to review outcome measures on at least an annual basis to inform system design and local strategies and practices to address homelessness. The amount available for additional funding varies from year to year.

Additional guidance regarding pay for performance can be found in the annual MSHDA ESG Notice of Funding Availability (NOFA) on the [MSHDA ESG website](#).



## **XIV. GRANT APPLICATION, BUDGET, AND BILLING**

This section provides an overview of the grant application process and the expectations for MSHDA ESG CoC or LPB budget development and billing. Additional guidance regarding these elements, including required documentation and forms, can be found in the annual release of the MSHDA ESG Notice of Funding Availability, and the MSHDA ESG Application Detailed Instructions.

### **NOTICE OF FUNDING AVAILABILITY (NOFA)**

On an annual basis, MSHDA will provide a Notice of Funding Availability (NOFA) statewide for CoCs and LPBs to review and respond to via the MSHDA ESG application process. The NOFA will outline the availability of MSHDA ESG funding and the process by which to apply. CoCs and LPBs are expected to collectively review these opportunities and determine the approach to application, including potential funding of grantees and the identification or continued confirmation of the HARA.

### **EXHIBIT ONE**

In conjunction with the annual NOFA and grant application via MATT 2.0/IGX, an Exhibit 1 document is released by MSHDA and required from each CoC and LPB. This document represents efforts to address and end homelessness at the local level, including strategic planning, CoC/LPB membership and membership engagement, and performance measures. The Exhibit 1 must be reviewed and approved by the CoC/LPB membership prior to submission.

### **APPLICATION**

MSHDA uses an online grant management system (MATT 2.0/IGX) to establish authorized fiduciaries and subgrantees, accept grant applications, and complete payments to fiduciaries and subgrantees based on approved Financial Status Reports (FSRs). For any agency to be considered for MSHDA ESG funding, the following documents are required and must be reviewed and affirmed by MSHDA:

#### **All Applicants**

- Organizational Mission Statement and Target/Service Area
- List of Board of Directors & Officers
- Organizational Chart – including a staff roster with relevant program staff
- Most Recent Completed Financial Audit
- Single Audit Certification Form (MSHDA Form)
- Conflict of Interest Policy and Certification Form (MSHDA Form)
- Administrative Compliance Certification Form (MSHDA Form)
- Fair Housing Certification Form (MSHDA Form)
- Fraud Policy
- Indirect Cost Allocation
- Proof of Liability Insurance and Crime and Dishonesty Insurance

#### **Emergency Shelter Applicants**

- Minimum Standards for Emergency Shelter Certification Form (MSHDA)

#### **Non-profit Applicants Only**

- Most recent 990 (Corporate Tax Return)
- Current Fiscal Year Operating Budget
- Certificate of Good Standing, dated within last 12 months
- IRS 501(c)3 Designation
- Articles of Incorporation
- Organizational Bylaws

- CHDO Authorization Letter (if CHDO)
- Employee Status (list indicating the number of paid personnel working 35 hours or more per week and the number working less than 35 hours per week)

## BUDGET GUIDANCE

CoCs and LPBs are responsible for developing funding strategies that are data-informed and align the local, state, and federal goals in ending homelessness. MSHDA ESG funding is one source of funding in this effort and provides for allowable costs as defined by HUD. It is critical that each CoC and LPB consider all available sources of funding when determining how MSHDA ESG funding will be allocated each grant year.

It is also necessary for CoCs and LPBs to consider the scope of responsibilities for the HARA as outlined in this policy document when determining the annual allocation of MSHDA ESG funding to the HARA. In smaller, rural communities with fewer or lesser funding opportunities and/or partner agency capacity, the MSHDA ESG funding determination for the HARA may encompass the whole of the CoC or LPB annual allocation. In larger, urban communities with more diverse or larger funding opportunities and/or partner agency capacity, the annual MSHDA ESG CoC or LPB allocation may be more nuanced and identify multiple funding grantees to respond to the identified needs.

MSHDA allocates a portion of total ESG funding annually for domestic violence (DV) service providers. This portion is awarded to the Michigan Department of Health and Human Services (MDHHS) to subgrant to DV service providers. Because of this award, CoCs and LPBs are prohibited from allocating additional funds to local DV service providers under MSHDA ESG funding.

MSHDA also prohibits CoCs and LPBs from allocating less than \$10,000 in MSHDA ESG funding to any grantee or subgrantee.

Additional guidance regarding budget parameters can be found in the annual MSHDA ESG NOFA on the [MSHDA ESG website](#).

## BILLING

### Advancement and Reimbursement Requests (Financial Status Reports)

The Fiduciary, as identified by the CoC or LPB, is minimally required to submit quarterly Financial Status Reports (FSRs) within the MATT 2.0/IGX grant management system. FSRs can be considered for reimbursement of eligible costs or advancement funds to pay for eligible costs. Reimbursement requests must be submitted with supporting documentation as required by expense type. All FSRs are reviewed by MSHDA's Homeless Assistance Specialists and can only be fulfilled through MSHDA-process approval.

### Grant Amendments and Budget Deviation

Fiduciaries may request changes to grants via grant amendment. These changes include addition or removal of funded components and movement of funds within and between budget components. Any changes to budgets must include acknowledgement from the CoC or LPB. MSHDA provides final approval of any amendment. All amendments must be approved prior to grantee and subgrantee expenditure.

**Note:** Budget deviation does not apply to any established budget caps, such as Administration (7.5%) or HMIS (10%); however, grantees and subgrantees may elect to decrease these percentages.

### Funds Spend Down

Grantees and subgrantees are expected to fully obligate or expend grant funds during each funding cycle and after expending funds from previous funding cycles. MSHDA will review grant spending in accordance with the grant agreement and MSHDA policy.

**Note:** MSHDA and HUD closely track grantee and subgrantee expenditures in order to meet requirements and allow for reallocation as needed if grantees and subgrantees do not spend their funds on a timely basis.

Additional guidance regarding billing can be found in the MSHDA ESG Billing and Reporting Procedures on the [MSHDA ESG website](#).

## XV. RECORDKEEPING

MSHDA ESG grantees and subgrantees are responsible for verifying and documenting the eligibility of all MSHDA ESG participants prior to and throughout service provision. Verification and documentation must be recorded in HMIS (or a comparable database for domestic violence service providers) and within the participant case file. MSHDA ESG grantees and subgrantees with insufficient documentation of eligibility or service records may be found out of compliance with ESG program regulations through the course of monitoring (either by MSHDA or HUD).

### **PARTICIPANT FILE DOCUMENTATION**

Documentation of participant eligibility and services received must be maintained in participant case files, including files for applicants found to be ineligible. Files for applicants found to be ineligible for assistance or for participants who are no longer eligible to receive assistance will include documentation of why they are ineligible and how that was determined. File documentation is the basis of MSHDA monitoring as well as grantee monitoring of subgrantees to ensure program compliance with program requirements and HUD regulations.

At the minimum, participant case files must contain the following, if applicable to grantees and subgrantees service to the program participant:

- Verification of use of coordinated entry;
- Signed Release of Information;
- Intake form and assessment of household needs;
- Homeless or at risk of homelessness verification/certification;
- Evidence applicant has no subsequent housing options and lacks sufficient resources to retain housing, but is not homeless;
- Rent Reasonableness documentation;
- Habitability Standards verification;
- Lead-based Paint visual assessment;
- Signed Lease Agreement;
- Signed Rental Assistance Agreement;
- Verification of participant income and assets;
- Amount and type of essential emergency shelter services provided;
- Re-evaluations of eligibility;
- Housing Plan and housing assistance provided;
- Verification of outstanding rent arrears;
- Case notes;
- Evidence of referrals;
- Documentation of payments made on participant's behalf; and
- Written notice of program termination.

MSHDA provides access to all required participant MSHDA ESG forms via the [MSHDA ESG website](#). Additional guidance regarding required participant documentation is available via the MSHDA ESG Participant File Checklist, which is also available on the [MSHDA ESG website](#). These forms and documents are reviewed annually, at a minimum. CoC and LPB Chairs, Coordinators, Fiduciaries, HARAs, and all MSHDA ESG funding grantees will receive notification of these changes as they are completed.

**Note:** If participant file documents and signatures or policy documents are collected and maintained electronically, required documentation must be made available to MSHDA staff in paper form when requested.

## RECORD RETENTION

MSHDA ESG grantees and subgrantees must retain all program records relevant to participant services and expenditures paid with MSHDA ESG funds in a manner consistent with the requirements of state and federal law. At present, MSHDA ESG program records must be retained for five (5) years. Fiscal records, which include books, documents, papers, plans, and agency records that document all program expenditures, must be retained for a minimum of five (5) years, or such longer period as may be required due to any audit, controversy, or litigation arising out of, or related to, program use.

In the event a MSHDA ESG funded grantee or subgrantee ceases business operations or those operations supported through MSHDA ESG funding, the following expectations must be met:

- The grantee or subgrantee will maintain all books, records, or other documents (electronic or otherwise) relevant to the grant at all times during the term of the grant, including any extension of the grant, for a period of three (3) years after the expiration date or final payment is made under the grant, at the recipient's cost, and must send copies of said books, records, or other documents to MSHDA upon request. Federal auditors and any persons duly authorized by MSHDA must have full access to and the right to examine, audit, or monitor any of these materials during said period. Files should be maintained by grant year in a manner that is easily obtainable. Closed files should be documented and maintained in a secured storage location. Upon retention maturity, all files should be destroyed in an appropriate manner.
- Open participant files must be conveyed to the new grantee.
- A file log and Release of File Authorization must be signed and retained by both the conveyor and the grantee.
- The conveyance of all files must be completed in a secured manner.

## XVI. MONITORING

Under [2 CFR Part 200](#), monitoring of grantee and subgrantee activities is required to ensure that subawards are used for authorized purposes and follow federal statutes/regulations. Lack of monitoring or insufficient monitoring may result in the loss of ESG funding. Regulations under [2 CFR Part 200](#) requires recipients to also establish and maintain effective internal controls for themselves and ensure that their grantees and subgrantees do the same.

As an ESG recipient, MSHDA is required to monitor the performance of its grantees and subgrantees annually. Monitoring of grantees and subgrantees may be conducted by MSHDA, Michigan's Office of the Auditor General, local HUD Office of Community Planning and Development, HUD's Office of Special Needs Assistance Programs, HUD's Office of Inspector General, HUD's Office of Fair Housing and Equal Opportunity, or another Federal/State agency. Monitoring may include program report reviews and desk/on-site assessments. MSHDA may terminate a grant, recapture funds, or refuse to make additional disbursements under a grant agreement if it finds that the grantee and/or subgrantee is not complying with the requirements of the program, or the grant agreement. Results of the monitoring will be shared with the Executive Director of the grantee and the main contact that is assigned in the MATT 2.0/IGX grant management system.

For additional guidance, including Fiduciary and Emergency Shelter staff monitoring requirements, please review the MSHDA ESG Monitoring Protocol Manual on the [MSHDA ESG website](#).

### **CORRECTIVE ACTION PLAN**

A Corrective Action Plan (CAP) is an important component that aims to address and resolve deficiencies or non-compliance issues identified during program reviews, monitoring, audits, or those brought to MSHDA's attention. The CAP is a formal document that outlines the specific steps, strategies, and timelines required to resolve the identified problems and bring the grantee back into compliance with ESG regulations and guidelines.

A CAP can be imposed on any funded agency and may be initiated under various circumstances, including but not limited to:

- Untimely FSR submissions.
- Non-compliance with ESG requirements.
- Failure to meet performance goals and objectives outlined in the grant agreement.
- Misuse or mishandling of funds allocated under the grant.
- Inadequate record-keeping or reporting practices (e.g., HMIS data entry, participant files, etc.)
- Violation of fair housing laws, nondiscrimination policies, or other legal obligations.

The consequences of not fulfilling a CAP can be significant and may vary depending on the severity and extent of the non-compliance. If a grantee fails to meet the corrective actions within the specified timeframe, the following consequences may occur:

- **Suspension or Termination of Funding:** The grantee may face suspension or termination of its current ESG funding.
- **Ineligibility for Future Funding:** Non-compliance with the CAP may result in the grantee becoming ineligible for future funding through MSHDA.
- **Financial Recapture:** MSHDA reserves the right to recapture a portion of the grant funds based on the severity of the non-compliance and may demand reimbursement for misspent or misused grant funds.

To avoid these consequences, it is imperative for the grantee to take the CAP seriously, promptly implement the required changes, and maintain compliance with ESG guidelines to ensure effective and responsible use of the grant funds. Although MSHDA hopes and intends that all of its grantees will successfully perform ESG functions, in some circumstances MSHDA may determine that a CAP is insufficient to correct grantee performance concerns, in which case MSHDA may pursue any recourse available under federal guidelines.

## XVII. GLOSSARY

### ACRONYMS

AH	Affordable Housing
AMI	Area Median Income
CAA	Community Action Agency
CAPER	Consolidated Annual Performance and Evaluation Report
CAP	Corrective Action Plan
CES	Coordinated Entry System
CFDA	Catalog of Federal Domestic Assistance – ESG is 14.231
CFR	Code of Federal Regulations
CH	Chronic Homeless
CoC	Continuum of Care
CPD	The Office of Community Planning and Development
DV	Domestic Violence
ES	Emergency Shelter
ESG	Emergency Solutions Grant
eSNAPS	Electronic data system for SNAP (see SNAP)
FMR	Fair Market Rent
FSR	Financial Status Report
HEARTH	Homeless Emergency and Rapid Transition to Housing
HMIS	Homeless Management Information Systems
HP	Homelessness Prevention
HPRP	Homelessness Prevention and Rapid Re-Housing Program
HRY	Homeless and Runaway Youth
HSP	Homeless Service Provider
HQS	Housing Quality Standards
HUD	United State Department of Housing and Urban Development
IDIS	Integrated Disbursement and Information System
MDHHS	Michigan Department of Health and Human Services
MSHDA	Michigan State Housing Development Authority
PIT	Point In Time Count
PSH	Permanent Supportive Housing
RRH	Rapid Re-Housing
SHP	Supportive Housing Program
SOAR	SSI/SSDI Outreach, Access, and Recovery Program
SRO	Single Room Occupancy
SSDI	Social Security Disability Income
SSO	Supportive Services Only
SSVF	Supportive Services for Veteran Families Program
SNAP	Special Needs Assistance Program
TA	Technical Assistance
TANF	Temporary Assistance to Needy Family
TBRA	Tenant Based Rental Assistance
URA	Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970
VA	Veterans Administration

VASH	Veterans Affairs Supportive Housing Program
VAWA	Violence Against Women Act
VSP	Victim Service Provider

## DEFINITIONS

**Area Median Income:** The area median divides the household income distribution into two equal parts: one-half of the cases falling below the median household income and one-half above the median.

**Chronic Homelessness:** A “homeless individual with a disability,” as defined in section 401(9) of the McKinney-Vento Homeless Assistance Act, who:

- Lives in a place not meant for human habitation, a safe haven, or in an emergency shelter; AND
- Has been homeless and living as described above continuously for at least 12 months or on at least 4 separate occasions in the last 3 years, as long as the combined occasions equal at least 12 months and each break in homelessness separating the occasions included at least 7 consecutive nights of not living as described above. Stays in institutional care facilities for fewer than 90 days will not constitute as a break in homelessness, but rather such stays are included in the 12-month total, as long as the individual was living or residing in a place not meant for human habitation, a safe haven, or an emergency shelter immediately before entering the institutional care facility; or
- An individual who has been residing in an institutional care facility, including jail, substance abuse or mental health treatment facility, hospital, or other similar facility, for fewer than 90 days and met all of the criteria above before entering that facility; or
- A family with an adult head of household (or if there is no adult in the family, a minor head of household) who meets either of the criteria set forth above, including a family whose composition has fluctuated while the head of household has been homeless.

**Housing Assessment and Resource Agency (HARA):** A physical location with consolidated services in a community for homeless individuals/families. The center is the one recognized central point of entry/intake and assessment to ease the process of applying for resources. A HARA often has consolidated human services, housing assistance and other related services as available. The HARA employs a Housing Resource Specialist(s) who serves the CoC area.

**Housing Plan:** A Housing Plan must be completed for all individuals that receive an assessment. The Housing Plan is intended to be a guide for both the household and the service agencies.

**Housing Resource Specialist:** Recognized worker steeped in housing with a basic understanding of rental assistance programs. Activities performed by a Housing Specialist include: intake; assessment; creation of a Housing Plan that includes a path to permanent housing stability after these funds; arrangement, coordination, monitoring, and delivery of services to assist participants to obtain housing stability. Component activities may include: developing, securing, and coordinating services, monitoring and evaluation of program participant progress, and assuring that the program participants’ rights are protected.

**Housing Navigator:** Recognized worker primarily responsible to perform outreach to landlords, develop lists of available rental units, and assist households in identifying available housing units. This worker knows the local rental housing stock and its turnover rate, area landlords, and the condition of their property.

**Memorandum of Understanding (MOU):** A document to define the roles between all parties. Sharing of information is required. (See Participant Releases definition above.)

**Michigan Statewide Homeless Management Information System (MSHMIS):** This system details the homeless demographics in Michigan including the problems they face, the resources used, and where current services are falling short. (Domestic Violence Agencies use alternative system.)

**Participant Releases:** Releases that reflect the MOU’s to assure all parties charged with caring for participants may share information. A single “Community Release” may be appropriate. (See QSOBAA) This agreement/MOU defines the local sharing practice and is required to allow interagency sharing through HMIS (Domestic Violence Agencies use alternative system). Signatories on the agreement include those agencies who are working collaboratively with the person(s) receiving assistance.



**Partners:** Organizations, agencies and members of the public who fund programs or interact regularly with people in crisis, poverty, or at risk of homelessness. These may include the following:

- Head Start and Early Head Start Agencies;
- Department of Health and Human Services; Child Welfare Agencies; Unemployment Offices;
- WIC Agencies; Hospitals and Health Clinics; Mental Health Agencies;
- Public Housing Agencies; Public Housing Tenant Associations; Property Managers/Landlords;
- Utility Companies;
- Substance Abuse Treatment Programs; Domestic Violence Programs;
- Food Banks; Community Action Agencies; Help Lines (and 211 lines);
- Police; Jails; Prisons; and Probation Offices; Courts;
- Culturally Specific Organizations; Shelters and Homeless Assistance Providers; Veterans Services Organizations; Legal Aid Agencies; School Homeless Liaisons; Community Resource Centers;
- Family Support Centers; Businesses; Workforce Centers;
- Churches and other Faith-Based Organizations

**Residency:** ESG assistance must be based upon an individual(s) county of residence; individual(s) cannot receive assistance based on their county of employment. There is no minimal time limit for residency to be considered for ESG assistance.

**Service Prioritization Decision Assistance Tool (SPDAT):** The SPDAT is an evidence-informed approach to assessing an individual's or family's acuity.

**Subsidized housing** refers to any housing programs funded by Federal, State, or local government in which rent is based on the tenant's income (such as TBRA, Section 8, TSHLAP, TIPLAP).

**Qualified Services Organization Business Associates Agreement (QSOBAA):** This agreement/MOU defines the local sharing practice and is required to allow interagency sharing through HMIS. (Domestic Violence Agencies use alternative system.) Signatories on the agreement include those agencies who are working collaboratively with the person(s) receiving assistance.

**Uniform Administrative Requirements (UAR):** Local governments: see OMB Circular A-87; and non-profits: see OMB Circular A-122. These circulars establish principles and standards to provide a uniform approach for determining allowable costs when working with federal grants. Go to [www.hud.gov](http://www.hud.gov).

**XVIII. APPENDIX**

**HOMELESSNESS PREVENTION AND RAPID RE-HOUSING FINANCIAL ASSISTANCE CHART**

	<b>Homelessness Prevention</b>	<b>Rapid Re-Housing</b>
<b>Eligible Participants</b>	<ul style="list-style-type: none"> <li>• <b>Homeless Category 2:</b> Imminent Risk of Homelessness</li> <li>• <b>Homeless Category 4:</b> Fleeing/Attempting to Flee DV</li> <li>• <b>At Risk of Homelessness:</b> All Categories</li> </ul> <p><b>Income Requirements:</b> Total household income must be verified and below <b>30% AMI</b> at intake</p>	<ul style="list-style-type: none"> <li>• <b>Homeless Category 1:</b> Literally Homeless</li> <li>• <b>Homeless Category 4:</b> Fleeing/Attempting to Flee DV (if the individual or family is also literally homeless)</li> </ul> <p><b>Income Requirements:</b> Total household income must be below <b>30% AMI</b>, but does <b>not</b> have to be verified at intake <b>Note:</b> Completing self-reported income at intake in HMIS is <u>required</u></p>
<b>Purpose</b>	<ul style="list-style-type: none"> <li>• To <u>prevent</u> persons who are housed from becoming homeless</li> <li>• To help such persons <u>regain stability</u> in their current housing or other permanent housing</li> <li>• Establish connections with mainstream resources</li> </ul>	<ul style="list-style-type: none"> <li>• To help homeless persons living on the streets or in an emergency shelter <u>transition</u> as quickly as possible into permanent housing</li> <li>• To help such persons <u>achieve stability</u> as quickly as possible in that housing</li> <li>• Establish connections with mainstream resources</li> </ul>
<b>Reassessment</b>	<ul style="list-style-type: none"> <li>• At a minimum, every <b>3 months AND</b></li> <li>• Must have income below <b>30% AMI</b> (verified), <b>AND</b></li> <li>• Establish need based on lack of resources and support network</li> </ul>	<ul style="list-style-type: none"> <li>• At a minimum, every <b>6 months AND</b></li> <li>• Must have income below <b>30% AMI</b> (verified), <b>AND</b></li> <li>• Establish need based on lack of resources and support network</li> </ul>
<b>Eligible Activities</b>	<p><b>Housing Relocation and Stabilization Services – Services Costs:</b></p> <ul style="list-style-type: none"> <li>• Housing Search and Placement</li> <li>• Housing Stability Case Management</li> <li>• Mediation (<b>Capped at \$200 per household</b>)</li> <li>• Legal Services (<b>Capped at \$200 per household</b>)</li> </ul> <p><b>Housing Relocation and Stabilization Services – Financial Assistance:</b></p> <ul style="list-style-type: none"> <li>• Rent Application Fees</li> <li>• Security Deposits (<b>Cannot exceed one and half months’ rent</b>)</li> <li>• Utility Deposits (<b>Deposits and Arrears combined are capped at \$1,500 per household</b>)</li> <li>• Utility Payments (<b>Deposits and Arrears combined are capped at \$1,500 per household</b>)</li> <li>• Moving Costs (<b>Capped at \$250 per household</b>)</li> </ul> <p><b>Short- and Medium-Term Rental Assistance:</b></p> <ul style="list-style-type: none"> <li>• Short-Term Rental Assistance <ul style="list-style-type: none"> <li>○ Up to <b>3 months</b> rent</li> </ul> </li> <li>• Medium-Term Rental Assistance <ul style="list-style-type: none"> <li>○ <b>3 to 9 months</b> rent</li> </ul> </li> <li>• Rental Arrears <ul style="list-style-type: none"> <li>○ One-time payment for up to <b>6 months</b> of rent in arrears, including any late fees on those arrears</li> </ul> </li> </ul> <p><b>Note:</b> Any combination of the three types of rental assistance cannot exceed 24 months during any 3-year period</p>	<p><b>Housing Relocation and Stabilization Services – Services Costs:</b></p> <ul style="list-style-type: none"> <li>• Housing Search and Placement</li> <li>• Housing Stability Case Management</li> <li>• Waiting List Case Management</li> <li>• Mediation (<b>Capped at \$200 per household</b>)</li> <li>• Legal Services (<b>Capped at \$200 per household</b>)</li> </ul> <p><b>Housing Relocation and Stabilization Services – Financial Assistance:</b></p> <ul style="list-style-type: none"> <li>• Rent Application Fees</li> <li>• Security Deposits (<b>Cannot exceed one and half months’ rent</b>)</li> <li>• Utility Deposits (<b>Deposits and Arrears combined are capped at \$1,500 per household</b>)</li> <li>• Utility Payments (<b>Deposits and Arrears combined are capped at \$1,500 per household</b>)</li> <li>• Moving Costs (<b>Capped at \$250 per household</b>)</li> </ul> <p><b>Short- and Medium-Term Rental Assistance:</b></p> <ul style="list-style-type: none"> <li>• Short-Term Rental Assistance <ul style="list-style-type: none"> <li>○ Up to <b>3 months</b> rent</li> </ul> </li> <li>• Medium-Term Rental Assistance <ul style="list-style-type: none"> <li>○ <b>3 to 9 months</b> rent</li> </ul> </li> </ul> <p><b>Note:</b> Any combination of the two types of rental assistance cannot exceed 24 months during any 3-year period</p>