

**Allegheny County Economic Development/
City of Pittsburgh**

**Emergency Solutions Grants (ESG) Program
Homelessness Prevention and Rapid Re-Housing
Program Manual**



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Definitions

For the purposes of this Manual:

ACED – “*ACED*” means Allegheny County Economic Development.

AGENCY – “*Agency*” means any entity that has the responsibility for performing ESG activities under an agreement with Allegheny County or the City of Pittsburgh.

CITY – “*City*” means the City of Pittsburgh Planning Department.

COUNTY – “*County*” means County of Allegheny.

HUD – “*HUD*” means the Secretary of the United States Department of Housing and Urban Development or his/her authorized representative.

LEAD AGENCY – “*Lead Agency*” means those agencies who receive ESG funds from ACED and/or the City of Pittsburgh to provide Housing Relocation and Stabilization Services and Short- and Medium-Term Rental Assistance directly to Program Participants.

LOCAL POLICY – “*Local Policy*” means any policy or guideline regarding ESG that is issued by ACED and the City in writing or communicated orally at a meeting of ACED and/or the City and agencies receiving ESG funds.

PROGRAM – “*Program*” means the system of ESG-eligible activities administered by ACED and the City.

PROGRAM APPLICANT – “*Program Applicant*” means an individual or family applying for ESG assistance.

PROGRAM PARTICIPANT – “*Program Participant*” means an individual or family determined eligible for ESG assistance and enrolled in the Program.

SUPPORT AGENCY – “*Support Agency*” means those agencies that have the responsibility for performing services for ACED or Lead Agencies under an agreement or partnership with ACED or the City.

Introduction

Allegheny County Economic Development (ACED) and the City of Pittsburgh (the City) have partnered to administer the Emergency Solutions Grants (ESG) Program. This partnership is intended to facilitate service coordination across geographic borders. To ensure consistency, ACED and the City have developed ESG Program policies in cooperation with each other and in consultation with provider agencies.

This Program Manual establishes the policies and procedures of the Homelessness Prevention and Rapid Re-Housing Assistance components of the ESG Program. In developing this Manual, we have relied upon the information currently available from the U.S. Department of Housing and Urban Development (HUD), including:

- The Emergency Solutions Grants Program interim regulations, published in the Federal Register on December 5, 2011;
- Frequently Asked Questions (FAQs) posted on HUD's Homeless Resource Exchange website (<http://www.hudhre.info>);
- "Tools and TA Resources" posted on HUD's Homeless Resource Exchange website (<http://hudhre.info/esg/>); and
- The Resource Library available at One CPD (<https://www.onecpd.info>).

This Manual is intended as a reference tool for Agencies operating the ESG Program, and should not be construed as a substitute for regulations, FAQs, or guidance issued by HUD. All Agencies must familiarize themselves with the ESG regulations, FAQs, and guidance released by HUD to ensure they are meeting all ESG Program requirements.

Users of this Manual should also note that HUD continues to clarify ESG Program requirements through FAQs and other guidance documents, and that publication of the final rule may result in significant changes to the ESG Program. ACED and the City will update this Manual as necessary to reflect new guidance from HUD; however, it is still the responsibility of Agencies to remain up-to-date on information released by HUD. Guidance released by HUD will take effect regardless of whether ACED and the City has incorporated it into this manual.

Program Overview

The purpose of the ESG Program is to provide services, financial assistance, and rental assistance to prevent individuals and families from becoming homeless and to rapidly re-house those experiencing homelessness. ACED and the City of Pittsburgh receive funding directly from HUD to operate the ESG Program. In addition, ACED has received ESG funds through the Pennsylvania Department of Community and Economic Development.

ACED and the City have entered into contractual agreements and partnerships with public and nonprofit agencies to carry out ESG activities, as illustrated below. Lead Agencies are responsible for direct service provision to Program Participants, while Support Agencies provide services to ACED, the City, and Lead Agencies, such as screening and referral services, housing assessments, and data collection.

**Allegheny County Economic Development (ACED)
City of Pittsburgh (City)**

Administer ESG grant.

Support Agencies

Provide services to ACED/City and Lead Agencies.

Lead Agencies

Determine eligibility and provide Program Participants with Housing Relocation and Stabilization Services and Short- and Medium-Term Rental Assistance.

**Allegheny
County
Department of
Human Services
(DHS)**

*Provides HMIS
services to
ACED, the City,
and Lead
Agencies*

**Three Rivers
Communities, Inc.**

*Provides Housing
Quality Standards
(HQS) and lead
paint inspections
and performs FMR
and rent
reasonableness
determinations at
the request of Lead
Agencies.*

**Allegheny
County
Department of
Human Services
(DHS)
Allegheny Link**

*Screens and
refers potential
clients through
Allegheny Link,
providing a
centralized point
of program entry
Referral Source
Appeals Process.*

**Community
Human
Services
Corp. (Lead)**

**Operation
Safety Net
(Lead)**

Program Referrals

ACED and the City of Pittsburgh, in consultation with the Continuum of Care and provider agencies, work with Allegheny County Department of Human Services Allegheny Link. This system provides a centralized entry point for anyone who needs housing assistance. The Allegheny Link will conduct a phone intake and then determine which types of programs they are eligible for, including ESG. When a Lead Agency has a vacancy in ESG, the agency will reach out to the Allegheny Link to obtain referrals. While the Allegheny Link is the primary point-of-entry into the ESG Program, Lead Agencies may also accept referrals from Transitional Housing and Emergency Shelter Providers and from their own programs, subject to certain limitations.

Lead Agency Internal Referrals

Program Components and Eligible Activities

The ESG Program provides services, financial assistance, and rental assistance to prevent individuals and families from becoming homeless and to rapidly re-house those experiencing homelessness. These services and assistance are categorized under Homelessness Prevention or Rapid Re-Housing Assistance, depending on the housing status of the individual or family being served.

The following table defines the Homelessness Prevention and Rapid Re-Housing Assistance components of the ESG Program and the eligible housing statuses under each component. Appendices B and C provide the definition of each housing status.

ESG Component	Eligible Housing Statuses ¹
<p>Homelessness Prevention</p> <p>Services and assistance to prevent an individual or family from moving into an emergency shelter, a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, or another place described in paragraph (1) of the “homeless” definition in § 24 CFR Part 576.2</p>	<p style="text-align: center;"><u>Homeless</u></p> <ul style="list-style-type: none"> • Category 2 – Imminent Risk of Homeless • Category 3 – Homeless under Other Federal Statutes. Currently the Allegheny County CoC is not qualified in this category • Category 4 – Fleeing/Attempting to Flee DV <p style="text-align: center;"><u>At Risk of Homelessness</u></p> <ul style="list-style-type: none"> • Category 1 – Individuals and Families at Risk of Homelessness • Category 2 – Unaccompanied Children and Youth • Category 3 – Families With Children and Youth

	<ul style="list-style-type: none"> • • •
<p style="text-align: center;">Rapid Re-Housing Assistance</p> <p>Services and assistance to help a homeless individual or family move as quickly as possible into permanent housing and achieve stability in that housing.</p>	<p style="text-align: center;"><u>Homeless</u></p> <ul style="list-style-type: none"> • Category 1 – Literally Homeless • Category 4 – Fleeing/Attempting To Flee DV

¹ The individual or family must also meet all other eligibility requirements.

Eligible Activities

Housing Relocation and Stabilization Services and Short- and Medium-Term Rental Assistance are the two activities eligible under Homelessness Prevention and Rapid Re-Housing Assistance. Agencies should note that HUD has specifically defined each of these activities, and these definitions differ significantly from those used in the Homelessness Prevention and Rapid Re-Housing Program.

HUD allows recipients to set their own policies regarding the type and amount of services and assistance that may be provided with ESG funds, provided all local limitations do not exceed the maximum amounts set by HUD. ACED and the City consult with the Continuum of Care and local providers in order to establish the types and amounts of services eligible under the ESG Program.

Housing Relocation and Stabilization Services

Housing Relocation and Stabilizations services include both Financial Assistance and Services, as defined in greater detail below. The case file for each Program Participant must clearly document the specific types, amount, and/or duration of Financial Assistance and Services provided to the Program Participant.

Financial Assistance

Lead Agencies may provide the following types of Financial Assistance to Program Participants, based upon the Program Participants’ specific needs.

Type of Financial Assistance	Limitations on Nature, Amount, or Frequency of Assistance
Rental Application Fees	<ul style="list-style-type: none"> • Application fees that are charged by the property owner, if the property owner charges these fees to all applicants regardless of whether they are receiving ESG assistance. • An individual or family may only receive rental application fees once in a three-year period.
Security Deposit	<ul style="list-style-type: none"> • The amount cannot exceed two months of rent. • An individual or family may only receive a security deposit once in a three-year period.
Last Month's Rent	<ul style="list-style-type: none"> • Paid to the owner of housing at the time security deposit and first month's rent are paid if necessary to obtain housing. • Does not need to be counted towards the limit established under Local Policy. • Is counted towards HUD's limit of 24 months of rental assistance in any three-year period. • An individual or family may only receive last month's rent once in a three-year period.
Moving Costs	<ul style="list-style-type: none"> • Reasonable moving costs, such as truck rental, hiring a moving company, or temporary storage for a maximum of 3 months after a participant begins to receive services but before they move into permanent housing. • An individual or family may only receive moving costs once in a three-year period.
Utility Deposits	<ul style="list-style-type: none"> • Standard utility deposit required by the utility company for all customers. • Eligible utility services are gas, electric, water, and sewage. • An individual or family may only receive utility deposit assistance once in a three-year period.
Utility Payments	<ul style="list-style-type: none"> • Up to six months of arrearage per service in a three-year period. The funders will continue to explore solutions to this issue. • Effective August 1, 2013, up to six months of forward utility assistance. (Forward utility payments were <u>not</u> an

	<p>eligible activity prior to that date).</p> <ul style="list-style-type: none"> • For Program Participants on a budget plan, the amount paid should be based on actual usage, not budget amount. • A partial payment of a utility bill counts as one month. • May only be provided if the Program Participant or a member of the same household has an account in his or her name with a utility company or proof of responsibility to make utility payments. • Eligible utility services are gas, electric, water, and sewage. Utilities must be in the client’s name or explicitly outlined in lease that the landlord is responsible for utilities. • Assistance cannot be provided if the Program Participant is receiving utility assistance from another public source (e.g. LIHEAP, CAP, etc.) for the same time period.
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Lead Agencies must also note the following restrictions on Financial Assistance:

- Limits on Use with Other Subsidies: Financial assistance cannot be provided to a Program Participant who is receiving the same type of assistance through other public sources or to a Program Participant who has been provided with replacement housing payments under the Uniform Relocation Act, during the period of time covered by the URA payments.
- Payments to Third Parties Required: All Financial Assistance payments must be made directly to the landlord and as such cannot be paid to the Program Participant directly.
- Conflicts of Interest Prohibited: Payments may not be made for occupancy within a property owned by the agency or a parent subsidiary or affiliated organization of the agency for financial gain.
- Hotel/Motel Costs Ineligible: Hotel/motel stays are not eligible under the Homelessness Prevention and Rapid Re-Housing components of the ESG Program. Lead Agencies cannot use their Homelessness Prevention and Rapid Re-Housing funds to provide hotel/motel stays. If a Program Participant requires a hotel/motel stay and is unable to identify another source of funding to pay this cost, the Lead Agency should contact ACED or the City to determine whether ESG Emergency Shelter funds are available to

assist the Program Participant. If funds are approved for this use, the lead agency will be required to consent to a budget and contract modification.

Services

Lead Agencies will provide the following types of Services, based upon the Program Participants' specific needs.

Type of Service	Limitations on Nature, Amount, or Frequency of Assistance
<p>Housing Search and Placement Services</p> <p>Services to assist Program Participants in locating, obtaining, and retaining suitable permanent housing</p>	<ul style="list-style-type: none"> • Assessment of housing barriers, needs, and preferences; • Development of an action plan for locating housing; • Housing search up to 30 days; • 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; • Tenant counseling. <p>Must be provided to all Program Participants. Cannot exceed 24 months during any 3-year period.</p>
<p>Housing Stability Case Management</p>	<ul style="list-style-type: none"> • Using the centralized or coordinated assessment system;

<p>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</p>	<ul style="list-style-type: none"> • Conducting the initial evaluation of Program Applicants, including verifying and documenting eligibility; • Counseling; • Developing, securing, and coordinating services and obtaining Federal, State, and local benefits; • Monitoring and evaluating Program Participant progress; • Providing information and referrals to other providers; • Developing an individualized housing and service plan, including planning a path to permanent housing stability; and • Conducting re-evaluations required under 24 CFR Part 576.401(b). <p>Must be provided to all Program Participants. Cannot exceed 30 days during the period the Program Participant is seeking permanent housing and cannot exceed 24 months during the period the Program Participant is living in permanent housing (not including the previous 30 days). Lead Agencies may continue to provide Housing Stability Case Management for up to three months after a Program Participant has received the maximum amount of rental assistance allowed.</p>
<p>Mediation</p>	<p>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.</p> <p>Provided as necessary to Program Participants. Cannot exceed 24 months during any 3-year period.</p>
<p>Legal Services</p>	<p>Reimbursement to landlord of court costs/filing fees the landlord incurred through eviction proceedings against an ESG Program Participant. Must be necessary to resolve a legal problem that prohibits the participant from obtaining permanent housing or will likely result in the program participant losing the permanent housing in which he/she currently resides.</p>

	<p>May be Provided to all Program Participants as necessary.</p> <p>Legal Services 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.</p> <p>Made available to Program Participants as necessary, either through a pre-approved subcontract with a legal services provider or another arrangement. If funded with ESG, services cannot exceed 24 months during any 3-year period.</p>
<p>Credit Repair</p>	<p>Credit counseling and other services necessary to assist the Program Participant with critical skills related to household budgeting, managing money, accessing a free personal credit report, and resolving personal credit problems. This assistance does not include the payment or modification of a debt.</p> <p>Must be provided to all Program Participants, either directly by the Lead Agency, through a pre-approved subcontract with a credit repair services provider, or another arrangement. If funded with ESG, services cannot exceed 24 months during any 3-year period.</p>

Short and Medium Term Rental Assistance

Lead Agencies may provide the following types of Rental Assistance to Program Participants, based upon the Program Participants’ specific needs. The case file must clearly document types and amount of Rental Assistance provided to a Program Participant.

- **Rental Arrears:** Lead Agencies may make a one-time payment of rental arrears at the Program Participant’s current or previous unit. ESG funds may pay for up to six months of arrears, including the late fees on these arrears if the late fees are documented in the lease. ESG funds may pay for rental

arrears ONLY if failing to pay the arrears would result in the potential participant moving into an emergency shelter or place not meant for human habitation. HUD requires that this be a one-time payment, and this requirement cannot be waived if the Lead Agency pays an incorrect amount of arrears.

- Short-Term Rental Assistance: Rental assistance for up to three months of rent.

Medium-Term Rental Assistance: Rental assistance for more than three months but not more than 12 months of rent.

- Effective October 30, 2013, Allegheny County Economic Development (ACED) and the City of Pittsburgh removed the local policy requirements for serving HP clients. Prior to October 30, 2013, local policy limited the amount of assistance the program participant was allowed to receive.
- Effective November 20, 2013, Allegheny County and the City of Pittsburgh changed the payment structure for rental assistance. ESG clients may be eligible for up to 24 months of assistance in a three (3) year period per the HUD regulations.

For HP and RRH status, each household will be required to be reviewed every three months to determine if the household needs and qualifies for an additional three months of assistance after the first three months of assistance has been granted. For HP, a full re-certification is required every three (3) months. For RRH, the review date will reflect the date of move in/ rental assistance begins. The permanent housing date will be reflected in HMIS. The local funding entities and providers do not anticipate most enrollees will need greater than twelve months of assistance. **This change will go into effect for all new clients beginning December 5, 2014.* Program forms will be adjusted to reflect program changes.

Rental assistance will be provided at the following levels:

Local Policy has established the following structure for the payment of rental assistance in order to prepare Program Participants for self-sufficiency once ESG assistance ends.

RRH rental assistance could be available from three to twenty-four months based on the client's assessment of need per the established assessment tools. Once twelve months of assistance has been provided, the lead agency will re-assess the

client and provide that assessment to the funder for approval of ongoing assistance, if necessary.

HP forward rental assistance could be available from three to twelve months of assistance; arrearages will be factored into the total number of months available. If the lead agency feels the client needs additional rental assistance, the lead agency should send a request to the funder for approval of additional ongoing assistance.

Type of Rental Assistance	ESG Program's Share of Rent	Program Participant's Share of Rent
Up to Six Months of Rental Arrears	100%	0%
Rental Assistance Months One through Nine	100%	0%
Rental Assistance Months Ten through Twelve	75%	25%
If Rental Assistance is Approved beyond Month Twelve	75%	25%

Lead Agencies must observe the following restrictions in issuing Rental Assistance:

- **Written Lease Required:** In order to receive assistance with Rental Arrears, the Program Participant must have a written, signed lease that covers the period of time for which the arrears are owed. In cases where a Program Participant had a verbal lease only, the Lead Agency should contact ACED or the City, as applicable, to discuss whether an exception can be made and the documentation required, which will include documentation that the Program Participant had an enforceable leasehold interest under state law and the agreement and rent owed are sufficiently documented by the owner's

financial records, rent ledgers, or canceled checks. Each Program Participant receiving Short-Term or Medium-Term rental assistance must have a legally binding, written lease for the rental unit, unless the assistance is solely for rental arrears. The lease must be between the owner and the Program Participant and signed by both parties.

- Total Assistance Allowed: The total maximum amount of assistance a Program Participant may receive in any three-year period is 6 months of Rental Arrears and 24 months of Rental Assistance if approved through process outlined previously in manual (minus months of arrears if applicable). A Program Participant who does not receive Rental Arrears is only eligible for a maximum amount of 24 months of Rental Assistance in a three-year period.
- Limits on Use with Other Subsidies: Except for a one-time payment of rental arrears on the tenant's portion of the rental payment, rental assistance cannot be provided to a Program Participant who is receiving tenant-based rental assistance, or living in a housing unit receiving project-based rental assistance or operating assistance, through other public sources. Rental assistance may not be provided to a Program Participant who has been provided with replacement housing payments under the Uniform Relocation Act (URA). URA during the period of time covered by the URA payments.
- Payment to Third Parties Required: All Rental Assistance payments must be made directly to the landlord and as such cannot be paid to the Program Participant directly. Lead Agencies may only pay one month's rent at a time and it must be paid in a timely fashion in accordance with the lease and Rental Assistance Agreement.
- Conflicts of Interest Prohibited: Rental Assistance Payments may not be made for occupancy within a property owned by the agency or a parent subsidiary or affiliated organization of the agency.

References

The above policies are based upon the following sections of the ESG Interim Regulations in 24 CFR Part 576:

- § 576.103 Homelessness prevention component.
- § 576.104 Rapid re-housing assistance component.
- § 576.105 Housing relocation and stabilization services.
- § 576.106 Short-term and medium-term rental assistance.

Other HUD documents that address the topics outlined above include:

- “Criteria and Recordkeeping Requirements for Definition of Homeless”
https://www.onecpd.info/resources/documents/HomelessDefinition_RecordkeepingRequirementsandCriteria.pdf
- “Criteria for Definition of At Risk of Homelessness”
https://www.onecpd.info/resources/documents/HomelessDefEligibility%20SHP_SPC_ESG.pdf
- “The Homeless Definition and Eligibility for SHP, SPC, and ESG”
https://www.onecpd.info/resources/documents/HomelessDefEligibility%20SHP_SPC_ESG.pdf
- “Homelessness Prevention and Rapid Re-Housing Assistance: A Comparison of HPRP and ESG Requirements”
<https://www.onecpd.info/resource/2050/comparison-hprp-esg-requirements/>

Relevant FAQs include:

- Question ID: 4514, Response received 4/5/13

§ 576.106 (a)(3) states that "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." By specifying a "one-time payment," do the regulations prohibit paying arrears for a Program Participant more than once in a 3-year period? Or could a household who previously received 4 months of arrears assistance and then exited ESG re-apply at a later date within a 3-year period and receive 2 more months of arrears assistance (assuming all eligibility criteria were met)?

Response: Payment of rental arrears consists of a ****one-time payment**** for up to 6 months of rent in arrears during any 3-year period. (See § 576.106(a) and (a)(3)). This means that an individual's arrears may be paid for once in any three-year period. So a household that previously received 4 months of arrears assistance may not later receive an additional 2 months of arrears assistance if it's within the 3-year period.

Please note that the costs of homelessness prevention, including rental arrears assistance, are only eligible to the extent that the assistance is necessary to help the program participant regain stability in his/her current permanent housing or move into other permanent housing and achieve stability in that housing. (See § 576.103). This means that ESG funds should be used to pay for rental arrears ONLY if failing to pay the arrears would result in the potential participant moving into an emergency shelter or place not meant for human habitation.

Additionally, ESG is not intended to be simply an eviction prevention program; it is intended to be a part of a system-wide approach. In order to evaluate and coordinate services to the greatest extent possible, the ESG regulation requires the following:

-Every ESG program participant must be connected to mainstream and other resources, as stated in § 576.401(d);

-Each program participant must receive housing stability case management, including meeting with a case manager and developing a plan to assist the program participant to retain permanent housing after the ESG assistance ends, as stated in § 576.401(e);

- ESG recipients must have written policies and procedures for coordination among different providers of services in the community - activities must be coordinated and integrated to the maximum extent practicable, as stated in § 576.400(e)(3)(v)).

For additional guidance, please read the ESG Interim Rule, which can be found here:<https://www.onecpd.info/resource/1927/hearth-esg-program-and-consolidated-plan-conforming-amendments/>

- Question ID: 3907, Response received 4/12/13

We are requesting clarification on the eligibility of court costs/filing fees. Specifically, can our sub-recipients reimburse landlords for the court costs/filing fees they incurred through eviction proceedings against an ESG program participant? For example, for a landlord to start a court process they need to pay a \$108 (usually) fee. The judgment against the tenant then includes the back rent and the landlord's filing fee. Unless this fee is paid, the judgment against the

program participant would remain open, and the landlord could technically still evict the program participant even if ESG funds had paid his or her rental arrears.

If ESG Homelessness Prevention/Rapid Re-Housing funds can be used to pay for the landlord's court costs, what cost category do we put it under (rental arrears, legal, etc.)?

Response: Yes, sub-recipients may reimburse landlords for the court costs/filing fees they incurred through eviction proceedings against an ESG program participant so long as the costs are necessary to resolve a legal problem that prohibits the participant from obtaining permanent housing or will likely result in the program participant losing the permanent housing in which he/she currently resides. § 576.105(b)(4)) and. § 576.102(a)(1)(vi)(E)

How the costs should be classified depends upon which component the program participant is eligible for. Options include:

- * Homelessness Prevention - housing relocation and stabilization services – services costs –legal services

- * Rapid Re-Housing - housing relocation and stabilization services – services costs –legal services

Determining and Documenting Eligibility

Lead Agencies must carefully evaluate each Program Applicant's eligibility for the ESG Program to ensure that the Program Applicant meets HUD requirements and Local Policy. The Lead Agencies must document the evidence that they obtained to determine and verify each eligibility component.

Unless otherwise specified in the regulations, the order of priority for obtaining evidence is as follows:

1. Third-party documentation;
2. Intake worker observations;
3. Certification from the person seeking assistance (if permissible).

The Lead Agency must document attempts to obtain third-party documentation before relying upon intake worker observation, and similarly must document attempts to obtain intake worker observation before relying upon self-certifications from Program Applicants.

Initial Evaluation

The Lead Agency must conduct an initial evaluation to determine the eligibility of each Program Applicant's eligibility for ESG assistance. The case file must clearly document the date and content of this initial evaluation. The evaluation of eligibility must include a review and documentation of the following areas:

- Household composition;
- Housing status;
- Income (if the Program Applicant would be receiving Homelessness Prevention);
- Resources and support networks; and
- Potential to achieve stability.

Per HUD, this initial evaluation must also include a determination of the amount and types of assistance the Program Applicant needs to regain stability in permanent housing. The case file must document this determination, with the

understanding that a Program Participant's needs may change as they progress through the ESG Program.

Household Composition

Prior to or as part of the initial evaluation, the Lead Agency must determine all individuals who will be a part of the household applying for ESG assistance. Lead Agencies must know the household composition in order to be able to assess household income and determine whether a lead-based paint assessment is necessary.

To verify household composition, the Lead Agency must obtain identification of all individuals who are part of the household applying for ESG assistance. For each household member over the age of 18, the Lead Agency should collect copies of two forms of identification:

- a driver's license or State-issued identification card; and
- a birth certificate or Social Security card.

If a client does not have a driver's license/state ID, the agency should collect a copy of his/her birth certificate and Social Security card. Agencies should collect a copy of a birth certificate and Social Security card for all minor household members. If copies of the required identification cannot be obtained, the Lead Agency should contact ACED or City to discuss whether an exception to this Local Policy is appropriate.

Once all members of a household are identified, the Lead Agency should review HMIS records to determine whether any members of the household have received ESG assistance in the past 3-year period, and if so, whether they have already received the maximum amounts of Services and Assistance allowed. Local ESG Funders will be available to check whether a particular client has received ESG assistance in the past. Additionally, agencies are able to reach out to the Bureau of Homeless Services and Allegheny Link to find out if someone has received ESG assistance in the past.

Housing Status

The housing status of the household applying for ESG assistance is a critical piece of determining whether the household is eligible for ESG assistance, and if so,

whether that assistance is categorized as Homelessness Prevention or Rapid Re-Housing Assistance.

Homelessness Prevention may be provided to the following categories of the Homeless and At-Risk of Homelessness definitions:

- Homeless Category 2 – Imminent Risk of Homeless
- Homeless Category 3 – Homeless under Other Federal Statutes. As previously noted, this category is not approved for the local Allegheny County Continuum and can't be used locally.
- Homeless Category 4 – Fleeing/Attempting to Flee DV
- At Risk of Homelessness Category 1 – Individuals and Families at Risk of Homelessness
- At Risk of Homelessness Category 2 – Unaccompanied Children and Youth
- At Risk of Homelessness Category 3 – Families With Children and Youth

Rapid Re-Housing Assistance may be provided to the following categories of the Homeless definition:

- Homeless Category 1 – Literally Homeless
- Homeless Category 4 – Fleeing/Attempting To Flee DV (and also meeting criteria of Category 1 - Literally Homeless)

Appendices B and C provide the specific definitions for each housing status that qualifies for Homelessness Prevention and Rapid Re-Housing, respectively.

The Lead Agency must evaluate the Program Applicant's housing status at the time of application for assistance and determine whether this housing status qualifies the Program Applicant for either Homelessness Prevention or Rapid Re-Housing Assistance. The Lead Agency should identify the specific housing status category that the Program Applicant falls under and indicate this in the case file.

In addition, the Lead Agency must document the evidence it relied upon to determine and verify the Program Applicant's housing status. Appendix D provides checklists used throughout the Continuum of Care for documenting each category of the Homeless and At-Risk of Homelessness definitions. Lead Agencies must complete the applicable checklist for each Program Applicant and collect all required documentation. Failure to do so may render ineligible any financial assistance or rental assistance payments made for the Program Participant.

In almost all instances, Program Participants will retain their housing status designation from their initial assessment throughout their Program stay. A change in a Program Participant's housing situation due to receiving ESG assistance does not change their initial housing status designation. For example, if a Program Participant enters the Program as Homelessness Prevention - At Risk of Homelessness Category 1 – Individuals and Families at Risk of Homelessness, but decides to move into a new unit, they do not become Rapid Re-Housing. It is extremely important to assign Program Participants the correct housing status and categorize them properly as Homelessness Prevention or Rapid Re-Housing because HUD requires us to report program statistics and account for program funds according to these categories. The case file, HMIS, and invoicing records must all reflect the correct housing status.

Note on Individuals and Families Fleeing/Attempting to Flee Domestic Violence

Individuals and families fleeing/attempting to flee domestic violence may be eligible under Homelessness Prevention or Rapid Re-Housing. If the individual or family is fleeing/attempting to flee domestic violence and is also living in a place that falls under the literally homeless definition (e.g. place not meant for human habitation or an emergency shelter), then that individual or family may be eligible for Rapid Re-Housing Assistance, assuming all other eligibility criteria are met. All other individuals or families fleeing/attempting to flee domestic violence may be eligible for Homelessness Prevention, assuming all other eligibility criteria are met.

If a Lead Agency is going to provide an individual or family with Rapid Re-Housing Assistance because they are fleeing/attempting to flee domestic violence and they are living in a place that qualifies the family as literally homeless, the Lead Agency should clearly designate the household as qualifying based upon their domestic violence status and collect all documentation required. Although it may seem simpler from a documentation standpoint to qualify the individual or family as Category 1 – Literally Homeless, it is important to designate the household as experiencing domestic violence so that appropriate safety and confidentiality standards are met.

Income

Income requirements for initial eligibility apply only to Program Applicants that will receive Homelessness Prevention. Program Applicants that will receive Rapid Re-Housing Assistance are not subject to an initial income determination.

To be eligible for Homelessness Prevention, a household's annual income must be **below** 30 percent of the Area Median Income for Allegheny County, as determined and published by HUD. The most recent Area Median Income Limits are included in Appendix E.

HUD has specified that the ESG Program should adhere to the standard for calculating annual income that is published under 24 CFR 5.609 (see Appendix F for this section, which includes a list of the types of income to be included and excluded). This is also the standard used for the Section 8 Program, and so Lead Agencies may wish to refer to Chapter 5 of the Housing Choice Voucher Guidebook for additional details about calculating household income (please note that not all sections of this resource may be applicable to ESG).

http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/guidebooks/7420.10G

When calculating income based on hourly, weekly or monthly payment information, the intake staff or case manager should calculate the average of the gross amount earned in each payment period that is documented and then convert the average wage into annual income. Care must be taken to correctly annualize the wage based upon the pay period or schedule of periodic payments. For example:

- Hourly wage must be multiplied by the hours worked per week multiplied by 52 weeks
- Weekly wage must be multiplied by 52 weeks
- Bi-weekly (every other week) wage must be multiplied by 26 bi-weekly periods
- Semi-monthly wage (twice a month) must be multiplied by 24 semi-monthly periods
- Monthly wage must be multiplied by 12 months.
- Lead agencies should collect a minimum of two or more pay statements to ensure accurate calculations.

According to the ESG interim regulations, the following documentation of annual income must be maintained:

- Income evaluation form containing the minimum requirements specified by HUD and completed by the Lead Agency [*HUD has not released a specific income evaluation form. Lead Agencies are required to use the Income Calculation Worksheet included in Appendix G*];
- Source documents for the assets held by the Program Participant and income received over the most recent period for which representative data is available before the date of the evaluation (e.g., wage statement, unemployment compensation statement, public benefits statement, bank statement);
 - To the extent that source documents are unobtainable, a written statement by the relevant third party (e.g., employer, government benefits administrator) or the written certification by the Lead Agency’s intake staff of the oral verification by the relevant third party of the income the Program Participant received over the most recent period for which representative data is available; or
 - To the extent that source documents and third party verification are unobtainable, the written certification by the Program Participant of the amount of income the Program Participant received for the most recent period representative of the income that the Program Participant is reasonably expected to receive over the 3-month period following the evaluation.
 - If an adult household member does not have any income, he or she must complete the Non-Income Affidavit included in Attachment H.

Housing Options, Financial Resources, and Support Networks

Lead Agencies must assess all Program Applicants to determine whether they lack the housing options, financial resources, and support networks (e.g., family, friends, faith-based or other social networks) necessary to obtain or retain their housing. Please note that HUD only requires this assessment for Program Applicants in some housing status categories, but Local Policy requires it for all Program Applicants. This assessment should be documented on the Housing Options, Financial Resources, and Support Networks Form in Appendix I and in case notes as necessary. The Lead Agency staff person conducting the assessment must document the content of this conversation, including the different options and sources discussed. It is not sufficient to simply write “n/a” or “none” on the form.

Potential to Achieve Stability

The transition from the Emergency Shelter Grants Program to the Emergency Solutions Grant Program reflects a change in focus from meeting the needs of homeless individuals and families residing in emergency shelters and transitional housing to assisting people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. In recognition of this and in order to maximize the effectiveness of our limited ESG funds, Lead Agencies must assess all the Program Applicants to determine whether they have the potential to achieve stability through temporary Homelessness Prevention or Rapid Re-Housing Assistance. By referring those with higher needs to more appropriate programs, we will aim to better meet the needs of clients and more effectively use our community's resources.

Lead Agencies will use the VI-SPDAT form when determining the Program Applicants appropriateness for the ESG Program but this tool will not be the sole form used when determining the appropriateness for the Program Participant for the ESG Program.

Designation of Funding Source

After determining the Program Applicants eligibility for the ESG Program, the Lead Agency must assign them to a funding source (e.g. County, State, or City). HUD requires that each recipient (i.e. the County or the City) must use its funds to benefit its own residents. As a result, to the greatest extent possible, Program Participants should only be assigned to City funding if they are currently staying in the City of Pittsburgh. Program Participants can be assigned to County or State funding as long as they are staying or planning to move into Allegheny County, including the City of Pittsburgh.

A Program Participant's funding assignment must remain the same throughout the Program (except in instances where the Lead Agency has no remaining funds under that funding). The case file must clearly indicate the Program Participant's funding source and the Program Participant must be enrolled in HMIS under that funding source. All Services, Financial Assistance, and Rental Assistance for the Program Participant must be billed to correct funding source.

Conflicts of Interest

Program Participants must disclose whether they have relationships that may present a Conflict of Interest by filling out a Conflict of Interest-Applicant to Agency and Conflict of Interest-Applicant to Landlord/Property Manager form (see Appendices J and K). If any such relationships are identified, the Lead Agency must contact ACED or the City for further instruction.

Monthly Meetings with Program Participants

Per HUD and Local Policy, while providing Homelessness Prevention or Rapid Re-Housing Assistance to a Program Participant, the lead agencies must require clients to meet with case managers at least once per month to assist the Program Participant in ensuring long-term housing stability. This meeting should be in person, unless extenuating circumstances are documented. To demonstrate adherence to this requirement, case managers must document the monthly meetings in the case notes with the date of each monthly meeting, whether it was in-person or via the telephone, and the content of the discussion. The Lead Agency is exempt from this requirement if the Violence Against Women Act of 1994 (42 U.S.C 3701 et seq.) or the Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.) prohibits the lead agency from making its shelter or housing conditional on the Program Participant's acceptance of services.

Housing Stability Plan

Per HUD and Local Policy, the Lead Agency must develop a written plan to assist the Program Participant to retain permanent housing after the ESG assistance ends, taking into account all relevant considerations, such as the Program Participant's current or expected income and expenses; other public or private assistance for which the Program Participant will be eligible and likely to receive; and the

relative affordability of available housing in the area. This plan should be clearly identified and included in the case file.

Re-Evaluation of Eligibility

The Lead Agency must periodically re-evaluate each Program Participant's eligibility and the types and amount of assistance the Program Participant needs should be documented in the client's file. Prior to August 1, 2013, Local Policy required that all Program Participants be re-evaluated every 3 months.

**Effective December 5, 2014, RRH clients must be re-evaluated every 3 months and the review date will reflect the date of move in/rental assistance begins.*

Note, re-evaluation is not re-certification: Re-evaluation is intended to assess the program participant's need for continuing services

The formal recertification is as follows:

1. For HP, a full recertification must take place every three months
2. For RRH, an annual recertification is required.

At a minimum, each re-evaluation of eligibility must establish that:

- The Program Participant's income must be at or below 30% of the Area Median Income (AMI); and
- The Program Participant must have no appropriate subsequent housing options.
- The Program Participant lacks sufficient resources and support networks necessary to retain housing without ESG assistance.

The income determination should be documented on an Income Eligibility Worksheet (Appendix G) and must follow the same standards as required for the initial eligibility determination. The assessment of resources and support networks and an assessment of the types and amount of assistance that the Program Participant needs should be documented on the Re-Evaluation of Eligibility Form (Appendix L).

The file should clearly identify the date that the Program Participant was re-certified and determined to still be eligible for the ESG Program. The fourth

month, seventh, or tenth month of rental assistance (as applicable) cannot be issued prior to the client being re-evaluated and determined to be eligible. Failure to adhere to this requirement may render financial and rental assistance payments ineligible. Per Local Policy, re-evaluations and/or re-certifications should take place at least two weeks before the following month's rent is due.

Program Participants are only required to notify the Lead Agency of changes in household income, composition, or other circumstances that affect the need for ESG assistance at the time of re-certification of eligibility. Program Participants are not required to provide immediate or "real time" notification of changes in household income, composition, etc. because notification of household changes is not required outside of the three-month re-certification process, receiving information about a change in a Program Participant's situation through the course of providing case management or other services does not trigger a requirement for an immediate re-evaluation of eligibility.

References

The above policies are based upon the following sections of the ESG Interim Regulations in 24 CFR Part 576:

- § 576.2 Definitions. (See especially the definitions for "Homeless" and "At Risk of Homelessness")
- § 576.401 Evaluation of program participant eligibility and needs.
 - (a) Evaluations.

- (b) Re-evaluations for homelessness prevention and rapid re-housing assistance.
 - (c) Annual income.
- § 576.500 Recordkeeping and reporting requirements.
 - (b) Homeless status.
 - (c) At risk of homelessness status.
 - (e) Annual income.

Other HUD documents that address the topics outlined above include:

- “Criteria and Recordkeeping Requirements for Definition of Homeless”
https://www.onecpd.info/resources/documents/HomelessDefinition_RecordkeepingRequirementsandCriteria.pdf
- “Criteria for Definition of At Risk of Homelessness”
https://www.onecpd.info/resources/documents/HomelessDefEligibility%20SHP_SPC_ESG.pdf
- “The Homeless Definition and Eligibility for SHP, SPC, and ESG”
https://www.onecpd.info/resources/documents/HomelessDefEligibility%20SHP_SPC_ESG.pdf
- “Homelessness Prevention and Rapid Re-Housing Assistance: A Comparison of HPRP and ESG Requirements”
<https://www.onecpd.info/resource/2050/comparison-hprp-esg-requirements/>

Relevant FAQ’s include:

- FAQ ID 2234, Released 12/17/12

To what ESG program components does the 30% area median income (AMI) limit apply?

For **Rapid Re-Housing**, an income assessment is not required at initial evaluation. However, re-evaluation of eligibility is required at least annually; income must be at or below 30% of AMI at annual re-evaluation.

For **Homelessness Prevention** assistance, households must have an income BELOW 30% AMI at initial evaluation, and have no other housing options, financial resources, or support networks. At re-evaluation - not less than once every three months - the participant must have an annual income LESS THAN OR EQUAL TO 30% AMI.

- FAQ ID #2236, Released 12/17/12

If an ESG case manager learns that a program participant's annual income has increased and now exceeds 30% of AMI, must the recipient/sub-recipient immediately stop providing assistance to the program participant?

Whether a recipient/sub-recipient must stop a program participant's ESG assistance upon learning of an increase in income (or other change in household circumstances that may affect eligibility) depends upon whether the information is obtained through a re-evaluation, or through other means (e.g., case management).

If income over AMI is discovered *during* re-evaluation for homelessness prevention and rapid re-housing assistance: Each re-evaluation of eligibility must establish that the program participant has an annual income that does not exceed 30 percent of median family income for the area, as determined by HUD. (24 CFR § 576.401(b)(1)(i)). Rapid Re-Housing program participants must be re-evaluated not less than once annually and Homelessness Prevention program participants must be re-evaluated not less than once every three months. If the re-evaluation shows that the program participant is no longer eligible for ESG, assistance must be stopped at that time.

If income over AMI is discovered *outside* of the re-evaluation process for homelessness prevention and rapid re-housing assistance: HUD does not require recipients/sub-recipients to conduct a re-evaluation outside of the regular re-evaluation process if information becomes available to indicate that a household has (or may have) increased income or a change in household circumstances that affect eligibility for the program. However, the recipient/sub-recipient has discretion to institute its own standards and MAY require each program participant receiving Rapid Re-Housing or Homelessness Prevention assistance to provide information about changes in income or other circumstances (e.g., household composition) that affect the program participant's need for assistance. When a program participant notifies a recipient/sub-recipient of a relevant change because the notification is REQUIRED, the recipient/sub-recipient MUST re-evaluate the program participant's eligibility and the amount and types of assistance the program participant needs (see 24 CFR § 576.401(b)(2)). If the re-

evaluation shows that the program participant is no longer eligible for ESG, assistance must be stopped at that time.

If the recipient/sub-recipient has NOT required such a notification, simply receiving information about a change in a program participant's situation outside of the re-evaluation process (e.g., through case management or credit repair activities) has no immediate effect on the program participant's eligibility for ESG, and ESG assistance can continue until the next re-evaluation. At that time, the re-evaluation will determine whether the program participant continues to be eligible for ESG assistance.

- FAQ ID 2237, Release 12/17/12
Can ESG funds be used in areas outside the recipient's boundaries?

Yes, as long as the recipient's residents benefit from that use, as described below.

Because ESG allocations are based on recipients' relative needs, each recipient must use its funds to benefit its own residents. Accordingly, any use of funds outside the jurisdiction must benefit the recipient's residents. Here are some examples:

1. The recipient is an urban county and determines that it can serve its residents by funding a shelter or service provider located in the middle of the county but outside the urban county's boundaries.
2. The recipient uses funds outside its boundaries for a jointly funded activity (such as a centralized assessment system) that serves the whole Continuum of Care area and benefits the recipient's residents in reasonable proportion to the recipient's share of the activity's funding.
3. A resident of the recipient's jurisdiction is eligible for rapid re-housing assistance but wants to live in an area outside the recipient's boundaries and the recipient does not require that all program participants live within a particular area for the period in which the rental assistance is provided (pursuant to 24 CFR § 576.106).

In circumstances like these, where the funds actually benefit the recipient's residents, the recipient may use ESG funds outside its boundaries. However, the recipient should also keep in mind:

1. The recipient's action plan must describe any intention to fund an activity outside the recipient's boundaries (including the percentage of funds designated for that activity) and explain how that activity addresses the recipient's priority needs and objectives, as required under 24 CFR § 91.220(d) and (f) for local governments and 24 CFR § 91.320(d) and (f) for states.
2. If a recipient funds an activity outside the recipient's boundaries, the recipient must ensure through its sub-recipient agreement that the funds will be used to benefit the recipient's residents.

Ineligibility, Termination of Assistance, and Program Exit

To ensure fairness, Lead Agencies must notify Program Applicants and Program Participants of decisions that affect their participation in the ESG Program. Lead Agencies must provide Program Applicants and Program Participants the opportunity to request reviews of eligibility determinations and to appeal terminations for violation of program requirements.

Ineligibility at Initial Assessment or Re-Evaluation

Program Applicants who are determined ineligible at the initial assessment and Program Participants who are determined ineligible at their re-evaluation must be given the opportunity to request a technical review of the determination. Lead Agencies must provide each Program Applicant or Participant a written notification that explains the reason they have been determined ineligible and informs them that they may request a technical review of the determination. The letter must provide the contact information for requesting this review and specify that requests must be made within 5 business days.

Technical reviews of ineligibility must be performed by someone other than the person who made or approved the eligibility determination of his or her subordinate. Lead Agencies must have a written policy that specifies who will hear requests for technical reviews under this chapter and submit it to ACED or the City, as applicable.

When a Program Applicant or Participant requests a technical review, a Lead Agency supervisor should review the eligibility determination and notify the Program Applicant or Participant of the results of the review within 5 business

days of receiving the request for review. The decision of the Lead Agency supervisor is final. A copy of the notification letter must be maintained in the case file.

Please note that Lead Agencies must keep a record of all clients that are screened and classified as ineligible for the ESG Program. The record must include documentation of the reason for that determination. Lead Agencies should not enter Program Applicants determined ineligible into HMIS.

Termination

Lead Agencies should provide all Program Participants with a Program Participation Agreement that explains the ESG Program rules and the terms of ESG Program participation. If a Program Participant (i.e. an individual or household who is determined eligible and enrolled in the ESG Program) violates ESG Program requirements, the Lead Agency may terminate the assistance in accordance with the formal processes established below. The Lead Agency must exercise judgment and examine all extenuating circumstances in determining when violations warrant termination so that a Program Participant's assistance is terminated only in the most severe cases. Termination under this section does not bar the terminating Lead Agency or another Lead Agency from providing further assistance at a later date to the same family or individual.

The particular process that should be followed when terminating assistance depends upon whether the Program Participant received Financial and/or Rental Assistance, or only Services.

Program Participant Has Not Received Financial or Rental Assistance

If a Program Participant who has only received Services violates program requirements, the Lead Agency may terminate Homelessness Prevention or Rapid Re-Housing Assistance according to the following procedures:

- Provide a written notification to the Program Participant that contains a clear statement of the reasons for termination, informs the Program Participant that to appeal the decision they must contact a Lead Agency supervisor in writing within 5 business days, and specifies where the appeal request should be sent. A copy of this letter must be kept in the file.

- Provide the Program Participant the opportunity to present written or oral objections before a Lead Agency supervisor. This person cannot be the person, or a subordinate of the person, who made or approved the termination decision.
- Provide written notice of the final decision to the Program Participant within 5 business days. A copy of this letter must be kept in the file.

Program Participant Has Received Financial or Rental Assistance

If a Program Participant who has received Financial or Rental Assistance violates program requirements, the Lead Agency may terminate Homelessness Prevention or Rapid Re-Housing Assistance. In such cases, the following procedures must be followed:

- The Lead Agency must provide the Program Participant with the ESG Notice of Termination (Appendix M)
- and maintain a copy in the case file.
- If the Program Participant files a timely appeal, an appeal board will be convened following the Termination Appeal Hearing Process (Appendix M).
- Both the Program Participant and the Lead Agency will be sent a formal letter of the final decision within five (5) business days of the Termination Appeal Hearing, from either ACED or the City of Pittsburgh, depending on who convened the appeal board. The Lead Agency must keep a copy of this letter in the client's file.

Program Exit

Program Participants who have received the maximum amount of allowable assistance should be notified in writing that they are being exited from the ESG Program. A copy of the letter should be maintained in the file. Participants who have successfully met their goals and can exit the program to housing independence will receive a graduation letter. A copy of that letter must be maintained in the client file.

Program Re-Entry

Program Participants who have been terminated, determined ineligible at re-evaluation, or exited from the ESG Program without receiving the maximum amount of Financial Assistance, Services, or Rental Assistance allowable under Local Policy (as outlined in “Program Components and Eligible Activities”) may re-enter the ESG Program once in a three-year period.

To re-enter the ESG Program, the Program Participant must again meet all eligibility criteria, including housing status. The Program Participant may then receive the maximum amount of Services and Assistance allowed under Local Policy, as outlined under the Chapter “Program Components and Eligible Activities.” For example, Rental Arrears may only be paid once during a three-year period, and so a Program Participant who re-enters the ESG Program would only be eligible for Rental Arrears assistance if he or she did not receive Rental Arrears assistance during the initial program stay.

At re-entry, Lead Agencies should assess Program Participants to determine what participant is entitled to based-upon the number of months of Rental Assistance previously received, the Program Participant would then be eligible to receive the balance of the Rental Assistance.

Except for extenuating circumstances, the Program Participant should be served by the same Lead Agency who initially provided ESG assistance. The Lead Agency must conduct another initial assessment and ensure the Program Participant meets all eligibility requirements outlined in the chapter “Determining and Documenting Initial Client Eligibility,” including re-qualifying as “Homeless” or “At-Risk of Homelessness.”

HUD has specified that the time limits on assistance apply to the total assistance an individual receives, either as an individual or as part of a household. Thus, in order to determine the amount of assistance available to the household as a whole, Lead Agencies must review HMIS records, Program Participant files, and fiscal records to determine the amount of ESG assistance previously received by each individual member of the household. If a new Lead Agency is serving the Program Participant, it is that Lead Agency’s responsibility to obtain documentation of all assistance previously provided to members of the household.

References

The above policies are based upon the following sections of the ESG Interim Regulations in 24 CFR Part 576:

- § 576.402 terminating assistance.
- § 576.500 Recordkeeping and reporting requirements.
 - (d) Determinations of ineligibility.

Other HUD documents that address the topics outlined above include:

- FAQ ID 2232, Created 12/17/2012

Question: Under the ESG program are we required to keep a record of all clients that we screened and classified as ineligible? If so should this information be entered into HMIS?

Answer: Yes, under the ESG program, you are required to keep a record of all clients that are screened and classified as ineligible. The ESG recordkeeping and reporting requirements state that for each individual and family determined ineligible to receive ESG assistance, the record must include documentation of the reason for that determination. (See 24 CFR § 576.500(d)).

With regard to entering data into an HMIS, the ESG regulation does not require that data about individuals or families determined to be ineligible be entered into an HMIS. (See 24 CFR § 576.400(f)). However, recipients/sub recipients MAY use an HMIS to retain this information if they wish to do so. In addition, HUD provides recipients with considerable discretion in designing their local program requirements. So a recipient may require its sub recipients to report on these individuals or families in an HMIS, and this should be tracked under either outreach/engagement or case management. Note that if individuals or families who are determined ineligible are reported in an HMIS, it is important that they NOT be included when reporting to HUD on persons assisted with ESG funds.

Sub recipients should be sure to check with their local recipient to find out about any local policies governing recordkeeping and reporting requirements.

Unit Eligibility

In order for a Program Participant to receive assistance to move into or remain in a unit, that unit must be located in Allegheny County or the City of Pittsburgh and meet the following requirements:

- Current on County Real Estate Taxes;
- Fair Market Rent;
- Rent Reasonableness;
- Housing Quality Standards;
- Lead-Based Paint Standards;
- Lease Standards; and
- Executed Rental Assistance Agreement.

ACED and the City of Pittsburgh have contracted with Three Rivers Communities, Inc. to perform Housing Quality Standards inspections and Fair Market Rent and Rent Reasonableness determinations. Although Three Rivers Communities, Inc. conducts the actual reviews of the units, it is the Lead Agencies' responsibility to request the correct reviews and provide Three Rivers Communities, Inc. all information necessary to conduct the reviews. In addition, Lead Agencies have the sole responsibility for entering into Rental Assistance Agreements with landlords and reviewing Program Participants' leases to ensure basic standards are met.

Current on County Real Estate Taxes

Lead Agencies cannot provide Financial or Rental Assistance for a unit that is not current on its Allegheny County real estate taxes, according to the Department of Real Estate records. Lead Agencies must conduct an initial review of a property's tax status according to the Department of Real Estate website:

<http://www2.county.allegheny.pa.us/RealEstate/Search.aspx>

If a property is tax delinquent, the Lead Agency must notify the property owner/manager that they must satisfy the delinquency and determine whether they intend to do so. After verifying that the delinquency has been satisfied, the Lead Agency should follow the procedures outlined in Appendix N to submit the Fair Market Rent, Rent Reasonableness, and County Taxes Request Form (Appendix O). Three Rivers Communities, Inc. will confirm the tax status of units at the same

time they analyze the unit's rent, complete the top portion of the Fair Market Rent, Rent Reasonableness, and County Taxes Request Form (Appendix O) to document that the unit is current on County taxes, and return the form to the Lead Agency.

Fair Market Rent and Rent Reasonableness

Short-Term and Medium-Term Rental Assistance may only be provided if the rent does not exceed the Fair Market Rent established by HUD, as provided under 24 CFR part 888, and the rent complies with HUD's standard of rent reasonableness, as established under 24 CFR 982.507. Three Rivers Communities, Inc. will perform all Fair Market Rent and Rent Reasonableness determinations at the request of Lead Agencies and in accordance with the procedures outlined in Appendix P.

Lead Agencies should follow Three River's Communities, Inc.'s procedures for requesting Fair Market Rent and Rent Reasonableness determinations (see Appendix N). Lead Agencies are responsible for providing accurate information about the unit on the Fair Market Rent, Rent Reasonableness, and County Taxes Request Form (Appendix O).

Three Rivers Communities, Inc. will complete the top portion of the Fair Market Rent, Rent Reasonableness, and County Taxes Request Form to document that the unit met FMR and will return the form to the Lead Agency along with a completed Rent Reasonableness Checklist and Certification (included in Appendix P).

Fair Market Rent and Rent Reasonableness requirements do not apply to rental arrears payments. If rent for a unit does not meet Fair Market Rent and Rent Reasonableness, but payment of arrears is necessary to prevent the Program Participant from moving into an emergency shelter or place not meant for human habitation, the Lead Agency may pay the arrears. In order to pay Rental Assistance going forward, however, the landlord would have to agree to lower rent in writing through a lease and Rental Assistance Agreement. Otherwise, the Lead Agency would have to help the Program Participant to identify another unit in order to provide Rental Assistance going forward. Instances in which the Lead Agency pays only rental arrears for a unit that does not meet Fair Market Rent and Rent Reasonableness, and does not provide any other assistance should be rare, if ever, because ESG funds should not be used to keep Program Participants in housing that they cannot sustain.

Housing Quality Standards

Any time ESG Rapid Re-housing or Homelessness Prevention funds are used to help a Program Participant remain in or move into housing, the housing must pass a Housing Quality Standards (HQS) inspection, which will be based upon the standard HQS acceptability standards and additional criteria outlined in Appendix Q. As noted in Appendix Q, some of the additional criteria may be applied at the discretion of the inspector. For any of these items, the inspector may opt to recommend, but not require, that repairs be made by listing the item under the heading of “Pass with Comment” on the inspection report.

HUD has specified that housing standards apply regardless of the type of Services, Financial Assistance, or Rental Assistance being provided. For example, even if the Lead Agency is providing only rental arrears assistance, only security deposit, only legal assistance, only credit repair, etc.; the unit must still pass an HQS inspection.

Lead Agencies cannot issue payments to landlords for any type of Financial Assistance (e.g. security deposit, utility deposit, utility arrears, etc.) or Rental Assistance, including arrears, until the unit passes an HQS inspection. Payments issued prior to the inspection passing will be ineligible for reimbursement by ACED or the City. The following table outlines the HQS requirements associated with each type of assistance:

Type of Assistance	Inspection Requirements
Financial Assistance (e.g. security deposit, utility deposit, utility arrears, etc.)	Unit must pass an HQS inspection (and Lead Based Paint Visual Assessment, if applicable) prior to payment being issued.
Rental Arrears (includes all rent incurred prior to the Program Participant being determined eligible for the Program)	Unit must pass an HQS inspection and Lead Based Paint Visual Assessment, if applicable, prior to payment being issued. Once the unit passes the inspection, the agency can issue a one-time payment of arrears. The only possible exception to this rule is if the Program Participant will be moving to a new unit but payment of arrears at their current unit is necessary to enable them to obtain this new housing and prevent them from becoming

	<p>literally homeless. In such cases, the inspection requirement and Lead Based Paint Visual Assessment, if applicable, applies to the new unit the Program Participant will move to, not to the unit the household is leaving. <u>Agencies must exercise extreme caution in paying arrears in such instances because if the Program Participant fails to move out of the unit, then all payments made for the unit that did not pass inspection are ineligible for ESG.</u></p>
<p>Rental Assistance (All rent due after a Program Participant becomes eligible is considered forward rent.)</p>	<p>Program Participant Staying in Existing Unit: Unit must pass an HQS inspection and Lead Based Paint Visual Assessment, if applicable, prior to payment being issued. Once the unit passes the inspection, the agency can pay forward rent. Late fees cannot be paid for any rent that was incurred after the Program Participant was determined eligible.</p> <p>Program Participant Moving into a New Unit: The Program Participant should not sign a lease and move into a new unit until the unit passes an HQS inspection and Lead Based Paint Visual Assessment, if applicable. <u>Any rent incurred during the period of time prior to the unit passing an HQS inspection and Lead Based Paint Visual Assessment, if applicable, will not be eligible for reimbursement using ESG funds.</u></p>

Although HUD has said that habitability requirements apply for Services, as well as Financial or Rental Assistance, HUD has not established a deadline by which a unit must pass inspection or Services can no longer be provided. By definition, some ESG Services (e.g. determining eligibility, negotiating with landlords, and conducting inspections) have to be provided prior to a unit passing inspection. In the absence of clearer direction from HUD, Lead Agencies should make all reasonable efforts to ensure that they are not providing Services for a prolonged period of time to keep Program Participants in housing that has not passed an inspection.

All HQS inspections must be performed by Three Rivers Communities, Inc. Lead Agency staff should submit an inspection request form following the instructions provided in Appendix N. Lead Agencies are responsible for providing accurate

information and requesting the proper inspections on the Inspection Request Form (Appendix R).

If the unit fails inspection, Three Rivers Communities, Inc. will communicate the failure to the landlord and the Lead Agency. Appendix S provides a sample of the letter that will be sent to the landlord. If the landlord informs Three Rivers Communities, Inc. that he or she will not complete the repairs or if he or she fails to complete the repairs, the Lead Agency should assist the Program Participant in identifying another unit. If the Program Participant is unwilling to move into a different unit, the Lead Agency cannot assist the Program Participant with any Financial Assistance or Rental Assistance at that unit (including arrears).

For inspections that have passed with comments for exterior repairs, TRCI will give the landlord an extension until the spring to get the work repaired since most work can't be completed during the winter months. TRCI will inform the agencies what client's inspections are contingent upon this. The landlord must have all of the exterior repairs completed by this deadline, if not the agency should notify the landlord that the client's payments will be stopped until repairs have been made. Make sure that your Case Manager's put this information in the client's rental acceptance agreements and client notes.

Three Rivers Communities, Inc. will conduct re-inspections of units that have failed inspection as necessary. Once a unit passes inspection, Three Rivers Communities, Inc. will send a copy of the report, which will indicate the passing date, to the Lead Agency. The Lead Agency must maintain a copy in the file. Appendix T shows a sample inspection report.

Lead Based Paint Requirements

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. 4851–4856), and implementing regulations in 24 CFR part 35, subparts A, B, H, J, K, M, and R apply to all housing occupied by Program Participants. If a unit was constructed before 1978 and will be occupied by families or households that have one or more children under 6 years of age or a pregnant woman, the unit must undergo a visual assessment and meet all requirements prior to the Lead Agency issuing Financial Assistance or Rental Assistance, including arrears. The table in the preceding section outlines the specific Lead Based Paint requirements for Financial Assistance and Rental Assistance.

Three Rivers Communities, Inc. will conduct all lead assessments at the request of Lead Agencies. It is the Lead Agency's responsibility to determine when the household composition triggers a lead assessment and to request the lead assessment by checking the "Visual Lead" box on the Inspection Request form (Appendix R). Three Rivers Communities, Inc. will inform landlords in writing of any deficiencies. Appendix S provides a sample of the letter that will be sent to the landlord. If the landlord informs Three Rivers Communities, Inc. that he or she will not complete the required repairs or if he or she fails to complete the repairs, the Lead Agency should assist the Program Participant in identifying another unit. If the Program Participant is unwilling to move into a different unit, the Lead Agency cannot assist the Program Participant with Financial Assistance or Rental Assistance at that unit (including arrears).

Three Rivers Communities, Inc. will conduct re-inspections as necessary. Passed inspections will be documented on the inspection report that is sent to the Lead Agency (Appendix T).

Lease Standards

As part of the Housing Search and Placement Services provided to all Program Participants, Lead Agency staff must review Program Participants' existing or proposed leases. In addition to helping Program Participants understand the terms and conditions of their lease, this review is intended to ensure the leases contain the necessary elements to support Financial and Rental Assistance payments on behalf of the client.

Program Participants Staying in Current Unit

If a Program Participant is staying in his or her current unit, Lead Agency staff must perform the following prior to Financial or Rental Assistance being issued:

- The case manager must contact the landlord to see if s/he is willing to use the model lease (Appendix U) going forward. If the landlord agrees to do so, a copy of the original lease should still be maintained in the file in order to provide documentation of housing status at ESG Program entry and support for any arrears payments.
- If the landlord will not use the model lease, the case manager must compare the lease to the Lease Review Form (Appendix V). If the lease is missing

any required items listed in Section 1, it must be changed to include these items. The preferable method of changing the lease is to have the landlord and Program Participant sign a Lease Addendum. If the landlord will not do this, changes can be made directly on the existing lease and initialed by both parties. A copy of the original lease and Lease Addendum, if applicable, should be maintained in the file. If the landlord refuses to include the required items in the lease, financial assistance cannot be provided to that unit.

- If the lease does not meet the recommendations listed in Section 2 of the Review Form (Appendix V), the case manager must ask the landlord to change the lease. The preferable method of changing the lease is to have the landlord and Program Participant sign a Lease Addendum. If the landlord will not do this, changes can be made directly on the existing lease and initialed by both parties.

If the landlord refuses to change the lease, the case manager must mark the problematic terms on the Lease Review Form. The case manager must complete the acknowledgement of Lease Review Form, review the form with the Program Participant, and have the Program Participant sign the form indicating that s/he has discussed the risks associated with the lease terms with the case manager. Financial assistance may then be provided to the unit.

- The case manager must sign the Lease Review Form (Appendix V) to document that this review was conducted, the lease includes all required elements in Section 1, and the Program Participant has been advised if the lease does not meet the recommendations in Section 2.

In order to substantiate rental assistance payments, it must be clear that the lease covers the period of time for which ESG financial assistance will be provided. To ensure this requirement is met, please take the following steps.

- When performing the initial review of a lease for a Program Participant's existing unit, case managers should look for when the lease is set to expire. If the lease is set to expire during the period of ESG Program participation, the case manager should take note of this and work with the Program Participant to ensure that a new lease will be signed at the appropriate time. In order for Rental Assistance to continue, the Lead Agency should have a copy of the updated lease on file and should include a copy with the next

cost report. Please note, if the landlord raises the rent in the new lease, a new rent reasonableness determination must be ordered and must pass before financial assistance can be provided.

- If at the time of ESG Program entry the lease is past the initial term, but it contains an automatic renewal clause that extends the lease to the present time, the renewal clause is sufficient to establish that the lease is current. For example: if the Program Participant enters the program with a lease with an end date of June 2012, but the lease contains an automatic renewal clause specifying the lease will continue on a month to month basis, no additional information is required.
- If at the time of ESG Program entry the lease is past its initial term, it does not contain an automatic renewal clause that extends the lease to the present time, and payment of arrears is required to keep the Program Participant in the unit, the case manager must obtain a letter from the landlord verifying that the lease had continued to remain in effect. Please note that ESG payments for arrears must be based upon the monthly amount specified in the existing lease. (In other words, if the existing lease specifies rent was \$400 a month, the landlord cannot request \$450 a month for arrears payments if the landlord and Program Participant never signed an agreement raising the rent to \$450.) To protect the Program Participant going forward and to provide documentation for ongoing rent at the unit, the Program Participant should get a new lease or the expired lease term on the existing lease must be changed to indicate the new lease term and the landlord and tenant should each initial the change.

Program Participant Moving into New Unit

If a Program Participant is moving into a new unit, Lead Agency staff must perform the following prior to Financial or Rental Assistance being issued:

- The case manager must contact the landlord to see if s/he is willing to use the model lease (Appendix U).
- If the landlord will not use the model lease, the case manager must compare the proposed lease to the Lease Review Form (Appendix V). If the lease is missing any required items listed in Section 1, it must be changed to include these items. If the landlord refuses to include these items, financial assistance cannot be provided to that unit.

- If the lease does not meet the recommendations listed in Section 2 of the Review Form, the case manager must ask the landlord to change the lease. If the landlord refuses to do so, the case manager must mark the problematic terms on the Lease Review Form. The case manager must complete the Acknowledgement of Lease Review Form (Appendix V), review the form with the Program Participant, and have the Program Participant sign the form indicating that s/he has discussed the risks associated with the lease terms with the case manager.
- The case manager must sign the Lease Review Form (Appendix V) to document that this review was conducted, the lease includes all required elements in Section 1, and the Program Participant has been advised if the lease does not meet the recommendations in Section 2.

Rental Assistance Agreement

In order to pay Rental Arrears **or** Short- or Medium-Term Rental Assistance, the Lead Agency must enter into a Rental Assistance Agreement with the owner of the property being assisted. The rental assistance agreement must:

- Set forth the terms under which rental assistance will be provided.
- Specify that it will be terminated and no further rental assistance will be provided 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.
- Provide that, during the term of the agreement, the owner must give the Lead Agency 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.
- Contain the same payment due date, grace period, and late payment penalty requirements as the Program Participant's lease.

Appendix W provides the Rental Assistance Agreement that should be used by Lead Agencies. The Lead Agency must make timely payments to each owner in accordance with the rental assistance agreement. The Lead Agency is solely responsible for paying any late payment penalties that it incurs with non-ESG funds.

The rental assistance agreement with the owner must terminate and no further rental assistance payments under that 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.
- Lead Agency has no funding available

References

The above policies are based upon the following sections of the ESG Interim Regulations in 24 CFR Part 576:

- § 576.106 Short-term and medium-term rental assistance.
 - (d) Rent restrictions.
 - (e) Rental assistance agreement
 - (f) Late payments.
 - (g) Lease.
 - (h) Tenant-based rental assistance.
- § 576.403 Shelter and housing standards.
 - (a) Lead-based paint remediation and disclosure.
 - (c) Minimum standards for permanent housing.

Other HUD documents that address the topics outlined above include:

- Rent Reasonableness and Fair Market Rent Under the Emergency Solutions Grants Program
- Applicant Requirements for Rental Assistance and Housing Relocation and Stabilization Services

<https://www.onecpd.info/resources/documents/ESG-Rent-Reasonableness-and-FMR.pdf>

https://www.onecpd.info/resources/documents/RA_HRSS_Standards_Matrix.pdf

Relevant FAQ's include:

- FAQ ID 2240, Created 12/17/2012

If I am providing only housing relocation and stabilization services under the Rapid Re-housing or Homelessness Prevention components, do the habitability requirements apply?

Answer: Yes, habitability standards (24 CFR § 576.403(c)) apply any time ESG funds are used to help a program participant remain in or move into housing under the Rapid Re-housing or Homelessness Prevention components. This would include providing only rental arrears assistance, only security deposit, only legal assistance, only credit repair, etc.

In cases where the program participant will be moving to a new unit, the habitability requirement applies to the new unit the program participant will move to, not to the unit the household is leaving.

- Question ID:4691, Response Received 4/8/13

A previous FAQ (ID 2240) says "In cases where the program participant will be moving to a new unit, the habitability requirement applies to the new unit the program participant will move to, not to the unit the household is leaving." Please clarify if the same applies for lead-based paint requirements. If a Program Participant will be moving into a new unit, but payment of arrears for the unit they are leaving is necessary for them to obtain new housing, do lead-based paint requirements apply to the unit they are leaving?

Yes, applicability is the same for lead based paint as for habitability standards: in cases where the program participant will be moving to a new unit, the habitability and the lead based paint requirements apply to the new unit the program participant will move to, NOT to the unit the household is leaving.

If a Program Participant will be moving into a new unit, but payment of arrears for the unit they are leaving is necessary for them to obtain new housing, lead-based paint requirements do not apply to the unit they are leaving.

- FAQ ID, Created

Question: Does the program participant's home have to meet the minimum habitability standards if they remain in the same housing unit, rather than relocating to a new unit?

Answer: Yes, such a unit would have to meet the minimum habitability requirements. ESG funds cannot be used to help a program participant remain in or move into housing that does not meet the minimum habitability standards provided in 24 CFR § 576.403(c).

- FAQ Response received by ACED on November 19, 2012.
[Confirmation Key F86FE0F6BED0DC060323B1805D1821DA]

When paying rental arrears, is it required that the rent amount be within the FMR guidelines? Does rent reasonableness also apply when paying arrears?

The rent restrictions discussed in § 576.106(d) do not apply to rental arrears. You may, therefore, provide one-time rental arrears assistance, regardless of whether the unit's rent meets the rent reasonableness and FMR standards.

Because the goal of the ESG program is to help program participants achieve stability in permanent housing, it would not be advisable to assist the household with arrears in order to stay in a unit with rent that the household will not be able to sustain. If the program participant is eligible for ESG Homelessness Prevention assistance, you could make a one-time payment of rental arrears on the unaffordable unit and then provide housing relocation and stabilization services and rental assistance to help the individual or family move into other permanent housing that complies with ESG program requirements (§ 576.103).

- In addition, please be aware that the costs of homelessness prevention, including rental arrears assistance, are only eligible to the extent that the assistance is necessary to help the program participant regain stability in his/her current permanent housing or move into other permanent housing and achieve stability in that housing. (See § 576.103). This means that ESG funds should be used to pay for rental arrears ONLY if failing to pay the arrears would result in the potential participant moving into an emergency shelter or place not meant for human habitation. FAQ response received by City of Pittsburgh on May 14, 2013 (Submitted on September 17, 2012)

Question:

Hello, In order to assist a client who wishes to remain in their current housing unit with ESG homelessness prevention arrears assistance, must the housing unit pass inspection (in addition to rent reasonableness/fair market rent standards) before arrears assistance can be paid to the landlord? I.E., can the eligible arrears be paid to the landlord upon determining client eligibility, and then if the unit does not pass inspection, either the landlord would have to bring the unit up to standard or the client would have to move in order to receive forward rent assistance? Thank you.

Response:

We apologize for the delay in responding to your question.

As explained in the ESG Interim Regulations, the recipient or sub-recipient cannot use ESG funds to help a program participant remain or move into housing that does not meet the minimum habitability standards provided in § 576.403(c).

HUD strongly recommends that the inspection be done before any ESG assistance is provided. If the recipient/sub recipient would like to pay arrears or rent before the inspection can be done, it should be paid for with non-ESG funds. If any ESG funds are used to pay for arrears or rent and the unit did not meet the standards, then these funds would need to be repaid.

If the unit does not meet the habitability standards and the program participant is going to become homeless, you could use ESG funds to help them move to a different unit.

Please also note that the costs of homelessness prevention, including rental arrears assistance, are only eligible to the extent that the assistance is necessary to help the program participant regain stability in his/her current permanent housing or move into other permanent housing and achieve stability in that housing. (See § 576.103). This means that ESG funds should be used to pay for rental arrears ONLY if failing to pay the arrears would result in the potential participant moving into an emergency shelter or place not meant for human habitation.

Note that in many states tenants are allowed to withhold some or all of their rent when a housing unit is not in habitable condition. In such states, if a landlord fails to maintain the unit in habitable condition, a tenant's obligation

to pay the full amount of rent may stop until repairs are made. So, in the case you describe, you would need to document that the potential program participant is actually obliged to pay these arrears under state law in order to show that the rental arrears assistance is necessary.

Coordination with Homeless, Mainstream, and Other Resources

HUD requires coordination between the ESG Program and homeless, mainstream, and other resources. This is to take place at the individual level, through connecting Program Participants to other programs and resources as appropriate, and at a systems level, through coordinating the ESG Program with other Federal, State, local, and private programs.

Connecting Program Participants to Legal Services and Credit Repair

Some Program Participants may require legal services. Lead Agencies must submit a written plan for how they will connect Program Participants to legal services when necessary. This could be accomplished through using ESG funds to subcontract with a legal service provider or through other arrangements.

In addition, all Program Participants should receive credit counseling and other services necessary to assist the Program Participant with critical skills related to household budgeting, managing money, accessing a free personal credit report, and resolving personal credit problems. Lead Agencies must submit a written plan for how they will connect Program Participants to credit repair services when necessary. This could be accomplished through direct service provision by Lead Agency staff, using ESG funds to subcontract with a credit repair services provider or through other arrangements.

Connecting Program Participants to Mainstream and Other Resources

Lead Agencies must connect Program Participants to mainstream and other resources by assisting them to obtain the following services and assistance, as needed:

- Appropriate supportive services, including assistance in obtaining permanent housing, medical health treatment, mental health treatment, counseling, supervision, and other services essential for achieving independent living; and

- Other Federal, State, local, and private assistance available to assist the Program Participant in obtaining housing stability, including assistance available under
 - Medicaid
 - Supplemental Nutrition Assistance Program
 - Women, Infants and Children
 - Federal-State Unemployment Insurance Program
 - Social Security Disability Insurance (SSDI)
 - Supplemental Security Income
 - Child and Adult Care Food Program
 - Public housing programs assisted under section 9 of the U.S. Housing Act of 1937 (42 U.S.C. 1437g)
 - Housing programs receiving tenant-based or project-based assistance under section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f)
 - Supportive Housing for Persons with Disabilities
 - HOME Investment Partnerships Program
 - Temporary Assistance for Needy Families (TANF)
 - Health Center Program
 - State Children’s Health Insurance Program
 - Head Start
 - Mental Health and Substance Abuse Block Grants
 - Services funded under the Workforce Investment Act (29 U.S.C. 2801 et seq.).

The case file should clearly document how the Lead Agency connected the Program Participant to supportive services and other forms of Federal, State, local, and private assistance.

Area-Wide Systems Coordination

All ESG Agencies must coordinate and integrate, to the maximum extent practicable, ESG- funded activities with other programs targeted to homeless people in the area covered by the Continuum of Care or area over which the services are coordinated to provide a strategic, community-wide system to prevent and end homelessness for that area. These programs include:

- Shelter Plus Care Program (24 CFR part 582);
- Supportive Housing Program (24 CFR part 583);

- Section 8 Moderate Rehabilitation Program for Single Room Occupancy Program for Homeless Individuals (24 CFR part 882);
- HUD—Veterans Affairs Supportive Housing (HUD–VASH) (division K, title II, Consolidated Appropriations Act, 2008, Pub. L. 110–161 (2007), 73 FR 25026 (May 6, 2008));
- Education for Homeless Children and Youth Grants for State and Local Activities (title VII–B of the McKinney- Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.));
- Grants for the Benefit of Homeless Individuals (section 506 of the Public Health Services Act (42 U.S.C. 290aa– 5));
- Healthcare for the Homeless (42 CFR part 51c);
- Programs for Runaway and Homeless Youth (Runaway and Homeless Youth Act (42 U.S.C. 701 et seq.));
- Projects for Assistance in Transition from Homelessness (part C of title V of the Public Health Service Act (42 U.S.C. 290cc–21 et seq.));
- Services in Supportive Housing Grants (section 520A of the Public Health Service Act);
- Emergency Food and Shelter Program (title III of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11331 et seq.));
- Transitional Housing Assistance Grants for Victims of Sexual Assault, Domestic Violence, Dating Violence, and Stalking Program (section 40299 of the Violent Crime Control and Law Enforcement Act (42 U.S.C. 13975));
- Homeless Veterans Reintegration Program (section 5(a)(1)) of the Homeless Veterans Comprehensive Assistance Act (38 U.S.C. 2021);
- Domiciliary Care for Homeless Veterans Program (38 U.S.C. 2043);
- VA Homeless Providers Grant and Per Diem Program (38 CFR part 61);
- Health Care for Homeless Veterans Program (38 U.S.C. 2031);
- Homeless Veterans Dental Program (38 U.S.C. 2062);
- Supportive Services for Veteran Families Program (38 CFR part 62); and
- Veteran Justice Outreach Initiative (38 U.S.C. 2031).

In addition, all ESG Agencies must coordinate and integrate, to the maximum extent practicable, ESG funded activities with mainstream housing, health, social services, employment, education, and youth programs for which families and individuals at risk of homelessness and homeless individuals and families may be eligible. Examples of these programs include:

- Public housing programs assisted under section 9 of the U.S. Housing Act of 1937 (42 U.S.C. 1437g)
- Housing programs receiving tenant-based or project-based assistance under section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f)
- Supportive Housing for Persons with Disabilities
- HOME Investment Partnerships Program
- Temporary Assistance for Needy Families (TANF)
- Health Center Program
- State Children’s Health Insurance Program
- Head Start
- Mental Health and Substance Abuse Block Grants
- Services funded under the Workforce Investment Act (29 U.S.C. 2801 et seq.).

All ESG agencies should submit a written plan for coordination with homeless and mainstream programs to ACED or the City, as applicable. ESG Agencies must document how this coordination is accomplished throughout the grant period.

Homeless Participation

All ESG Agencies must provide for the participation of at least one homeless or formerly homeless person(s) in a policy-making function within the organization. This might include, for example, involvement of a homeless or formerly homeless person on the Board of Directors or similar entity that considers and sets policy or makes decisions for the agency.

In addition, all Agencies must involve homeless individuals and families in providing services under ESG. Methods of achieving such involvement may include having a suggestion box; using exit interviews; encouraging clients to assist with children’s programs, parenting classes or vocation training; or services as members of the board. This involvement can include paid and/or volunteer work.

This need is met through the Lead Agencies' and the City and ACED's participation in our local Continuum of Care's Homelessness Advisory Board (HAB)".

All ESG Agencies should submit a written plan for homeless participation to ACED or the City, as applicable. ESG Agencies must document how this participation is accomplished throughout the grant period.

References

The above policies are based upon the following sections of the ESG Interim Regulations in 24 CFR Part 576:

- § 576.400 Area-wide systems coordination requirements.
- 576.401 Evaluation of program participant eligibility and needs
 - (d) Connecting program participants to mainstream and other resources.
- § 576.405 Homeless participation.

Homeless Management Information System (HMIS) Requirements

All persons served under ESG must be entered into HMIS (or a comparable database, if the Program Participant is a victim of domestic violence) in accordance with HUD's standards on participation, data collection, and reporting. Participation in HMIS is required. Any lead agency that is a primary Domestic Violence provider must provide a comparable data base for ESG. Any lead agency that is not designated as a primary DV provider must enter clients into HMIS.

When entering HMIS data, Lead Agencies must observe the following:

- All members of a Program Participant household must be entered, not just the head of household.
- Program Participants-must be identified by the proper funding source, which should be consistent with the case file and invoices for all services and assistance.
- The Program Start date -is the date that the Program Participant is determined eligible for assistance, and not the date the Program Participant is first entered in HMIS.
- The Program Exit date -is the date that the Program Participant was terminated, exited, or determined to be no longer eligible for the program, and not the date the Lead Agency entered this information into HMIS.
- All Financial Assistance, Rental Assistance, and Services must be entered in HMIS. All Program Participants must have at least one entry for Housing Stability Case Management services (“Case Management” in HMIS) and at least one entry for Housing Search and Placement services.
- HMIS data must be entered in a timely fashion in order to ensure accuracy and enable ACED and the City to complete HUD-mandated reports. In particular, all Program enrollments and exits must be entered within 10 days, or the Lead Agency will have to contact the DHS Help Desk to request a system lift to enter the client.

Appendix X provides more detailed instructions for entering Financial Assistance, Services, and Rental Assistance into HMIS. **As of December 5, 2014, this is under review by the Program Administrators with regard to the new HMIS System and will be updated accordingly.*

References

The above policies are based upon the following sections of the ESG Interim Regulations in 24 CFR Part 576:

- § 576.400 Area-wide systems coordination requirements.
(f) Participation in HMIS.

Other HUD documents that address the topics outlined above include:

- HMIS Data Standards Final - March 2010
<https://www.onecpd.info/resource/1220/final-hmis-data-standards/>

Invoicing Standards

ACED and the City established invoicing requirements for agencies to follow when invoicing for ESG services and this was distributed to the sub-grantees. While we will attempt to make these requirements as consistent as possible, ACED and the City each operate under different fiscal systems which may necessitate some differences. In addition, agencies receiving funds through the Pennsylvania Department of Community and Economic Development (DCED) will be subject to any requirements imposed by DCED.

Agencies must invoice ACED and/or the City at least quarterly. It is strongly recommended that all agencies, especially Lead Agencies, invoice at least monthly.

Matching Funds

ESG Agencies will be responsible for contributing matching funds to enable ACED and the City to meet match requirements under § 576.201. All matching contributions from ESG agencies must be consistent with HUD's requirements.

Matching contributions may be obtained from any source, including any Federal source other than the ESG program, as well as state, local, and private sources as long as the following requirements are met:

- The matching funds are contributed to the ESG Program and expended for the Agency's allowable ESG costs.
- If the matching funds are from another federal program, there is no specific statutory prohibition on using those funds as match;
- The matching funds are used in accordance with all requirements that apply to ESG grant funds, except for the expenditure limits in 24 CFR 576.100. This includes requirements such as documentation requirements, eligibility requirements, and eligible costs.
- The matching funds are expended (that is, the allowable cost is incurred) after the date HUD signs the grant agreement for the ESG funds being matched.
- The matching funds are expended by the expenditure deadline that applies to the ESG funds being matched;
- The matching funds have not been and will not be used to match any other Federal program's funds nor any other ESG grant;
- The recipient does not use ESG funds to meet the other program's matching requirements; and
- The recipient keeps records of the source and use of the matching funds, including the particular fiscal year ESG grant for which the matching contribution is counted.

The matching requirement may be met by cash or noncash contributions. Agencies should refer to § 576.201 for requirements regarding each type of contribution, including how to value noncash contributions.

The matching funds are provided based on the total grant amount and do not have to be provided on a component-by-component basis. For example, if an Agency

spends \$50,000.00 on Homelessness Prevention, its match does not need to be from only Homelessness Prevention activities. Its match could come from any of the 5 eligible ESG Program Components (Street Outreach, Emergency Shelter, Homelessness Prevention, Rapid Re-Housing Assistance, or HMIS).

Agencies must submit a written plan to ACED and/or the City, as applicable, that details how they will meet and document the match requirement.

The above policies are based upon the following sections of the ESG Interim Regulations in 24 CFR Part 576:

§ 576.201 Matching requirement.

Relevant FAQ's include:

- FAQ ID 224, Created 12/17/2012

Question: What sources of funds can be used as cash match for ESG?

Answer: The requirements for matching ESG funds are described in section 576.201 of the ESG Interim Rule, and the requirements for documenting matching contributions are described in section 576.500(o). The ESG Interim Rule can be found at:

<https://www.onecpd.info/resource/1927/hearth-esg-program-and-consolidated-plan-conforming-amendments/>.

In general, federal (other than ESG), state, local, or private funds may be used to satisfy the requirement that the recipient provide matching contributions to ESG, so long as the following conditions are met:

- 1) The matching funds are contributed to the ESG program and expended for the recipient or subrecipient's allowable ESG costs.*
- 2) If the matching funds are from another federal program, there is no specific statutory prohibition on using those funds as match;
- 3) The matching funds are used in accordance with all requirements that apply to ESG grant funds, except for the expenditure limits in 24 CFR 576.100. This includes requirements such as documentation requirements, eligibility requirements, and eligible costs.
- 4) The matching funds are expended (that is, the allowable cost is incurred) after the date HUD signs the grant agreement for the ESG funds being matched.

- 5) The matching funds are expended by the expenditure deadline that applies to the ESG funds being matched;
- 6) The matching funds have not been and will not be used to match any other Federal program's funds nor any other ESG grant;
- 7) The recipient does not use ESG funds to meet the other program's matching requirements; and
- 8) The recipient keeps records of the source and use of the matching funds, including the particular fiscal year ESG grant for which the matching contribution is counted.

*Note: because the matching funds are contributed to the ESG program and expended for the recipient or subrecipient's allowable ESG costs, the following are not allowed to be used as match:

- SNAP benefits (food stamps), because the funds are being used to cover the program participant's costs;
- Housing Choice Vouchers, because the funds are used to pay the PHA's obligations under its Housing Assistance Payment contract with the owner; and
- The tenant's portion of the rent, because this amount is the tenant's obligation.

Please also note the following:

- HUD's matching requirement applies to the recipient. HUD provides the recipient with the discretion to pass that requirement on to subrecipients.
- The matching funds are provided based on the total grant amount and do not have to be provided on a component-by-component basis. For example, if a recipient is spending \$10,000 on HMIS, they do not need to find \$10,000 in data collection funds from another source to use as match.
- HOME-TBRA funds generally cannot be used as match, because the requirements for rental assistance are significantly different between the two programs. There could be a rare instance where it is possible; if you believe this is the case, please contact HUD to see if it would be allowable.
- SHP funds generally cannot be used as match, because very few activity costs are allowable under both SHP and ESG. However, in some cases, such as where SHP funds are used for HMIS or street outreach costs that

are allowable under ESG, SHP funds can be counted as match in accordance with conditions 1-8 above. Please note, however, that HMIS costs are only eligible to be used as match under ESG if they are eligible under section 576.107 and allocable to the ESG program, whether charged as direct costs or indirect costs. If the SHP HMIS funds are being used to pay for SHP projects' data entry, those data entry costs are not allocable to the ESG program and the funds used cannot be counted as match.

Appendices

***A. Income, Productivity, Financial
Accountability, and Recovery/Stability
(IPFR) Assessment***

***B. Homelessness Prevention:
Determining and Documenting Housing
Status***

***C. Rapid Re-Housing Assistance:
Determining and Documenting Housing
Status***

***D. Allegheny County Department of
Human Services Homeless and At Risk
of Homelessness Verification Checklists***

E. 30% of Area Median Income for Allegheny County

F. 24 CFR 5.609

G. Income Calculation Worksheet

H. Non-Income Affidavit

*I. Housing Options, Financial Resources,
and Support Networks Form*

***J. Conflict of Interest Form – Applicant to
Agency***

***K. Conflict of Interest Form – Applicant
to Landlord/Property Manager***

L. Re-Evaluation of Eligibility Form

***M. Allegheny County Department of
Humans Services Termination Policies***

***N. Three Rivers Communities, Inc.
Request Procedures***

***0. County Taxes, Fair Market Rent,
Rent Reasonableness, Request Form***

P. Fair Market Rent and Rent Reasonableness Standards

Q. Housing Quality Standards

R. Inspection Request Form

***S.Sample Letter to Landlord Regarding
Deficiencies***

T. Sample HQS Inspection Report

U. Model Lease

V. Lease Review Form

W. Rental Assistance Agreement

X. Entering ESG Services and Assistance into HMIS