

**CITY OF SOMERVILLE**  
**MASSACHUSETTS**  
**MAYOR'S OFFICE OF STRATEGIC PLANNING AND**  
**COMMUNITY DEVELOPMENT**



**2024-2025**  
**REQUEST FOR PROPOSAL**  
**COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING**  
**FOR PUBLIC SERVICES**

**BID NUMBER # 24-PS1 CD**

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## LEGAL NOTICE

City of Somerville  
Mayor's Office of Strategic Planning and Community Development (OSPCD)  
RFP# 24-PS1 CD  
RFP # 24-ESG CD

The City of Somerville, Mayor's Office of Strategic Planning and Community Development (OSPCD)  
invites sealed proposals for the 2024-2025 HUD Action Plan for the:

**Community Development Block Grant Program**  
**Emergency Solutions Grant Program**

**Community Development Block Grant Program.** Proposals must be for programs that provide Public Services to low- and moderate-income residents of the City of Somerville. Bid Number RFP # 24-PS1 CD

**Emergency Solutions Grant Program.** Proposals must address the needs of homeless individuals and families in the City of Somerville. Funds for the Emergency Solutions Grant are provided by the federal Stewart B. McKinney Homeless Assistance Act. Bid Number RFP # 24-ESG CD

Request for Proposal packages for both programs will be posted and available for download on the City of Somerville website beginning at **8:30 A.M. Wednesday, March 27, 2024**, at [www.somervillema.gov/CDBGGRFP](http://www.somervillema.gov/CDBGGRFP) and [www.somervillema.gov/ESGRFP](http://www.somervillema.gov/ESGRFP)

Print copies are available upon request to Julie Melgar at [OSPCD@somervillema.gov](mailto:OSPCD@somervillema.gov).

An electronic PDF file should be emailed to [OSPCD@somervillema.gov](mailto:OSPCD@somervillema.gov) and Public Service proposal packages must be submitted no later than **12:00 P.M. Friday, May 10, 2024**, for Emergency Solutions Grant **12:30 P.M. Friday, May 10, 2024**, for Community Development Block Grant

**Please contact Julie Melgar, Program Compliance Officer**, by email [Jmelgar@somervillema.gov](mailto:Jmelgar@somervillema.gov), for information and proposal packages.

Thomas Galligani, Executive Director  
617- 625-6600, x 2531

Somerville Times (3/27/2024)

## BACKGROUND INFORMATION

The City of Somerville is soliciting proposals from nonprofit agencies and organizations for public service programs to be funded through the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Program. Fifteen percent (15%) of the City's total CDBG Entitlement Grant is committed to the provision of direct social services to meet the needs of low- and moderate-income families. The CDBG Program, including these public service grants, is administered through the Mayor's Office of Strategic Planning and Community Development (OSPCD).

### TIMELINE

RFP Issued	Wednesday, March 27, 2024
Deadline for Submitting Questions to RFP	Friday, May 3, 2024
Proposals Due	Friday, May 10, 2024 - 12:30 P.M.
Anticipated Contract Award	July 2024
Services Commence	July 1, 2024
Contract Completion Date	July 31, 2025

## ELIGIBILITY, EVALUATION AND AWARD

### Minimum Eligibility Criteria:

HUD requires that any public service program funded with CDBG funds must (1) be a new service or show a quantifiable increase in the level of service provided above that provided during the previous twelve months (24 CFR 570.201(e)), and (2) provide a benefit to low- and moderate- income families (24 CFR 570.200(2)). The City of Somerville requires that the program serve Somerville residents.

### Selection Criteria:

Proposals are urged to address the following considerations in completing the required Section 1: Program Description:

- Recent or proposed adaptations of the Proposer's services to better serve Somerville's changing population,
- Recent or proposed innovations and/or improvements in the Proposer's service model,
- Clear identification of emerging public service needs consistent with the City's Proposed 4-year Consolidated Plan (see **Attachment A**),
- Funding match(es) from other sources,
- Collaboration with other non-profits in planning and service delivery,
- Justification for continued funding (addressing Minimum Eligibility Criteria **Particularly Low Moderate Income (LMI) clientele eligibility**), and
- Contributions towards SomerPromise and By All Means' mission, service model, and measures of success, if applicable.

**Selection Procedure:**

Grants are exempt from the Chapter 30B selection procedures. Proposals shall be reviewed by the CDBG Advisory Committee. In addition to the Minimum Eligibility Criteria and Selection Criteria listed above, the Committee will consider census data, human service provider statistics, and past performance (where applicable).

The Advisory Committee will evaluate applications based on the following rating system (100 points possible):

- |   |           |
|---|-----------|
| - Experience managing federally funded projects                             | 20 points |
| - Agency capacity – financial and staffing                                  | 15 points |
| - Activity needs and Consolidated Plan priority, number served              | 25 points |
| - Benefits to Special Needs and Low and Moderate Income (LMI) persons       | 25 points |
| - Project budget, leverage of other funds, partnerships with other agencies | 15 points |

The Committee will make recommendations to the Mayor's office and final funding decisions will be made jointly by the Mayor's office and the Committee.

**Execution Grant Agreement:**

Successful Proposers must execute a Public Service Grant Agreement within 30 days of award with the City of Somerville in substantially the same form, including Appendices, as the sample Grant Agreement included in Attachment C of this RFP. Please note that funding is typically for one year only, although the City may extend the term of the grant in appropriate cases.

**Grant Agreement Reporting Requirements:**

Awarded proposers will be required to follow all CDBG Requirements including the submission of the CDBG Beneficiary Forms and Quarterly Progress Reports. See Attachments D and E for reference.

**SUBMISSION:**

An electronic PDF of the proposal must be submitted to the Office of Strategic Planning and Community Development (OSPCD) by Friday, May 10, 2024, by 12:30 P.M.

An electronic PDF proposal should be emailed to: [OSPCD@somervillema.gov](mailto:OSPCD@somervillema.gov). Timestamps from emails will be used to certify timely submission. Read receipts are suggested.

Electronic submission of proposals is required. Hardcopy proposals may also be mailed to City Hall in addition to the electronic submission. Any hardcopy proposals must be marked on the outside of the envelope or package with the following information:

**Proposer Agency Name and Address and "RFP CDBG 2024" to:  
Office of Strategic Planning and Community Development (OSPCD)  
Attention: Julie Melgar  
City of Somerville  
93 Highland Ave, 3rd Floor  
Somerville, MA 02143**

*It is the sole responsibility of the proposer to ensure that the proposal arrives on time. Late proposals will not be considered and will be rejected and returned.*

**Questions:**

For more information regarding this Request for Proposals or the CDBG Program please contact Julie Melgar, Program Compliance Officer with OSPCD at [jmelgar@somervillema.gov](mailto:jmelgar@somervillema.gov)  
The deadline for submitting questions regarding this RFP is Friday, May 3, 2024.

**Submit One (1) PDF Copy of ALL sections**

**APPLICATION CHECKLIST**

- Cover Page
- Program Description (not to exceed 9 pages)
- Financial Planning Projections/Price Proposal (not to exceed 2 pages)
- Total agency operating budget
- Listing of Board of Directors & affiliation
- Organizational Chart
- Job Descriptions

Documents to be Provided for All Proposers

- Authorization Vote of the Board
- Financial Policies and Procedures
- Audit

Documents to be Provided by **New** Proposers

- Articles of Organization
- Affirmative Action Plan

## COVER PAGE

1. Agency Name:
2. Name of Project:
3. Address:
4. Contact Person (Name/Title): Email Address:
5. Telephone Number: Fax Number:
6. Agency Type (Check One):

Municipal ☐ Private Non-Profit ☐  
Consortium or Collaborative ☐ Private for Profit ☐

7. Federal I.D. # DUNS #
8. Each applicant should specify which subcategory best describes the proposed project:

Senior Services <input type="checkbox"/>	Employment Training <input type="checkbox"/>
Handicapped Services <input type="checkbox"/>	Crime Awareness <input type="checkbox"/>
Legal Services <input type="checkbox"/>	Child Care Services <input type="checkbox"/>
Immigrant/Newcomer Serv. <input type="checkbox"/>	After School Program <input type="checkbox"/>
Mental Health Services <input type="checkbox"/>	Youth Services <input type="checkbox"/>
Health Services <input type="checkbox"/>	Substance Abuse Svc <input type="checkbox"/>
Domestic Violence Services <input type="checkbox"/>	Other (please specify):

9. Describe the population with whom you expect to work and estimate the number of people to be served by this project:
10. Client eligibility criteria used:

☐ An activity which benefits a limited clientele, at least 51% of whom are low-or moderate-income persons (24 CFR 570.208(2)(i))

☐ Activities that exclusively serve a group of persons in any one or a combination of the following categories may be presumed to benefit persons, 51 percent of whom are low-and-moderate-income: abused children, battered spouses, elderly persons, adults' meeting the Bureau of the Census' Current Population Reports definition of "severely disabled", homeless persons, illiterate adults, persons living with AIDS (24 CFR 570.208(a)(2)(A))

11. Total Funding Requested in this proposal: \_\_\_\_\_

Submitted by: \_\_\_\_\_  
Print Name Signature

Date: \_\_\_\_\_

## PROGRAM DESCRIPTION

*(Please limit your response to one page per subsection. Not to exceed a total of 9 pages)*

1. **If you were not awarded CDBG funds in the past year**, please provide a brief history of the agency; list its goals, objectives, and accomplishments in the past year.
2. **If you are requesting renewed funding for a program**, justify why you should receive CDBG funds and how your program addresses the City's 4 Year Consolidated Plan (2024-2028) (see **Attachment A**), indicate the increased numbers you will serve, detail the improved strategies to encourage self-sufficiency among continuing clients, identify your techniques to discourage recurring need for services.
3. Describe the target Somerville population served by this program, specifying age, sex, racial and ethnic characteristics, disability, income, and residency by Somerville neighborhood. **Indicate the client eligibility criteria you will use (51% documented Low/Moderate Income or presumed LMI group required).**
4. Indicate the service model you will use to meet the needs of the population to be served and describe the level of service you will provide.
5. Contrast your model with other local agencies or programs that serve this population. Describe how and with whom your agency will work (public and private agencies) to provide the proposed service.
6. List the objectives of the program serving low- and moderate-income clients. For each objective specify the number of clients to be served, type of services and schedule.
7. Describe how you will measure and report progress on the program objectives. Identify quantitative and qualitative measures. For example, how do you collect client data? How do you measure the impact of programs? Complete **Program Impact Form**.
8. If this is continued funding, please use the attached **Program Impact Form** to give a progress report on the current fiscal year's objectives to date. If objectives are not being achieved, or are being changed, please explain.
9. If your proposed project is in a category that aligns with current SomerPromise priorities, describe how your program will coordinate with SomerPromise to advance a shared mission (see **Attachment D**). Please specify which focus area your program supports and how the program measures progress toward improving access and equity by closing opportunity gaps. Your agency's involvement with SomerPromise will depend on what SomerPromise is currently working on.
10. If your proposed project is in response to a recommendation or observation found in the Well Being of Somerville Report, please specify which focus area your program supports and how your program plans to improve the health and wellness of the population you plan to serve.



**PROGRAM IMPACT FORM**

**Questions 7 and 8**

**Sub Recipient (Agency Name):**

**Program:**

NEED STATEMENT	PROGRAM GOALS	NUMBERS ASSISTED	HUD FY23 PROGRAM IMPACT	OUTCOMES ST (short term) LT (long term)
<i>Description of Need to be Addressed</i>	<i>Goals of program to address needs.</i>	<i>Document primary clients (PC) &amp; secondary clients (SC)</i>	<i>Direct products of program activities</i>	<i>Benefits that result from the program</i>
Describe the history of the problem you're addressing and how your program solves this issue.	Please list your program's goals to address this issue. _____  If you are in a SomerPromise or Well Being of Somerville related service area, please indicate which focus area(s) your goals support. _____	Number of direct service clients completing Client Information Form. Number of secondary clients effected _____	What progress did your agency/clients and/or programs make during the fiscal year? <i>Example: Your program worked with 163 families to provide assistance in eviction prevention OR 27 children participated in the tutoring program and grade point average increased.</i>  Please make sure to include how this was accomplished. _____	How does your program affect either your client's well-being or the community's? <i>Example: Preventing evictions reduces strain on State Funding. (ST) Maintain family stability. (LT) OR Children with better study habits will go to college. (ST) They will receive better jobs. (LT)</i> _____
<b>DESCRIBE METHODOLOGY FOR MEASURING OUTCOME:</b> (You need to measure at least one outcome, but list all that apply)				
<b>Indicator/Unit of Service* 1 (required):</b> _____ <b>Indicator/Unit of Service 2 (optional) :</b> _____				
*Each indicator/unit of service represents how you record and collect data for program.				

FINANCIAL PLANNING PROJECTIONS

11. Submit the program budget form below. Line items specific to your agency’s project can be added to the form. In addition, attach your agency's budget separately.

PROGRAM BUDGET FORM:

July 1, 2024 – July 31, 2025			
	CDBG Project Expenses	Program Funds	Matching Funds & Source
Administrative			
Salary			
Fringe			
Other Program			
Administrative Expenses			
Subtotal			
Direct Services			
Staff Salary			
Fringe			
Rent			
Utilities			
Other (specify)			
Subtotal			
Total			

- Specify matching funds for this project from other funding sources, indicate whether these funds are restricted to this project and state the dates of the matching funding cycle. \_\_\_\_\_
- Please describe, in narrative form, the specific use of CDBG funds requested. \_\_\_\_\_

\*Note

- Providers may request a nominal fee that is appropriate for the low-income population served. The fee for low-income participants is not considered Program income or applicable credit.
- Fees to non-low-income participants would be considered Program income as an applicable credit.
- Solicitation of donations must be a generic request and cannot be directed to specific participants.

12. Summarize your agency's three (3) year funding strategy and identify clearly how you propose to minimize dependence on CDBG funding by including the sources of funding that your agency has applied for and/or received from 2023 through 2024. If you have a long-range plan for your agency (more than 3 years), please note this and include a summary.

**AGENCY ORGANIZATIONAL INFORMATION** *(1 copy)*

- 12. Job descriptions or unit of service descriptions of all positions for which funding is requested, including salaries and qualifications
- 13. Total agency operating budget
- 14. Board of Directors & Affiliation: A list of names, addresses and affiliations for board members and a brief narrative of the Board's function
- 15. Agency's Organizational Chart

**DOCUMENTS TO BE PROVIDED BY ALL PROPOSERS** *(1 copy)*

- 16. Authorization Vote of the Board: Vote of the Board of Directors authorizing submission of this proposal.
- 17. Financial Policies and Procedures: Copy of Financial Policies and Procedures. Examples can be provided upon request.
- 18. Audit Requirement: For HUD FY23, any agency that received \$25,000 or more in combined Community Development Block Grant and Emergency Solutions Grant funds from the U.S. Department of Housing and Urban Development is required to submit an independent audit of the organization's financial statements. Agencies receiving less than \$25,000 total may submit IRS Form 990 or 990-EZ in lieu of a full financial audit.

**DOCUMENTS TO BE PROVIDED BY NEW PROPOSERS ONLY** *(1 copy)*

- 19. Articles of Organization and license where applicable.
- 20. Agency's Affirmative Action Plan.

## ATTACHMENT A

### PROPOSERS' CHECKLIST

Please ensure all documents listed on this checklist are included with your agency's proposal. Failure to do so may subject the proposer to disqualification.

- ☐ Cover Page
- ☐ Program Description
- ☐ Program Impact Form
- ☐ Financial Planning Projections: Program Budget Form
- ☐ Agency Operating Budget
- ☐ Board of Directors & Affiliation
- ☐ Agency's Organizational Chart
- ☐ Jobs/ Unit of Service Descriptions
- ☐ Authorization Vote of the Board
- ☐ Financial Policies and Procedures
- ☐ Audit
- ☐ Articles of Organization and License(s) *(New Proposers only)*
- ☐ Agency's Affirmative Action Plan *(New Proposers only)*
- ☐ Acknowledgement of Addenda *(Applicable ONLY if an addendum is issued)*

## ATTACHMENT B

### 4-YEAR CONSOLIDATED PLAN 2024-2028 OBJECTIVE, PRIORITY NEEDS, GOALS AND STRATEGIES RELEVANT TO PUBLIC SERVICES

#### Objective:

Provide activities to enable low- and moderate-income residents with the opportunities and resources to improve and expand their standard of living as the City's economy continues to grow

#### Priority Needs:

- Bridging the Equity Gap
- Modernizing and Creating Sustainability in the Urban Environment
- Serving the Needs of At-Risk Populations

#### Purpose

- Create and Preserve Affordable Housing \*
- Neighborhood Stabilization and Revitalization
- Infrastructure and Urban Environment Improvements
- Supporting Vulnerable Populations and Workforce Readiness
- Reducing and Ending Homelessness
- Improve Facilities that Serve Community Needs

#### STRATEGIES:

Move individuals and families from poverty toward self-sufficiency and end the cycle of poverty.

- Increasing effective income
- Supporting asset accumulation
- Promoting small businesses and economic development
- Providing case management, emergency assistance, and information/referral services
- Supporting employment, transportation, and training programs
- Providing funding to childcare service providers
- Providing emergency utility assistance
- Creating mixed-income communities


Commented [JM1]: @Miranda Rubin

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Prevent and address homelessness prevention activities for at-risk populations.

- Providing safety net planning for individuals and families experiencing domestic violence.
- Providing outreach to and provide emergency shelter, transitional housing, and social services to alleviate and prevent homelessness.
- Providing relevant services for low-income seniors living on fixed incomes.
- Providing programming to meet the needs of people with disabilities.
- Providing counseling, advocacy, and legal assistance.
- Providing services for alcoholism, drug addiction, and mental health.

ATTACHMENT C\_– Sample Grant Agreement

 <div> City of Somerville: Standard Contract Form (Grant Services Agreement) CONTRACT NAME: </div>	
This Grant Agreement, numbered _____, is made by and between the City of Somerville, a municipal corporation organized and existing under the laws of the Commonwealth of Massachusetts, acting by and through the Mayor's Office of Strategic Planning and Community Development ("OSPCD"), with an address of 93 Highland Avenue, Somerville, Massachusetts, acting by and through its Purchasing Department ("City" or "Grantor") and the Grantee defined as follows, ("Grantee" or "Vendor"):	
Grantee Name:	
Grantee Address:	
Grantee Contact Name, Email, & Tel./Fax #:	
Contract Amount:	
Purchase Order #:	Purchase Order Amount:
Contract Term:	7/1/2024 through 6/30/2025
Term of Grant:	The term of this Grant Agreement shall commence on 7/1/2024 and shall end on 6/30/2025 ("Term"). The Grantee shall complete the provision of Goods and/or the performance of Services prior to the end of the Contract term (the "Completion Date"). The term of this Contract may be extended at the sole discretion of the City, through written notice to the Grantee
Grant Recitals:	<p>WHEREAS, the City has entered into an agreement (the "Grant Agreement") with _____ U.S Department of Housing &amp; Urban Development</p> <p>(the "Funding Source") to fund a portion of the cost of the Project with _____ Community Development Block Grant funds;</p> <p>WHEREAS, Chapter 30B:1(a) states "This chapter shall apply to every contract for the procurement of supplies, services or real property and for disposing of supplies or real property by a governmental body as defined herein"; and</p> <p>WHEREAS, Chapter 30B:2 defines "services" as follows: "Services", the furnishing of labor, time, or effort by a contractor, not involving the furnishing of a specific end product other than reports. This term shall not include employment agreements, collective bargaining agreements, or grant agreements"; and</p> <p>WHEREAS, this Agreement meets the definition of "grant agreement" in Chapter 30B:2: namely, "an agreement between a governmental body and an individual or nonprofit entity the purpose of which is to carry out a public purpose of support or stimulation instead of procuring supplies or services for the benefit or use of the governmental body."</p>
Procurement Type:	Request for Proposals under MGL c. 30B, s. 6 (RFP #)
Contracting Department:	OSPCD - Admin. & Finance      Project Manager:
Scope of Work (Goods / Services):	The Vendor shall provide the Goods and/or Services, as described within the attached Appendix A (Scope of Work), made part hereof.
Grant Amount Compensation:	The City agrees to pay the Vendor a total not to exceed \$0.00 for Goods and/or Services rendered and accepted in accordance with the Contract Documents. Rates, units, charges, and frequencies are specified in the attached Appendix B made part hereof.
Funding Source:	Community Development Block Grant      FAIN#      CFDA Numbers: 14.218
CDBG National Objectives:	
Vendor Certifications:	<p>Under the pains and penalties of perjury, the Vendor agrees to perform this Contract and provide the Goods and/or Services in accordance with the City of Somerville's Standard Contract General Conditions as set forth within the attached hereto, made part hereof. Vendor is in full compliance with all laws of the Commonwealth of Massachusetts relating to taxes and to contributions and payments in lieu of taxes. The Vendor certifies that it has provided the City with an accurate tax identification number (TIN). In the event that the City is notified by the IRS for an incorrect TIN provided by the Vendor, the Vendor is responsible for penalties.</p> <p>TIN:      DUNS Number:     </p> <p>This Contract has been duly executed and delivered on behalf of the Vendor by its: Officer (President, Vice President, Treasurer, Secretary) General Partner, Trustee, other: _____ in full compliance with the authority granted by its organizational documents and its votes or resolutions, which authority has not been amended, modified, or rescinded as of the date hereof.</p>
Applicable Wage Rates:	Is Grantee a WBE/MBE?

Appendix C: Forms (Check if Applicable; If Unchecked, Not Applicable)	
<input type="checkbox"/> Certificate of Authority <input type="checkbox"/> Evidence of Insurance <input type="checkbox"/> Bid Package Documents <input type="checkbox"/> Certificate of Good Standing <input type="checkbox"/> Grant Trust Disclosure Form	<input type="checkbox"/> Prevailing Wages <input type="checkbox"/> Federal Davis Bacon Wages <input type="checkbox"/> Somerville Living Wage Ordinance <input type="checkbox"/> Grant Progress Report <input checked="" type="checkbox"/> Section 3 Clause <input type="checkbox"/> Other Contract Requirements <input checked="" type="checkbox"/> General Conditions for Federally Funded Contracts
IN WITNESS WHEREOF, the City and the Grantee have executed this Contract as a sealed instrument.	
<b>VENDOR</b>	
	Date Signed:
	Print Title:
X Grantee Signature (Duly Authorized):	Print Name:
<b>CITY</b>	
City Auditor's Encumbrance Statement	
<p>I hereby certify that the total contract amount is _____ and that an unencumbered balance of _____</p> <p>is available for the current fiscal year of this contract. I further certify that a sum of _____</p> <p>is hereby encumbered against the appropriate account for the purposes of this contract and as funds become available, I will encumber additional sums as are required under this contract.</p>	
X Edward Bean, City Auditor	X Katjana Ballantyne, Mayor      Date Signed
X Thomas Calligani, Executive Director OSPCD	X Approved as to form: Cynthia Amara, City Solicitor

## APPENDIX A

### Scope of Work

1. CDBG funds will be utilized to fund the following public service activity(s):

#### Activity Description:

Task 1 – Provide \_\_\_\_\_ services to benefit low/moderate-income residents.

#### National Objective:

##### Limited Clientele

An Activity which benefits a limited clientele, at least 51 percent of whose family income does not exceed low-moderate-income limit. Income will be calculated based on Section 8, Part 5 definition of income. Failure to meet the required income documentation would result in the City's investment of CDBG funds in this activity to not meet the national objective. Failure to meet the national objective may result in corrective actions up to and including the Grantee being required to repay CDBG funds.  
Source: 24 CFR 570.208(a)(2)(i)(B) and (C).

Or

##### Presumed Benefit

Activities that exclusively serve a group of persons in any one or a combination of the following categories may be presumed to benefit persons, 51 percent of whom are low-and-moderate-income: abused children, battered spouses, elderly persons, adults' meeting the Bureau of the Census' Current Population Reports definition of "severely disabled", homeless persons, illiterate adults, persons living with AIDS... (24 CFR 570.208(a)(2)(A))

2. Projected Outcomes

- a.
- b.
- c.

3. Reporting

4. Budget

#### Appendix B



## APPENDIX B

### **Appendix B** *Cost Details*

Timetable for Advances of Grant Funds:

- ☐ **Service rate(s): Per Details Below**
- ☐ **Supply rate(s): Per Details Below**
- ☐ **Number of payments: Per Details Below**
- ☐ **Payment upon completion of deliverables: Per Details**
- ☐ **Fixed fee: Per Details Below**
- ☐ **Other: Per Details Below**

The Grantee shall periodically submit invoices to the City, for which compensation is due under this Contract and requesting payment for goods received or services rendered by the Grantee during the period covered by the invoice. The invoice must agree to the rates/payment schedule as indicated in this contract and must include the applicable Purchase Order number. The invoice shall include the following information: grantee name, grantee remit address, invoice date, invoice number, itemized listing of goods, services, labor, and expenses and indicating the total amount due.

ATTACHMENT D

COMMUNITY DEVELOPMENT BLOCK GRANT QUARTERLY PROGRESS REPORT

PROJECT TITLE: \_\_\_\_\_ CONTRACT # \_\_\_\_\_ DATE: \_\_\_\_\_  
CONTRACTING AGENCY: \_\_\_\_\_ TELEPHONE: \_\_\_\_\_  
ADDRESS: \_\_\_\_\_  
REPORT COMPILED BY: \_\_\_\_\_

PROJECT LOCATION (If applicable): \_\_\_\_\_ QUARTER 1 ☐ 2 ☐ 3 ☐ 4 ☐  
\*\*\*\*\*

This report covers months \_\_\_\_\_ thru \_\_\_\_\_

I. Service Delivery Information

A. Units of Service  
Record the number of units of service provided. The scope of services in your contract specifies the units of service you should use. Examples of units of service: number of infant/toddlers enrolled; training hrs. for staff & attendance; training for parents & attendance; etc.

Unit of Service	1st Month	2nd Month	3rd Month	Total

Explanation of above program statistics:  
\_\_\_\_\_

B. Clients Served  
Record the number of individual clients served. Do not count a client more than one each month, even if they were seen more than once.

<u>New Clients</u>	1st Month	2nd Month	3rd Month	Total
Unduplicated				
Continued Clients				

Explanation of above program statistics:  
\_\_\_\_\_

C. **New Clients** Population Breakdown Data on  **new clients** reported this quarter  
(total number of new clients)

How many	How many	
Extremely low income	White	# Hispanic/Latino
Low income	Black/African American	# Hispanic/Latino
Moderate income	Asian	# Hispanic/Latino
Non-Low/Moderate income	Amer Indian/Alaskan Native	# Hispanic/Latino
	Native Hawaiian/Pacific Islander	# Hispanic/Latino
	Amer Ind/Alaskan Native&White	# Hispanic/Latino
	Asian & White	# Hispanic/Latino
Female Head of Household	Black/African American & White	# Hispanic/Latino
	Amer Ind/Alaskan Native&Black	# Hispanic/Latino
	Other Multi-racial	# Hispanic/Latino

**II. Budget Data**

Total Project Budget: \_\_\_\_\_ Other Project Support  
\$ \_\_\_\_\_ Source \_\_\_\_\_ \$ \_\_\_\_\_ Amount  
Block Grant Contract Amount  
\$ \_\_\_\_\_  
Block Grant Funds  
Requisitioned to Date  
thru this quarter  
\$ \_\_\_\_\_  
TOTAL \_\_\_\_\_

Community Development Block Grant (CDBG) Expenditure Summary through this Quarter

LINE ITEM (Expense Category)	AMOUNT BUDGETED	AMOUNT EXPENDED	UNEXPENDED BALANCE
Salaries	_____	_____	_____
Fringe	_____	_____	_____
Supplies	_____	_____	_____
Rents	_____	_____	_____
Other * (please specify)	_____	_____	_____
<b>TOTAL</b>	\$ _____	\$ _____	\$ _____

**III. Nominal Program Fees**

Nominal program fees refer to nominal amounts collected from low income population for services provided. Solicitation of donations must be a generic request and cannot be directed to specific clients. Fees should be expended before CDBG funds.

List fees received this quarter. Please specify.

1. \_\_\_\_\_ \$ \_\_\_\_\_
2. \_\_\_\_\_ \$ \_\_\_\_\_
3. \_\_\_\_\_ \$ \_\_\_\_\_
4. \_\_\_\_\_ \$ \_\_\_\_\_

List how these monies were expended. Please be specific.  
What amount of these program fees were expended this quarter?

\_\_\_\_\_

**IV. Supplemental Funding For Agency**

Describe efforts to secure additional support through fundraising and proposal writing. Indicate whether monies were received, or decisions are pending.

\_\_\_\_\_

**V. In-Kind Grantee-Agency Collaboration**

Volunteer Contributions: (# of volunteers, volunteer hours/quarter, etc.)

\_\_\_\_\_  
\_\_\_\_\_

Technical assistance received by Agency from:

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Collaborative Planning/Programming for Agency Conducted With:

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**VI. Project Narrative**

Below or on a separate sheet, briefly relate the program's progress towards achieving the goals and objectives in the Agreement's Scope of Services. Explain any obstacles or problems encountered. Describe planned or enacted resolutions to these problems.

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**VII. Outreach/Public Information**

- A. Attach to this Quarterly Report all (1) publications, newsletters, pamphlets, brochures, etc., (2) media releases (newspaper articles, advertisements and public service announcements), and (3) mailings (questionnaires, notifications, advocacy campaigns) appropriate to this project this quarter. \_\_\_\_\_
- B. List any workshops or training sessions conducted during this quarter for this project.

Date	Topic	# Participants
------	-------	----------------

_____	_____	_____
_____	_____	_____

**VIII. Staff Development for This Project**

List any staff meetings conducted, in-house training offered, staff participation in outside conferences, courses, workshops, etc.

Development Activity	# Participants
----------------------	----------------

_____	_____
_____	_____
_____	_____

**IX. Personnel Data Checklist**

Please include the following items:

- A. Current list of employees (percent of minority, female, low income, Somerville residents/ as on page 1)

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- B. List of new hires this quarter  
(percentages as above)

_____	_____
_____	_____

**Reports are due on the 15th of October, January, April, and July. Please notify CDBG monitor prior to the above dates if you are unable to file reports on time.**

ATTACHMENT E

CDBG Beneficiary Form

CLIENT INFORMATION

Proposers who receive grants will have to gather the following information required by U.S. Department of Housing & Urban Development, will have to keep individual client information in strict confidence, and will be required to use composite data on client information to fill out progress reports and submit it on a quarterly basis to OSPCD.

Name: Address:

1. Total number of members in your household:
2. Please circle the household and check the income in which the combined gross annual income of your household falls (includes all sources of income as checked above):
- Example: If the combined income of a 4-person household is \$45,000, circle (4) members, check (x) less than \$59,250

1 member	<input type="checkbox"/>	Less than 26,850	<input type="checkbox"/>	Less than 44,800	<input type="checkbox"/>	Less than 67,400	<input type="checkbox"/>	Over 67,400
2 members	<input type="checkbox"/>	Less than 30,700	<input type="checkbox"/>	Less than 51,200	<input type="checkbox"/>	Less than 77,000	<input type="checkbox"/>	Over 77,000
3 members	<input type="checkbox"/>	Less than 34,550	<input type="checkbox"/>	Less than 57,600	<input type="checkbox"/>	Less than 86,650	<input type="checkbox"/>	Over 86,650
4 members	<input type="checkbox"/>	Less than 38,350	<input type="checkbox"/>	Less than 63,950	<input type="checkbox"/>	Less than 96,250	<input type="checkbox"/>	Over 96,250
5 members	<input type="checkbox"/>	Less than 41,450	<input type="checkbox"/>	Less than 69,100	<input type="checkbox"/>	Less than 103,950	<input type="checkbox"/>	Over 103,950
6 members	<input type="checkbox"/>	Less than 44,500	<input type="checkbox"/>	Less than 74,200	<input type="checkbox"/>	Less than 111,650	<input type="checkbox"/>	Over 111,650
7 members	<input type="checkbox"/>	Less than 47,600	<input type="checkbox"/>	Less than 79,300	<input type="checkbox"/>	Less than 119,350	<input type="checkbox"/>	Over 119,350
8 members	<input type="checkbox"/>	Less than 50,650	<input type="checkbox"/>	Less than 84,450	<input type="checkbox"/>	Less than 127,050	<input type="checkbox"/>	Over 127,050

3. Race & Ethnicity:

Race

Single race

White  
Black/African American  
Asian  
American Indian/Alaskan Native  
Native Hawaiian/Pac. Islander

Multi-Race

American Indian/Alaskan Native & White  
Asian & White  
Black/African American & White  
Amer Indian/Alaskan & Black/African American  
Other Multi-racial

- a) White: all persons having origins in any of the original people in Europe, North Africa, or the Middle East.
- b) Black/African American: all persons having origins in any of the Black racial groups of Africa.
- c) Asian or Pacific Islander: all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Island. This area includes for example, China, Japan, Korea, the Philippine Islands and Samoa.
- d) American Indian or Alaskan Indian: all persons having origins in any of the original peoples of North America and maintaining cultural identification through tribal affiliations or community recognition.
- e) Native Hawaiian/other Pacific Islander: all persons having origins in the Pacific Islands (i.e. Samoa) and Hawaii.

Ethnicity

Hispanic/Latino

An ethnicity category spread across all the races. Those who are White, Black, Asian, Pacific Islander, American Indian or a multi-race may also be counted as being Hispanic. All persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin.

4. Additional Information:

Female Head of Household

Client signature: Date:

## ATTACHMENT F

### SomerPromise Overview

**Purpose of SomerPromise :** The Somerville Promise Alliance (SomerPromise) is a community-wide effort that focuses on aligning and mobilizing resources to address the academic, social and environmental factors that affect student success. We are committed to equity and excellence in children's lives during and out of school, from cradle to career.

**Connection with Community Development Block Grant (CDBG):** Community Development Block Grant (CDBG) funds should serve low- and moderate-income persons. If a CDBG program seeks to provide youth services, its goals must align with the goals of the SomerPromise program, to ensure consistency across City of Somerville services for all constituents.

**About the Somerville Children's Cabinet:** The Somerville Children's Cabinet was formed in 2017 with the support of the By All Means initiative of the Education Redesign Lab at Harvard Graduate School of Education. The Cabinet shares the aim of the By All Means Initiative, to develop comprehensive child wellbeing and education systems that help eliminate the link between children's socioeconomic status and achievement, and is guided by the 6 conditions of Collective Impact:

#### *A Common Agenda*

Our vision is to create a stable, cross-sector network that supports positive outcomes for children, youth, and families in Somerville.

#### *Shared Measurement*

Data analysts with Somerville Public Schools and the City's SomerStat department inform evidence-driven approaches to our work. Work around common sets of measurement is beginning in key areas.

**Mutually Reinforcing Activities** The Somerville Children's Cabinet's mission is to improve collaboration and communication between a cross sector network of School, City, and Community partners in order to mobilize and align the resources that optimize positive life outcomes for children and youth in our city.

#### *Continuous Communication*

The entire Cabinet meets monthly and is informed by separate meetings of the Out of School Time Taskforce, Early Childhood Advisory Council, the Somerville Education Foundation, the City Council and the School Committee. Subcommittees to support specific projects are formed as needed.

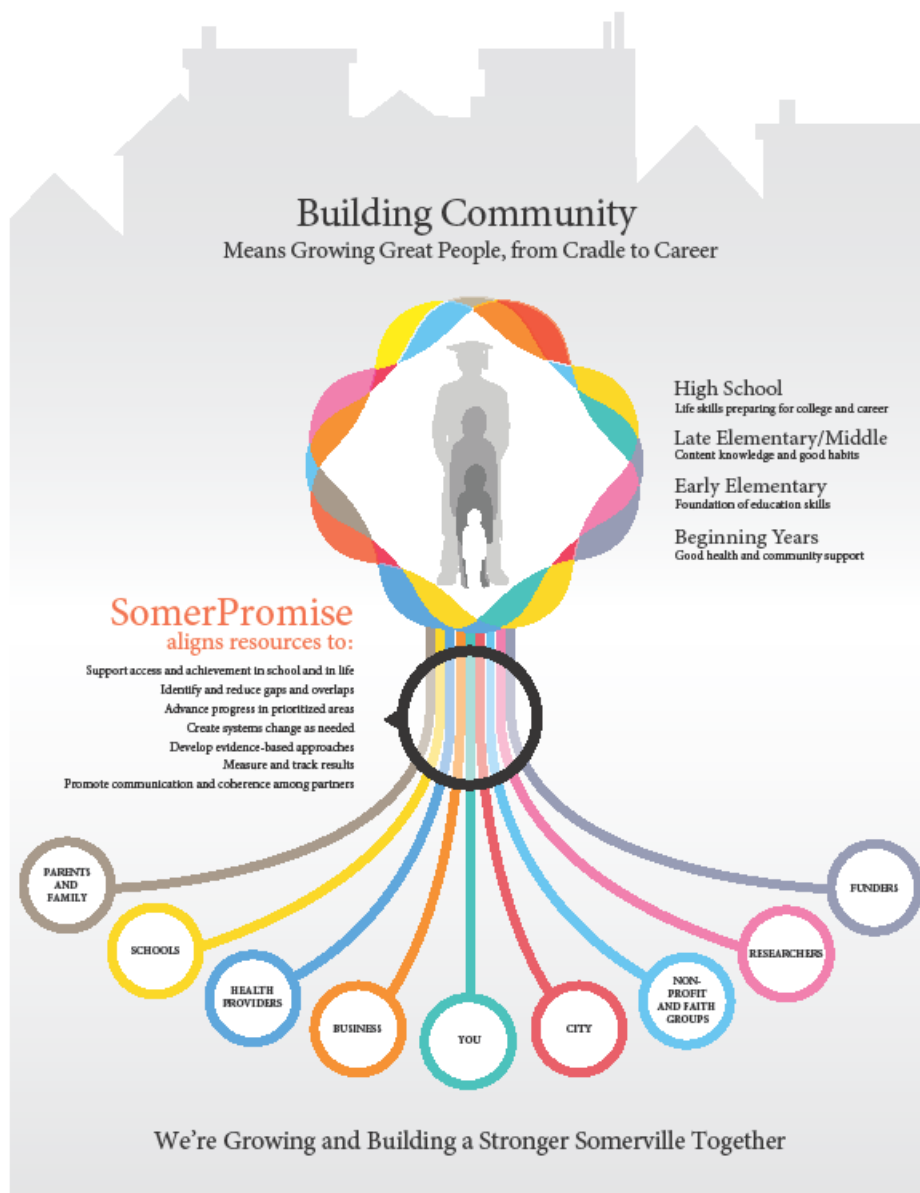
#### *Backbone Organization*

The SomerPromise initiative of the City's Health and Human Services Department provides backbone support to the Cabinet.

#### *Equity as a Priority*

The Cabinet aims to be explicit about using an equity lens both internally as we strategize, and externally as we operationalize our work.

The current areas of focus of the cabinet are equitable access to quality Early Childhood Education and Care and Out of School Time programming.



## ATTACHMENT G

### 24 CFR Part 576 ESG Rules and Regulations

#### Code of Federal Regulations

##### Title 24 - Housing and Urban Development

Volume: 3 Date: 2012-04-01 Original Date: 2012-04-01 Title: PART 576 - EMERGENCY SOLUTIONS GRANTS PROGRAM Context: Title 24 - Housing and Urban Development. Subtitle B - Regulations Relating to Housing and Urban Development (Continued). CHAPTER V - OFFICE OF ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT. SUBCHAPTER C - COMMUNITY FACILITIES.

Pt. 576 PART 576—EMERGENCY SOLUTIONS GRANTS PROGRAM Subpart A—General Provisions Sec. [576.1](#) Applicability and purpose. [576.2](#) Definitions. [576.3](#) Allocation of funding. Subpart B—Program Components and Eligible Activities [576.100](#) General provisions and expenditure limits. [576.101](#) Street outreach component. [576.102](#) Emergency shelter component. [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. [576.107](#) HMIS component. [576.108](#) Administrative activities. [576.109](#) Indirect costs. Subpart C—Award and Use of Funds [576.200](#) Submission requirements and grant approval. [576.201](#) Matching requirement. [576.202](#) Means of carrying out grant activities. [576.203](#) Obligation, expenditure, and payment requirements. Subpart D—Reallocations [576.300](#) In general. [576.301](#) Metropolitan cities and urban counties. [576.302](#) States. [576.303](#) Territories. [576.304](#) Alternative method. Subpart E—Program Requirements [576.400](#) Area-wide systems coordination requirements. [576.401](#) Evaluation of program participant eligibility and needs. [576.402](#) Terminating assistance. [576.403](#) Shelter and housing standards. [576.404](#) Conflicts of interest. [576.405](#) Homeless participation. [576.406](#) Faith-based activities. [576.407](#) Other Federal requirements. [576.408](#) Displacement, relocation, and acquisition. Subpart F—Grant Administration [576.500](#) Recordkeeping and reporting requirements. [576.501](#) Enforcement. Authority: 42 U.S.C. 11371 et seq., 42 U.S.C. 3535(d). Source: 76 FR 75974, Dec. 5, 2011, unless otherwise noted. Subpart A—General Provisions § 576.1 Applicability and purpose. This part implements the Emergency Solutions Grants (ESG) program authorized by subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11371-11378). The program authorizes the Department of Housing and Urban Development (HUD) to make grants to States, units of general purpose local government, and territories for the rehabilitation or conversion of buildings for use as emergency shelter for the homeless, for the payment of certain expenses related to operating emergency shelters, for essential services related to emergency shelters and street outreach for the homeless, and for homelessness prevention and rapid re-housing assistance. § 576.2 Definitions. *At risk of homelessness* means: (1) An individual or family who: (i) Has an annual income below 30 percent of median family income for the area, as determined by HUD; (ii) Does not have sufficient resources or support networks, *e.g.*, family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the “homeless” definition in this section; and (iii) Meets one of the following conditions: (A) Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance; (B) Is living in the home of another because of economic hardship; (C) Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance; (D) Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by Federal, State, or local government programs for low-income individuals; (E) Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 persons reside per room, as defined by the U.S. Census Bureau; (F) Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or (G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of



homelessness, as identified in the recipient's approved consolidated plan;(2) A child or youth who does not qualify as "homeless" under this section, but qualifies as "homeless" under section 387(3) of the Runaway and Homeless Youth Act (42 U.S.C. 5732a(3)), section 637(11) of the Head Start Act (42 U.S.C. 9832(11)), section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2(6)), section 330(h)(5)(A) of the Public Health Service Act (42 U.S.C. 254b(h)(5)(A)), section 3(m) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(m)), or section 17(b)(15) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(15)); or(3) A child or youth who does not qualify as "homeless" under this section, but qualifies as "homeless" under section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)), and the parent(s) or guardian(s) of that child or youth if living with her or him.*Consolidated plan* means a plan prepared in accordance with 24 CFR part 91. An *approved consolidated plan* means a consolidated plan that has been approved by HUD in accordance with 24 CFR part 91.*Continuum of Care* means the group composed of representatives of relevant organizations, which generally includes nonprofit homeless providers; victim service providers; faith-based organizations; governments; businesses; advocates; public housing agencies; school districts; social service providers; mental health agencies; hospitals; universities; affordable housing developers; law enforcement; organizations that serve homeless and formerly homeless veterans, and homeless and formerly homeless persons that are organized to plan for and provide, as necessary, a system of outreach, engagement, and assessment; emergency shelter; rapid re-housing; transitional housing; permanent housing; and prevention strategies to address the various needs of homeless persons and persons at risk of homelessness for a specific geographic area.

*Emergency shelter* means any facility, the primary purpose of which is to provide a temporary shelter for the homeless in general or for specific populations of the homeless and which does not require occupants to sign leases or occupancy agreements. Any project funded as an emergency shelter under a Fiscal Year 2010 Emergency Solutions grant may continue to be funded under ESG.*Homeless* means:(1) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:(i) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;(ii) An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or(iii) An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;(2) An individual or family who will imminently lose their primary nighttime residence, provided that:(i) The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;(ii) No subsequent residence has been identified; and(iii) The individual or family lacks the resources or support networks, *e.g.*, family, friends, faith-based or other social networks, needed to obtain other permanent housing;(3) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:(i) Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)) or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);(ii) Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;(iii) Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and(iv) Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; or

(4) Any individual or family who: (i) Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence; (ii) Has no other residence; and (iii) Lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, to obtain other permanent housing. *Homeless Management Information System (HMIS)* means the information system designated by the Continuum of Care to comply with the HUD's data collection, management, and reporting standards and used to collect client-level data and data on the provision of housing and services to homeless individuals and families and persons at-risk of homelessness. *Metropolitan city* means a city that was classified as a metropolitan city under 42 U.S.C. 5302(a) for the fiscal year immediately preceding the fiscal year for which ESG funds are made available. This term includes the District of Columbia. *Private nonprofit organization* means a private nonprofit organization that is a secular or religious organization described in section 501(c) of the Internal Revenue Code of 1986 and which is exempt from taxation under subtitle A of the Code, has an accounting system and a voluntary board, and practices nondiscrimination in the provision of assistance. A private nonprofit organization does not include a governmental organization, such as a public housing agency or housing finance agency. *Program income* shall have the meaning provided in 24 CFR 85.25. Program income includes any amount of a security or utility deposit returned to the recipient or subrecipient. *Program participant* means an individual or family who is assisted under ESG program. *Program year* means the consolidated program year established by the recipient under 24 CFR part 91. *Recipient* means any State, territory, metropolitan city, or urban county, or in the case of reallocation, any unit of general purpose local government that is approved by HUD to assume financial responsibility and enters into a grant agreement with HUD to administer assistance under this part. *State* means each of the several States and the Commonwealth of Puerto Rico. *Subrecipient* means a unit of general purpose local government or private nonprofit organization to which a recipient makes available ESG funds. *Territory* means each of the following: the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands. *Unit of general purpose local government* means any city, county, town, township, parish, village, or other general purpose political subdivision of a State. *Urban county* means a county that was classified as an urban county under 42 U.S.C. 5302(a) for the fiscal year immediately preceding the fiscal year for which ESG funds are made available. *Victim service provider* means a private nonprofit organization whose primary mission is to provide services to victims of domestic violence, dating violence, sexual assault, or stalking. This term includes rape crisis centers, battered women's shelters, domestic violence transitional housing programs, and other programs. § 576.3 Allocation of funding. (a) *Territories*. HUD will set aside for allocation to the territories up to 0.2 percent, but not less than 0.1 percent, of the total amount of each appropriation under this part in any fiscal year. HUD will allocate this set-aside amount to each territory based on its proportionate share of the total population of all territories and its rate of compliance with the most recent expenditure deadline under § 576.203. (b) *States, metropolitan cities, and urban counties*. HUD will allocate the amounts that remain after the set-aside to territories under paragraph (a) of this section to States, metropolitan cities, and urban counties, as follows:

(1) HUD will provide that the percentage of the total amount available for allocation to each State, metropolitan city, or urban county is equal to the percentage of the total amount available under section 106 of the Housing and Community Development Act of 1974 for the prior fiscal year that was allocated to that State, metropolitan city, or urban county. (2) Except as otherwise provided by law, if the amount a metropolitan city or urban county would be allocated under paragraph (b)(1) is less than 0.05 percent of the total fiscal year appropriation for ESG, that amount will be added to the allocation for the State in which the city or county is located. (c) *Notification of allocation amount*. HUD will notify each State, metropolitan city, urban county, and territory that is eligible to receive an allocation under this section of the amount of its allocation. Subpart B—Program Components and Eligible Activities § 576.100 General provisions and expenditure limits. (a) ESG funds may be used for five program components: street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, and HMIS; as well as administrative activities. The five program components and the eligible activities that may be funded under each are set forth in §

576.101 through § 576.107. Eligible administrative activities are set forth in § 576.108.(b) The total amount of the recipient's fiscal year grant that may be used for street outreach and emergency shelter activities cannot exceed the greater of:(1) 60 percent of the recipient's fiscal year grant; or(2) The amount of Fiscal Year 2010 grant funds committed for homeless assistance activities.(c) The total amount of ESG funds that may be used for administrative activities cannot exceed 7.5 percent of the recipient's fiscal year grant.(d) Subject to the cost principles in OMB Circulars A-87 (2 CFR 225) and A-122 (2 CFR 230) and other requirements in this part, employee compensation and other overhead costs directly related to carrying out street outreach, emergency shelter, homelessness prevention, rapid re-housing, and HMIS are eligible costs of those program components. These costs are not subject to the expenditure limit in paragraph (c) of this section. § 576.101 Street outreach component. (a) *Eligible costs.* Subject to the expenditure limit in § 576.100(b), ESG funds may be used for costs of providing essential services necessary to reach out to unsheltered homeless people; connect them with emergency shelter, housing, or critical services; and provide urgent, nonfacility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility. For the purposes of this section, the term "unsheltered homeless people" means individuals and families who qualify as homeless under paragraph (1)(i) of the "homeless" definition under § 576.2. The eligible costs and requirements for essential services consist of:(1) *Engagement.* The costs of activities to locate, identify, and build relationships with unsheltered homeless people and engage them for the purpose of providing immediate support, intervention, and connections with homeless assistance programs and/or mainstream social services and housing programs. These activities consist of making an initial assessment of needs and eligibility; providing crisis counseling; addressing urgent physical needs, such as providing meals, blankets, clothes, or toiletries; and actively connecting and providing information and referrals to programs targeted to homeless people and mainstream social services and housing programs, including emergency shelter, transitional housing, community-based services, permanent supportive housing, and rapid re-housing programs. Eligible costs include the cell phone costs of outreach workers during the performance of these activities. (2) *Case management.* The cost of assessing housing and service needs, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant. Eligible services and activities are as follows: using the centralized or coordinated assessment system as required under § 576.400(d); conducting the initial evaluation required under § 576.401(a), including verifying and documenting eligibility; counseling; developing, securing and coordinating services; obtaining Federal, State, and local benefits; monitoring and evaluating program participant progress; providing information and referrals to other providers; and developing an individualized housing and service plan, including planning a path to permanent housing stability. (3) *Emergency health services.* (i) Eligible costs are for the direct outpatient treatment of medical conditions and are provided by licensed medical professionals operating in community-based settings, including streets, parks, and other places where unsheltered homeless people are living.(ii) ESG funds may be used only for these services to the extent that other appropriate health services are inaccessible or unavailable within the area.(iii) Eligible treatment consists of assessing a program participant's health problems and developing a treatment plan; assisting program participants to understand their health needs; providing directly or assisting program participants to obtain appropriate emergency medical treatment; and providing medication and follow-up services.(4) *Emergency mental health services.* (i) Eligible costs are the direct outpatient treatment by licensed professionals of mental health conditions operating in community-based settings, including streets, parks, and other places where unsheltered people are living.(ii) ESG funds may be used only for these services to the extent that other appropriate mental health services are inaccessible or unavailable within the community.(iii) Mental health services are the application of therapeutic processes to personal, family, situational, or occupational problems in order to bring about positive resolution of the problem or improved individual or family functioning or circumstances.(iv) Eligible treatment consists of crisis interventions, the prescription of psychotropic medications, explanation about the use and management of medications, and combinations of therapeutic approaches to address multiple problems.(5) *Transportation.* The transportation costs of travel by outreach workers, social workers, medical professionals, or other service providers are eligible, provided that this travel takes place during the provision of services eligible under this section. The

costs of transporting unsheltered people to emergency shelters or other service facilities are also eligible. These costs include the following: (i) The cost of a program participant's travel on public transportation; (ii) If service workers use their own vehicles, mileage allowance for service workers to visit program participants; (iii) The cost of purchasing or leasing a vehicle for the recipient or subrecipient in which staff transports program participants and/or staff serving program participants, and the cost of gas, insurance, taxes and maintenance for the vehicle; and (iv) The travel costs of recipient or subrecipient staff to accompany or assist program participants to use public transportation. (6) *Services for special populations.* ESG funds may be used to provide services for homeless youth, victim services, and services for people living with HIV/AIDS, so long as the costs of providing these services are eligible under paragraphs (a)(1) through (a)(5) of this section. The term *victim services* means services that assist program participants who are victims of domestic violence, dating violence, sexual assault, or stalking, including services offered by rape crisis centers and domestic violence shelters, and other organizations with a documented history of effective work concerning domestic violence, dating violence, sexual assault, or stalking. (b) *Minimum period of use.* The recipient or subrecipient must provide services to homeless individuals and families for at least the period during which ESG funds are provided.

(c) *Maintenance of effort.* (1) If the recipient or subrecipient is a unit of general purpose local government, its ESG funds cannot be used to replace funds the local government provided for street outreach and emergency shelter services during the immediately preceding 12-month period, unless HUD determines that the unit of general purpose local government is in a severe financial deficit. (2) Upon the recipient's request, HUD will determine whether the unit of general purpose local government is in a severe financial deficit, based on the recipient's demonstration of each of the following: (i) The average poverty rate in the unit of general purpose local government's jurisdiction was equal to or greater than 125 percent of the average national poverty rate, during the calendar year for which the most recent data are available, as determined according to information from the U.S. Census Bureau. (ii) The average per-capita income in the unit of general purpose local government's jurisdiction was less than 75 percent of the average national per-capita income, during the calendar year for which the most recent data are available, as determined according to information from the Census Bureau. (iii) The unit of general purpose local government has a current annual budget deficit that requires a reduction in funding for services for homeless people. (iv) The unit of general purpose local government has taken all reasonable steps to prevent a reduction in funding of services for homeless people. Reasonable steps may include steps to increase revenue generation, steps to maximize cost savings, or steps to reduce expenditures in areas other than services for homeless people. § 576.102 Emergency shelter component. (a) *General.* Subject to the expenditure limit in § 576.100(b), ESG funds may be used for costs of providing essential services to homeless families and individuals in emergency shelters, renovating buildings to be used as emergency shelter for homeless families and individuals, and operating emergency shelters. (1) *Essential services.* ESG funds may be used to provide essential services to individuals and families who are in an emergency shelter, as follows: (i) *Case management.* The cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant is eligible. Component services and activities consist of: (A) Using the centralized or coordinated assessment system as required under § 576.400(d); (B) Conducting the initial evaluation required under § 576.401(a), including verifying and documenting eligibility; (C) Counseling; (D) Developing, securing, and coordinating services and obtaining Federal, State, and local benefits; (E) Monitoring and evaluating program participant progress; (F) Providing information and referrals to other providers; (G) Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking; and (H) Developing an individualized housing and service plan, including planning a path to permanent housing stability. (ii) *Child care.* The costs of childcare for program participants, including providing meals and snacks, and comprehensive and coordinated sets of appropriate developmental activities, are eligible. The children must be under the age of 13, unless they are disabled. Disabled children must be under the age of 18. The child-care center must be licensed by the jurisdiction in which it operates in order for its costs to be eligible. (iii) *Education services.* When necessary for the program participant to obtain and maintain housing, the costs of improving knowledge and basic educational skills are eligible. Services include instruction or training in consumer education, health education, substance abuse prevention,

literacy, English as a Second Language, and General Educational Development (GED). Component services or activities are screening, assessment and testing; individual or group instruction; tutoring; provision of books, supplies and instructional material; counseling; and referral to community resources.

(iv) *Employment assistance and job training.* The costs of employment assistance and job training programs are eligible, including classroom, online, and/or computer instruction; on-the-job instruction; and services that assist individuals in securing employment, acquiring learning skills, and/or increasing earning potential. The cost of providing reasonable stipends to program participants in employment assistance and job training programs is an eligible cost. Learning skills include those skills that can be used to secure and retain a job, including the acquisition of vocational licenses and/or certificates. Services that assist individuals in securing employment consist of employment screening, assessment, or testing; structured job skills and job-seeking skills; special training and tutoring, including literacy training and prevocational training; books and instructional material; counseling or job coaching; and referral to community resources.

(v) *Outpatient health services.* Eligible costs are for the direct outpatient treatment of medical conditions and are provided by licensed medical professionals. Emergency Solutions Grant (ESG) funds may be used only for these services to the extent that other appropriate health services are unavailable within the community. Eligible treatment consists of assessing a program participant's health problems and developing a treatment plan; assisting program participants to understand their health needs; providing directly or assisting program participants to obtain appropriate medical treatment, preventive medical care, and health maintenance services, including emergency medical services; providing medication and follow-up services; and providing preventive and noncosmetic dental care.

(vi) *Legal services.* (A) Eligible costs are the hourly fees for legal advice and representation by attorneys licensed and in good standing with the bar association of the State in which the services are provided, and by person(s) under the supervision of the licensed attorney, regarding matters that interfere with the program participant's ability to obtain and retain housing. (B) Emergency Solutions Grant (ESG) funds may be used only for these services to the extent that other appropriate legal services are unavailable or inaccessible within the community. (C) Eligible subject matters are child support, guardianship, paternity, emancipation, and legal separation, orders of protection and other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking, appeal of veterans and public benefit claim denials, and the resolution of outstanding criminal warrants. (D) Component services or activities may include client intake, preparation of cases for trial, provision of legal advice, representation at hearings, and counseling. (E) Fees based on the actual service performed (*i.e.*, fee for service) are also eligible, but only if the cost would be less than the cost of hourly fees. Filing fees and other necessary court costs are also eligible. If the subrecipient is a legal services provider and performs the services itself, the eligible costs are the subrecipient's employees' salaries and other costs necessary to perform the services. (F) Legal services for immigration and citizenship matters and issues relating to mortgages are ineligible costs. Retainer fee arrangements and contingency fee arrangements are ineligible costs.

(vii) *Life skills training.* The costs of teaching critical life management skills that may never have been learned or have been lost during the course of physical or mental illness, domestic violence, substance use, and homelessness are eligible costs. These services must be necessary to assist the program participant to function independently in the community. Component life skills training are budgeting resources, managing money, managing a household, resolving conflict, shopping for food and needed items, improving nutrition, using public transportation, and parenting.

(viii) *Mental health services.* (A) Eligible costs are the direct outpatient treatment by licensed professionals of mental health conditions. (B) ESG funds may only be used for these services to the extent that other appropriate mental health services are unavailable or inaccessible within the community. (C) Mental health services are the application of therapeutic processes to personal, family, situational, or occupational problems in order to bring about positive resolution of the problem or improved individual or family functioning or circumstances. Problem areas may include family and marital relationships, parent-child problems, or symptom management. (D) Eligible treatment consists of crisis interventions; individual, family, or group therapy sessions; the prescription of psychotropic medications or explanations about the use and management of medications; and combinations of therapeutic approaches to address multiple problems.

(ix) *Substance abuse treatment services.* (A) Eligible substance abuse treatment services are designed to prevent, reduce, eliminate, or deter

relapse of substance abuse or addictive behaviors and are provided by licensed or certified professionals. (B) ESG funds may only be used for these services to the extent that other appropriate substance abuse treatment services are unavailable or inaccessible within the community. (C) Eligible treatment consists of client intake and assessment, and outpatient treatment for up to 30 days. Group and individual counseling and drug testing are eligible costs. Inpatient detoxification and other inpatient drug or alcohol treatment are not eligible costs. (x) *Transportation*. Eligible costs consist of the transportation costs of a program participant's travel to and from medical care, employment, childcare, or other eligible essential services facilities. These costs include the following: (A) The cost of a program participant's travel on public transportation; (B) If service workers use their own vehicles, mileage allowance for service workers to visit program participants; (C) The cost of purchasing or leasing a vehicle for the recipient or subrecipient in which staff transports program participants and/or staff serving program participants, and the cost of gas, insurance, taxes, and maintenance for the vehicle; and (D) The travel costs of recipient or subrecipient staff to accompany or assist program participants to use public transportation. (xi) *Services for special populations*. ESG funds may be used to provide services for homeless youth, victim services, and services for people living with HIV/AIDS, so long as the costs of providing these services are eligible under paragraphs (a)(1)(i) through (a)(1)(x) of this section. The term *victim services* means services that assist program participants who are victims of domestic violence, dating violence, sexual assault, or stalking, including services offered by rape crisis centers and domestic violence shelters, and other organizations with a documented history of effective work concerning domestic violence, dating violence, sexual assault, or stalking. (2) *Renovation*. Eligible costs include labor, materials, tools, and other costs for renovation (including major rehabilitation of an emergency shelter or conversion of a building into an emergency shelter). The emergency shelter must be owned by a government entity or private nonprofit organization. (3) *Shelter operations*. Eligible costs are the costs of maintenance (including minor or routine repairs), rent, security, fuel, equipment, insurance, utilities, food, furnishings, and supplies necessary for the operation of the emergency shelter. Where no appropriate emergency shelter is available for a homeless family or individual, eligible costs may also include a hotel or motel voucher for that family or individual. (4) *Assistance required under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)*. Eligible costs are the costs of providing URA assistance under § 576.408, including relocation payments and other assistance to persons displaced by a project assisted with ESG funds. Persons that receive URA assistance are not considered "program participants" for the purposes of this part, and relocation payments and other URA assistance are not considered "rental assistance" or "housing relocation and stabilization services" for the purposes of this part.

(b) *Prohibition against involuntary family separation*. The age, of a child under age 18 must not be used as a basis for denying any family's admission to an emergency shelter that uses Emergency Solutions Grant (ESG) funding or services and provides shelter to families with children under age 18. (c) *Minimum period of use*. (1) *Renovated buildings*. Each building renovated with ESG funds must be maintained as a shelter for homeless individuals and families for not less than a period of 3 or 10 years, depending on the type of renovation and the value of the building. The "value of the building" is the reasonable monetary value assigned to the building, such as the value assigned by an independent real estate appraiser. The minimum use period must begin on the date the building is first occupied by a homeless individual or family after the completed renovation. A minimum period of use of 10 years, required for major rehabilitation and conversion, must be enforced by a recorded deed or use restriction. (i) *Major rehabilitation*. If the rehabilitation cost of an emergency shelter exceeds 75 percent of the value of the building before rehabilitation, the minimum period of use is 10 years. (ii) *Conversion*. If the cost to convert a building into an emergency shelter exceeds 75 percent of the value of the building after conversion, the minimum period of use is 10 years. (iii) *Renovation other than major rehabilitation or conversion*. In all other cases where ESG funds are used for renovation, the minimum period of use is 3 years. (2) *Essential services and shelter operations*. Where the recipient or subrecipient uses ESG funds solely for essential services or shelter operations, the recipient or subrecipient must provide services or shelter to homeless individuals and families at least for the period during which the ESG funds are provided. The recipient or subrecipient does not need to limit these services or shelter to a particular site or structure, so long as the site or structure serves the same type of persons originally served with the assistance (e.g., families with children, unaccompanied

youth, disabled individuals, or victims of domestic violence) or serves homeless persons in the same area where the recipient or subrecipient originally provided the services or shelter. (d) *Maintenance of effort*. The maintenance of effort requirements under § 576.101(c), which apply to the use of ESG funds for essential services related to street outreach, also apply for the use of such funds for essential services related to emergency shelter. § 576.103 Homelessness prevention component. ESG funds may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance necessary to prevent an individual or family from moving into an emergency shelter or another place described in paragraph (1) of the “homeless” definition in § 576.2. This assistance, referred to as homelessness prevention, may be provided to individuals and families who meet the criteria under the “at risk of homelessness” definition, or who meet the criteria in paragraph (2), (3), or (4) of the “homeless” definition in § 576.2 and have an annual income below 30 percent of median family income for the area, as determined by HUD. The costs of homelessness prevention are only eligible to the extent that the assistance is necessary to help the program participant regain stability in the program participant's current permanent housing or move into other permanent housing and achieve stability in that housing. Homelessness prevention must be provided in accordance with the housing relocation and stabilization services requirements in § 576.105, the short-term and medium-term rental assistance requirements in § 576.106, and the written standards and procedures established under § 576.400. § 576.104 Rapid re-housing assistance component. ESG funds may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance as necessary to help a homeless individual or family move as quickly as possible into permanent housing and achieve stability in that housing. This assistance, referred to as rapid re-housing assistance, may be provided to program participants who meet the criteria under paragraph (1) of the “homeless” definition in § 576.2 or who meet the criteria under paragraph (4) of the “homeless” definition and live in an emergency shelter or other place described in paragraph (1) of the “homeless” definition. The rapid re-housing assistance must be provided in accordance with the housing relocation and stabilization services requirements in § 576.105, the short- and medium-term rental assistance requirements in § 576.106, and the written standards and procedures established under § 576.400.

§ 576.105 Housing relocation and stabilization services. (a) *Financial assistance costs*. Subject to the general conditions under § 576.103 and § 576.104, ESG funds may be used to pay housing owners, utility companies, and other third parties for the following costs: (1) *Rental application fees*. ESG funds may pay for the rental housing application fee that is charged by the owner to all applicants. (2) *Security deposits*. ESG funds may pay for a security deposit that is equal to no more than 2 months' rent. (3) *Last month's rent*. If necessary to obtain housing for a program participant, the last month's rent may be paid from ESG funds to the owner of that housing at the time the owner is paid the security deposit and the first month's rent. This assistance must not exceed one month's rent and must be included in calculating the program participant's total rental assistance, which cannot exceed 24 months during any 3-year period. (4) *Utility deposits*. ESG funds may pay for a standard utility deposit required by the utility company for all customers for the utilities listed in paragraph (5) of this section. (5) *Utility payments*. ESG funds may pay for up to 24 months of utility payments per program participant, per service, including up to 6 months of utility payments in arrears, per service. A partial payment of a utility bill counts as one month. This assistance 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. No program participant shall receive more than 24 months of utility assistance within any 3-year period. (6) *Moving costs*. ESG funds may pay for moving costs, such as truck rental or hiring a moving company. This assistance may include payment of temporary storage fees for up to 3 months, provided that the fees are accrued after the date the program participant begins receiving assistance under paragraph (b) of this section and before the program participant moves into permanent housing. Payment of temporary storage fees in arrears is not eligible. (b) *Services costs*. Subject to the general restrictions under § 576.103 and § 576.104, ESG funds may be used to pay the costs of providing the following services: (1) *Housing search and placement*. Services or activities necessary to assist program participants in locating, obtaining, and retaining suitable permanent housing, include the following: (i) Assessment of housing barriers, needs, and preferences; (ii) Development of an action plan for locating housing; (iii) Housing search; (iv) Outreach to and

negotiation with owners;(v) Assistance with submitting rental applications and understanding leases;(vi) Assessment of housing for compliance with Emergency Solutions Grant (ESG) requirements for habitability, lead-based paint, and rent reasonableness;(vii) Assistance with obtaining utilities and making moving arrangements; and(viii) Tenant counseling.(2) *Housing stability case management.* ESG funds may be used to pay cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing. This assistance cannot exceed 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. Component services and activities consist of:

(A) Using the centralized or coordinated assessment system as required under § 576.400(d), to evaluate individuals and families applying for or receiving homelessness prevention or rapid re-housing assistance;(B) Conducting the initial evaluation required under § 576.401(a), including verifying and documenting eligibility, for individuals and families applying for homelessness prevention or rapid re-housing assistance;(C) Counseling;(D) Developing, securing, and coordinating services and obtaining Federal, State, and local benefits;(E) Monitoring and evaluating program participant progress;(F) Providing information and referrals to other providers;(G) Developing an individualized housing and service plan, including planning a path to permanent housing stability; and(H) Conducting re-evaluations required under § 576.401(b).(3)

*Mediation.* ESG funds may pay for mediation between the program participant and the owner or person(s) with whom the program participant is living, provided that the mediation is necessary to prevent the program participant from losing permanent housing in which the program participant currently resides. (4) *Legal services.* ESG funds may pay for legal services, as set forth in § 576.102(a)(1)(vi), except that the eligible subject matters also include landlord/tenant matters, and the services must be necessary to resolve a legal problem that prohibits the program participant from obtaining permanent housing or will likely result in the program participant losing the permanent housing in which the program participant currently resides. (5)

*Credit repair.* ESG funds may pay for credit counseling and other services necessary to assist program participants 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. (c) *Maximum amounts and periods of assistance.* The recipient may set a maximum dollar amount that a program participant may receive for each type of financial assistance under paragraph (a) of this section. The recipient may also set a maximum period for which a program participant may receive any of the types of assistance or services under this section. However, except for housing stability case management, the total period for which any program participant may receive the services under paragraph (b) of this section must not exceed 24 months during any 3-year period. The limits on the assistance under this section apply to the total assistance an individual receives, either as an individual or as part of a family.

(d) *Use with other subsidies.* Financial assistance under paragraph (a) of this section 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 URA, during the period of time covered by the URA payments. § 576.106 Short-term and medium-term rental assistance. (a) *General provisions.* Subject to the general conditions under § 576.103 and § 576.104, the recipient or subrecipient may provide a program participant with up to 24 months of rental assistance during any 3-year period. This assistance may be short-term rental assistance, medium-term rental assistance, payment of rental arrears, or any combination of this assistance.(1) Short-term rental assistance is assistance for up to 3 months of rent.(2) Medium-term rental assistance is assistance for more than 3 months but not more than 24 months of rent.(3) 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.

(4) Rental assistance may be tenant-based or project-based, as set forth in paragraphs (h) and (i) of this section. (b) *Discretion to set caps and conditions.* Subject to the requirements of this section, the recipient may set a maximum amount or percentage of rental assistance that a program participant may receive, a maximum number of months that a program participant may receive rental assistance, or a maximum number of times that a program participant may receive rental assistance. The recipient may also require program



participants to share in the costs of rent. (c) *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 URA during the period of time covered by the URA payments. (d) *Rent restrictions.* (1) Rental assistance cannot be provided unless the rent does not exceed the Fair Market Rent established by HUD, as provided under 24 CFR part 888, and complies with HUD's standard of rent reasonableness, as established under 24 CFR 982.507.(2) For purposes of calculating rent under this section, the rent shall equal the sum of the total monthly rent for the unit, any fees required for occupancy under the lease (other than late fees and pet fees) and, if the tenant pays separately for utilities, the monthly allowance for utilities (excluding telephone) established by the public housing authority for the area in which the housing is located.(e) *Rental assistance agreement.* The recipient or subrecipient may make rental assistance payments only to an owner with whom the recipient or subrecipient has entered into a rental assistance agreement. The rental assistance agreement must set forth the terms under which rental assistance will be provided, including the requirements that apply under this section. The rental assistance agreement must provide that, during the term of the agreement, the owner must give the recipient or subrecipient 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. (f) *Late payments.* The recipient or subrecipient must make timely payments to each owner in accordance with the rental assistance agreement. The rental assistance agreement must contain the same payment due date, grace period, and late payment penalty requirements as the program participant's lease. The recipient or subrecipient is solely responsible for paying late payment penalties that it incurs with non-ESG funds.(g) *Lease.* Each program participant receiving 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. Where the assistance is solely for rental arrears, an oral agreement may be accepted in place of a written lease, if the agreement gives the program participant 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. For program participants living in housing with project-based rental assistance under paragraph (i) of this section, the lease must have an initial term of one year. (h) *Tenant-based rental assistance.* (1) A program participant who receives tenant-based rental assistance may select a housing unit in which to live and may move to another unit or building and continue to receive rental assistance, as long as the program participant continues to meet the program requirements.(2) The recipient may require that all program participants live within a particular area for the period in which the rental assistance is provided.(3) The rental assistance agreement with the owner must terminate and no further rental assistance payments under that agreement may be made if:

- (i) The program participant moves out of the housing unit for which the program participant has a lease;(ii) The lease terminates and is not renewed; or(iii) The program participant becomes ineligible to receive ESG rental assistance. (i) *Project-based rental assistance.* If the recipient or subrecipient identifies a permanent housing unit that meets ESG requirements and becomes available before a program participant is identified to lease the unit, the recipient or subrecipient may enter into a rental assistance agreement with the owner to reserve the unit and subsidize its rent in accordance with the following requirements:(1) The rental assistance agreement may cover one or more permanent housing units in the same building. Each unit covered by the rental assistance agreement ("assisted unit") may only be occupied by program participants, except as provided under paragraph (i)(4) of this section. (2) The recipient or subrecipient may pay up to 100 percent of the first month's rent, provided that a program participant signs a lease and moves into the unit before the end of the month for which the first month's rent is paid. The rent paid before a program participant moves into the unit must not exceed the rent to be charged under the program participant's lease and must be included when determining that program participant's total rental assistance. (3) The recipient or subrecipient may make monthly rental assistance payments only for each whole or partial month an assisted unit is leased to a program participant. When a program participant moves out of an assisted unit, the recipient or subrecipient may pay the next month's rent, *i.e.*, the first month's rent for a new program participant, as

provided in paragraph (i)(2) of this section. (4) The program participant's lease must not condition the term of occupancy to the provision of rental assistance payments. If the program participant is determined ineligible or reaches the maximum number of months over which rental assistance can be provided, the recipient or subrecipient must suspend or terminate the rental assistance payments for the unit. If the payments are suspended, the individual or family may remain in the assisted unit as permitted under the lease, and the recipient or subrecipient may resume payments if the individual or family again becomes eligible and needs further rental assistance. If the payments are terminated, the rental assistance may be transferred to another available unit in the same building, provided that the other unit meets all ESG requirements. (5) The rental assistance agreement must have an initial term of one year. When a new program participant moves into an assisted unit, the term of the rental assistance agreement may be extended to cover the initial term of the program participant's lease. If the program participant's lease is renewed, the rental assistance agreement may be renewed or extended, as needed, up to the maximum number of months for which the program participant remains eligible. However, under no circumstances may the recipient or subrecipient commit ESG funds to be expended beyond the expenditure deadline in § 576.203 or commit funds for a future ESG grant before the grant is awarded. (j) *Changes in household composition.* The limits on the assistance under this section apply to the total assistance an individual receives, either as an individual or as part of a family. § 576.107 HMIS component. (a) *Eligible costs.* (1) The recipient or subrecipient may use ESG funds to pay the costs of contributing data to the HMIS designated by the Continuum of Care for the area, including the costs of: (i) Purchasing or leasing computer hardware; (ii) Purchasing software or software licenses; (iii) Purchasing or leasing equipment, including telephones, fax machines, and furniture; (iv) Obtaining technical support; (v) Leasing office space; (vi) Paying charges for electricity, gas, water, phone service, and high-speed data transmission necessary to operate or contribute data to the HMIS; (vii) Paying salaries for operating HMIS, including: (A) Completing data entry; (B) Monitoring and reviewing data quality; (C) Completing data analysis; (D) Reporting to the HMIS Lead; (E) Training staff on using the HMIS or comparable database; and (G) Implementing and complying with HMIS requirements; (viii) Paying costs of staff to travel to and attend HUD-sponsored and HUD-approved training on HMIS and programs authorized by Title IV of the McKinney-Vento Homeless Assistance Act; (ix) Paying staff travel costs to conduct intake; and (x) Paying participation fees charged by the HMIS Lead, if the recipient or subrecipient is not the HMIS Lead. The HMIS Lead is the entity designated by the Continuum of Care to operate the area's HMIS. (2) If the recipient is the HMIS lead agency, as designated by the Continuum of Care in the most recent fiscal year Continuum of Care Homeless Assistance Grants Competition, it may also use ESG funds to pay the costs of: (i) Hosting and maintaining HMIS software or data; (ii) Backing up, recovering, or repairing HMIS software or data; (iii) Upgrading, customizing, and enhancing the HMIS; (iv) Integrating and warehousing data, including development of a data warehouse for use in aggregating data from subrecipients using multiple software systems; (v) Administering the system; (vi) Reporting to providers, the Continuum of Care, and HUD; and (vii) Conducting training on using the system or a comparable database, including traveling to the training. (3) If the subrecipient is a victim services provider or a legal services provider, it may use ESG funds to establish and operate a comparable database that collects client-level data over time (*i.e.*, longitudinal data) and generates unduplicated aggregate reports based on the data. Information entered into a comparable database must not be entered directly into or provided to an HMIS. (b) *General restrictions.* Activities funded under this section must comply with HUD's standards on participation, data collection, and reporting under a local HMIS. § 576.108 Administrative activities. (a) *Eligible costs.* The recipient may use up to 7.5 percent of its ESG grant for the payment of administrative costs related to the planning and execution of ESG activities. This does not include staff and overhead costs directly related to carrying out activities eligible under § 576.101 through § 576.107, because those costs are eligible as part of those activities. Eligible administrative costs include: (1) *General management, oversight and coordination.* Costs of overall program management, coordination, monitoring, and evaluation. These costs include, but are not limited to, necessary expenditures for the following: (i) Salaries, wages, and related costs of the recipient's staff, the staff of subrecipients, or other staff engaged in program administration. In charging costs to this category, the recipient may either include the entire salary, wages, and related costs allocable to the program of each person whose *primary* responsibilities with regard to the program involve program administration

assignments, or the pro rata share of the salary, wages, and related costs of each person whose job includes any program administration assignments. The recipient may use only one of these methods for each fiscal year grant. Program administration assignments include the following: (A) Preparing program budgets and schedules, and amendments to those budgets and schedules; (B) Developing systems for assuring compliance with program requirements; (C) Developing interagency agreements and agreements with subrecipients and contractors to carry out program activities; (D) Monitoring program activities for progress and compliance with program requirements.

(E) Preparing reports and other documents directly related to the program for submission to HUD; (F) Coordinating the resolution of audit and monitoring findings; (G) Evaluating program results against stated objectives; and (H) Managing or supervising persons whose primary responsibilities with regard to the program include such assignments as those described in paragraph (a)(1)(i)(A) through (G) of this section. (ii) Travel costs incurred for monitoring of subrecipients; (iii) Administrative services performed under third-party contracts or agreements, including general legal services, accounting services, and audit services; and (iv) Other costs for goods and services required for administration of the program, including rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance (but not purchase) of office space. (2) *Training on ESG requirements.* Costs of providing training on ESG requirements and attending HUD-sponsored ESG trainings. (3) *Consolidated plan.* Costs of preparing and amending the ESG and homelessness-related sections of the consolidated plan in accordance with ESG requirements and 24 CFR part 91. (4) *Environmental review.* Costs of carrying out the environmental review responsibilities under § 576.407. (b) *Sharing requirement.* (1) *States.* If the recipient is a State, the recipient must share its funds for administrative costs with its subrecipients that are units of general-purpose local government. The amount shared must be reasonable under the circumstances. The recipient may share its funds for administrative costs with its subrecipients that are private nonprofit organizations. (2) *Territories, metropolitan cities, and urban counties.* If the recipient is a territory, metropolitan city, or urban county, the recipient may share its funds for administrative costs with its subrecipients. § 576.109 Indirect costs. (a) *In general.* ESG grant funds may be used to pay indirect costs in accordance with OMB Circular A-87 (2 CFR part 225), or A-122 (2 CFR part 230), as applicable. (b) *Allocation.* Indirect costs may be allocated to each eligible activity under § 576.101 through § 576.108, so long as that allocation is consistent with an indirect cost rate proposal developed in accordance with OMB Circular A-87 (2 CFR part 225), or A-122 (2 CFR part 230), as applicable. (c) *Expenditure limits.* The indirect costs charged to an activity subject to an expenditure limit under § 576.100 must be added to the direct costs charged for that activity when determining the total costs subject to the expenditure limit. Subpart C—Award and Use of Funds § 576.200 Submission requirements and grant approval. (a) *Application submission and approval.* In addition to meeting the application submission requirements in 24 CFR part 5, subpart K, each State, urban county, or metropolitan city must submit and obtain HUD approval of a consolidated plan in accordance with the requirements in 24 CFR part 91, and each territory must submit and obtain HUD approval of a consolidated plan in accordance with the requirements that apply to local governments under 24 CFR part 91. As provided under 24 CFR 85.12, HUD may impose special conditions or restrictions on a grant, if the recipient is determined to be high risk. (b) *Amendments.* The recipient must amend its approved consolidated plan in order to make a change in its allocation priorities; make a change in its method of distributing funds; carry out an activity not previously described in the plan; or change the purpose, scope, location, or beneficiaries of an activity. The amendment must be completed and submitted to HUD in accordance with the requirements under 24 CFR 91.505.

§ 576.201 Matching requirement. (a) *Required amount of matching contributions.* (1) Except as provided under paragraphs (a)(2) and (a)(3) of this section, the recipient must make matching contributions to supplement the recipient's ESG program in an amount that equals the amount of ESG funds provided by HUD. (2) If the recipient is a State, the first \$100,000 of the fiscal year grant is not required to be matched. However, the recipient must transfer the benefit of this exception to its subrecipients that are least capable of providing the recipient with matching contributions. (3) This matching requirement does not apply if the recipient is a territory. (b) *Eligible sources of matching contributions.* (1) Subject to the requirement for States under paragraph (a)(2) of this section, the recipient may require its subrecipients to make matching

contributions consistent with this section to help meet the recipient's matching requirement. (2) 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. However, the following requirements apply to matching contributions from a Federal source of funds: (i) The recipient must ensure the laws governing any funds to be used as matching contributions do not prohibit those funds from being used to match Emergency Solutions Grant (ESG) funds. (ii) If ESG funds are used to satisfy the matching requirements of another Federal program, then funding from that program may not be used to satisfy the matching requirements under this section. (c) *Recognition of matching contributions.* (1) In order to meet the matching requirement, the matching contributions must meet all requirements that apply to the ESG funds provided by HUD, except for the expenditure limits in § 576.100. (2) The matching contributions must be provided after the date that HUD signs the grant agreement. (3) To count toward the required match for the recipient's fiscal year grant, cash contributions must be expended within the expenditure deadline in § 576.203, and noncash contributions must be made within the expenditure deadline in § 576.203. (4) Contributions used to match a previous ESG grant may not be used to match a subsequent ESG grant. (5) Contributions that have been or will be counted as satisfying a matching requirement of another Federal grant or award may not count as satisfying the matching requirement of this section. (d) *Eligible types of matching contributions.* The matching requirement may be met by one or both of the following: (1) *Cash contributions.* Cash expended for allowable costs, as defined in OMB Circulars A-87 (2 CFR part 225) and A-122 (2 CFR part 230), of the recipient or subrecipient. (2) *Noncash contributions.* The value of any real property, equipment, goods, or services contributed to the recipient's or subrecipient's ESG program, provided that if the recipient or subrecipient had to pay for them with grant funds, the costs would have been allowable. Noncash contributions may also include the purchase value of any donated building. (e) *Calculating the amount of noncash contributions.* (1) To determine the value of any donated material or building, or of any lease, the recipient must use a method reasonably calculated to establish the fair market value. (2) Services provided by individuals must be valued at rates consistent with those ordinarily paid for similar work in the recipient's or subrecipient's organization. If the recipient or subrecipient does not have employees performing similar work, the rates must be consistent with those ordinarily paid by other employers for similar work in the same labor market. (3) Some noncash contributions are real property, equipment, goods, or services that, if the recipient or subrecipient had to pay for them with grant funds, the payments would have been indirect costs. Matching credit for these contributions must be given only if the recipient or subrecipient has established, along with its regular indirect cost rate, a special rate for allocating to individual projects or programs the value of those contributions. (f) *Costs paid by program income.* Costs paid by program income shall count toward meeting the recipient's matching requirements, provided the costs are eligible ESG costs that supplement the recipient's ESG program. § 576.202 Means of carrying out grant activities. (a) *States.* If the recipient is a State, the recipient may use an amount consistent with the restrictions in § 576.100 and § 576.108 to carry out administrative activities through its employees or procurement contracts. If the recipient is a State and has been identified as the HMIS lead by the Continuum of Care, the State may use funds to carry out HMIS activities set forth in § 576.107(a)(2). The recipient must subgrant the remaining funds in its fiscal year grant to: (1) Units of general purpose local government in the State, which may include metropolitan cities and urban counties that receive ESG funds directly from HUD; or (2) Private nonprofit organizations, provided that for emergency shelter activities the recipient obtains a certification of approval from the unit of general purpose local government for the geographic area in which those activities are to be carried out. (b) *Recipients other than States; subrecipients.* The recipient, if it is not a State, and all subrecipients may carry out all eligible activities through their employees, procurement contracts, or subgrants to private nonprofit organizations. If the recipient is an urban county, it may carry out activities through any of its member governments, so long as the county applies to its members the same requirements that are applicable to local government subrecipients under this part. § 576.203 Obligation, expenditure, and payment requirements. (a) *Obligation of funds.* (1) *Funds allocated to States.* (i) Within 60 days from the date that HUD signs the grant agreement with the State (or grant amendment for reallocated funds), the recipient must obligate the entire grant, except the amount for its administrative costs. This requirement is met by a subgrant agreement with, or a letter of

award requiring payment from the grant to, a subrecipient.(ii) Within 120 days after the date that the State obligates its funds to a unit of general purpose local government, the subrecipient must obligate all of those funds by a subgrant agreement with, or a letter of award requiring payment to, a private nonprofit organization; a procurement contract; or the written designation of a department within the government of the subrecipient to directly carry out an eligible activity.(2) *Funds allocated to metropolitan cities, urban counties, and territories.* Within 180 days after the date that HUD signs the grant agreement (or a grant amendment for reallocation of funds) with the metropolitan city, urban county, or territory, the recipient must obligate all the grant amount, except the amount for its administrative costs. This requirement is met by an agreement with, or a letter of award requiring payment to, a subrecipient; a procurement contract; or a written designation of a department within the government of the recipient to directly carry out an eligible activity. If the recipient is an urban county, this requirement may also be met with an agreement with, or letter of award requiring payment to, a member government, which has designated a department to directly carry out an eligible activity. (b) *Expenditures.* The recipient must draw down and expend funds from each year's grant not less than once during each quarter of the recipient's program year. All of the recipient's grant must be expended for eligible activity costs within 24 months after the date HUD signs the grant agreement with the recipient. For the purposes of this paragraph, expenditure means either an actual cash disbursement for a direct charge for a good or service or an indirect cost or the accrual of a direct charge for a good or service or an indirect cost. (c) *Payments to subrecipients.* The recipient must pay each subrecipient for allowable costs within 30 days after receiving the subrecipient's complete payment request. This requirement also applies to each subrecipient that is a unit of general-purpose local government.

Subpart D—Reallocations § 576.300 In general. (1) Funds not awarded by HUD due to failure by the recipient to submit and obtain HUD approval of a consolidated plan will be reallocated in accordance with §§ 576.301 through 576.303.(2) Recaptured funds will be awarded by formula. In October and April each year, HUD will determine if the amount of recaptured funds is at least 30 percent of the most recent fiscal year appropriation. If so, HUD will amend all existing grants and reallocate the funds. If the amount is less than 30 percent of the most recent fiscal year appropriation, the funds will be reallocated in conjunction with the next fiscal year's allocation of funding. § 576.301 Metropolitan cities and urban counties. Grant funds returned by a metropolitan city or urban county will be reallocated as follows:(a) *Eligible recipient.* HUD will make the funds available to the State in which the city or county is located. (b) *Notification of availability.* HUD will promptly notify the State of the availability of the amounts to be reallocated. (c) *Application requirement.* Within 45 days after the date of notification, the State must submit to HUD a substantial amendment to its consolidated plan in accordance with 24 CFR part 91. (d) *Restrictions that apply to reallocated amounts.* The same requirements that apply to grant funds allocated under § 576.3 apply to grant funds reallocated under this section, except that the State must distribute the reallocated funds:(1) To private nonprofit organizations and units of general purpose local government in the geographic area in which the metropolitan city or urban county is located;(2) If funds remain, to private nonprofit organizations and units of general purpose local government located throughout the State. § 576.302 States. Grant funds returned by a State will be reallocated as follows:(a) *Eligible recipients.* HUD will make the funds available:(1) To metropolitan cities and urban counties in the State that were not allocated funds under § 576.3 because the amount they would have been allocated did not meet the minimum requirement under § 576.3(b)(2);(2) If funds remain, to county governments in the State other than urban counties;(3) Then, if funds remain, to metropolitan cities and urban counties in the State that were allocated funds under § 576.3.(b) *Notification of availability.* HUD will notify eligible recipients of the availability of the funds by a notification letter or **Federal Register** notice, which will specify how the awards of funds will be made. (c) *Application requirements.* Within 45 days after the date of notification, the eligible recipient must submit to HUD:(1) A substantial amendment to its approved consolidated plan in accordance with 24 CFR part 91; or (2) If the eligible recipient does not have an approved consolidated plan, an abbreviated consolidated plan that meets the requirements in the **Federal Register** notice or notification letter from HUD.(d) *Restrictions that apply to reallocated amounts.* The same requirements that apply to grant funds allocated under § 576.3 apply to grant funds reallocated under this section. § 576.303 Territories. (a) *General.* Grant funds returned by a territory will be reallocated to other territories, then if funds remain, to States. (b) *Allocation method.*

The funds will be allocated as follows: (1) For territories, the funds will be allocated among the territories in direct proportion with each territory's share of the total population of all of the eligible territories. If HUD determines that a territory failed to spend its funds in accordance with ESG requirements, then HUD may exclude the territory from the allocation of reallocation amounts under this section.

(2) For States, the funds will be allocated to each State in direct proportion with each State's share of the total amount of funds allocated to States under § 576.3.(c) *Notification of availability*. HUD will notify eligible recipients of the availability of the fund by a letter or **Federal Register** notice, which will specify how the awards of funds will be made. (d) *Application requirements*. Within 45 days after the date of notification, the eligible recipient must submit to HUD a substantial amendment to its consolidated plan in accordance with 24 CFR part 91. (e) *Restrictions that apply to reallocated amounts*. The same requirements that apply to grant funds allocated under § 576.3 apply to grant funds reallocated under this section.

**Subpart E—Program Requirements** § 576.400 Area-wide systems coordination requirements. (a) *Consultation with Continuums of Care*. The recipient must consult with each Continuum of Care that serves the recipient's jurisdiction in determining how to allocate ESG funds each program year; developing the performance standards for, and evaluating the outcomes of, projects and activities assisted by ESG funds; and developing funding, policies, and procedures for the administration and operation of the HMIS. (b) *Coordination with other targeted homeless services*. The recipient and its subrecipients 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: (1) Shelter Plus Care Program (24 CFR part 582); (2) Supportive Housing Program (24 CFR part 583); (3) Section 8 Moderate Rehabilitation Program for Single Room Occupancy Program for Homeless Individuals (24 CFR part 882); (4) 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)); (5) 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.*)); (6) Grants for the Benefit of Homeless Individuals (section 506 of the Public Health Services Act (42 U.S.C. 290aa-5)); (7) Healthcare for the Homeless (42 CFR part 51c); (8) Programs for Runaway and Homeless Youth (Runaway and Homeless Youth Act (42 U.S.C. 5701 *et seq.*)); (9) 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.*)); (10) Services in Supportive Housing Grants (section 520A of the Public Health Service Act); (11) Emergency Food and Shelter Program (title III of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11331 *et seq.*)); (12) 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)); (13) Homeless Veterans Reintegration Program (section 5(a)(1)) of the Homeless Veterans Comprehensive Assistance Act (38 U.S.C. 2021); (14) Domiciliary Care for Homeless Veterans Program (38 U.S.C. 2043); (15) VA Homeless Providers Grant and Per Diem Program (38 CFR part 61); (16) Health Care for Homeless Veterans Program (38 U.S.C. 2031); (17) Homeless Veterans Dental Program (38 U.S.C. 2062); (18) Supportive Services for Veteran Families Program (38 CFR part 62); and (19) Veteran Justice Outreach Initiative (38 U.S.C. 2031). (c) *System and program coordination with mainstream resources*. The recipient and its subrecipients 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: (1) Public housing programs assisted under section 9 of the U.S. Housing Act of 1937 (42 U.S.C. 1437g) (24 CFR parts 905, 968, and 990); (2) 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) (respectively 24 CFR parts 982 and 983); (3) Supportive Housing for Persons with Disabilities (Section 811) (24 CFR part 891); (4) HOME Investment Partnerships Program (24 CFR part 92); (5) Temporary Assistance for Needy Families (TANF) (45 CFR parts 260-265); (6) Health Center Program (42 CFR part 51c); (7) State Children's Health Insurance Program (42 CFR part 457); (8) Head Start (45 CFR chapter XIII, subchapter B); (9) Mental Health and Substance Abuse Block Grants (45 CFR part 96); and (10) Services funded under the Workforce Investment Act (29 U.S.C.

2801 *et seq.*).(d) *Centralized or coordinated assessment.* Once the Continuum of Care has developed a centralized assessment system or a coordinated assessment system in accordance with requirements to be established by HUD, each ESG-funded program or project within the Continuum of Care's area must use that assessment system. The recipient and subrecipient must work with the Continuum of Care to ensure the screening, assessment and referral of program participants are consistent with the written standards required by paragraph (e) of this section. A victim service provider may choose not to use the Continuum of Care's centralized or coordinated assessment system. (e) *Written standards for providing ESG assistance.* (1) If the recipient is a metropolitan city, urban county, or territory, the recipient must have written standards for providing Emergency Solutions Grant (ESG) assistance and must consistently apply those standards for all program participants. The recipient must describe these standards in its consolidated plan. (2) If the recipient is a state:(i) The recipient must establish and consistently apply, or require that its subrecipients establish and consistently apply, written standards for providing ESG assistance. If the written standards are established by the subrecipients, the recipient may require these written standards to be:(A) Established for each area covered by a Continuum of Care or area over which the services are coordinated and followed by each subrecipient providing assistance in that area; or(B) Established by each subrecipient and applied consistently within the subrecipient's program.(ii) Written standards developed by the state must be included in the state's Consolidated Plan. If the written standards are developed by its subrecipients, the recipient must describe its requirements for the establishment and implementation of these standards in the state's Consolidated Plan.(3) At a minimum these written standards must include:(i) Standard policies and procedures for evaluating individuals' and families' eligibility for assistance under Emergency Solutions Grant (ESG);(ii) Standards for targeting and providing essential services related to street outreach;(iii) Policies and procedures for admission, diversion, referral, and discharge by emergency shelters assisted under ESG, including standards regarding length of stay, if any, and safeguards to meet the safety and shelter needs of special populations, *e.g.*, victims of domestic violence, dating violence, sexual assault, and stalking; and individuals and families who have the highest barriers to housing and are likely to be homeless the longest;(iv) Policies and procedures for assessing, prioritizing, and reassessing individuals' and families' needs for essential services related to emergency shelter;(v) Policies and procedures for coordination among emergency shelter providers, essential services providers, homelessness prevention, and rapid re-housing assistance providers; other homeless assistance providers; and mainstream service and housing providers (see § 576.400(b) and (c) for a list of programs with which ESG-funded activities must be coordinated and integrated to the maximum extent practicable); (vi) Policies and procedures for determining and prioritizing which eligible families and individuals will receive homelessness prevention assistance and which eligible families and individuals will receive rapid re-housing assistance;(vii) Standards for determining what percentage or amount of rent and utilities costs each program participant must pay while receiving homelessness prevention or rapid re-housing assistance;(viii) Standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time; and(ix) Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide to a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the program participant receive assistance; or the maximum number of times the program participant may receive assistance.(f) *Participation in HMIS.* The recipient must ensure that data on all persons served, and all activities assisted under ESG are entered into the applicable community-wide HMIS in the area in which those persons and activities are located, or a comparable database, in accordance with HUD's standards on participation, data collection, and reporting under a local HMIS. If the subrecipient is a victim service provider or a legal services provider, it may use a comparable database that collects client-level data over time (*i.e.*, longitudinal data) and generates unduplicated aggregate reports based on the data. Information entered into a comparable database must not be entered directly into or provided to an HMIS. § 576.401 Evaluation of program participant eligibility and needs. (a) *Evaluations.* The recipient or its subrecipient must conduct an initial evaluation to determine the eligibility of each individual or family's eligibility for ESG assistance and the amount and types of assistance the individual or family needs to regain

stability in permanent housing. These evaluations must be conducted in accordance with the centralized or coordinated assessment requirements set forth under § 576.400(d) and the written standards established under § 576.400(e). (b) *Re-evaluations for homelessness prevention and rapid re-housing assistance.* (1) The recipient or subrecipient must re-evaluate the program participant's eligibility and the types and amounts of assistance the program participant needs not less than once every 3 months for program participants receiving homelessness prevention assistance, and not less than once annually for program participants receiving rapid re-housing assistance. At a minimum, each re-evaluation of eligibility must establish that: (i) The program participant does not have an annual income that exceeds 30 percent of median family income for the area, as determined by HUD; and (ii) The program participant lacks sufficient resources and support networks necessary to retain housing without ESG assistance. (2) The recipient or subrecipient may require each program participant receiving homelessness prevention or rapid re-housing assistance to notify the recipient or subrecipient regarding changes in the program participant's income or other circumstances (e.g., changes in household composition) that affect the program participant's need for assistance under ESG. When notified of a relevant change, the recipient or subrecipient must re-evaluate the program participant's eligibility and the amount and types of assistance the program participant needs. (c) *Annual income.* When determining the annual income of an individual or family, the recipient or subrecipient must use the standard for calculating annual income under 24 CFR 5.609.

(d) *Connecting program participants to mainstream and other resources.* The recipient and its subrecipients must assist each program participant, as needed, to obtain: (1) 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 (2) Other Federal, State, local, and private assistance available to assist the program participant in obtaining housing stability, including: (i) Medicaid (42 CFR chapter IV, subchapter C); (ii) Supplemental Nutrition Assistance Program (7 CFR parts 271-283); (iii) Women, Infants and Children (WIC) (7 CFR part 246); (iv) Federal-State Unemployment Insurance Program (20 CFR parts 601-603, 606, 609, 614-617, 625, 640, 650); (v) Social Security Disability Insurance (SSDI) (20 CFR part 404); (vi) Supplemental Security Income (SSI) (20 CFR part 416); (vii) Child and Adult Care Food Program (42 U.S.C. 1766(t) (7 CFR part 226)); (viii) Other assistance available under the programs listed in § 576.400(c). (e) *Housing stability case management.* (1) While providing homelessness prevention or rapid re-housing assistance to a program participant, the recipient or subrecipient must: (i) Require the program participant to meet with a case manager not less than once per month to assist the program participant in ensuring long-term housing stability; and (ii) Develop a 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. (2) The recipient or subrecipient is exempt from the requirement under paragraph (e)(1)(i) of this section if the Violence Against Women Act of 1994 (42 U.S.C. 13701 *et seq.*) or the Family Violence Prevention and Services Act (42 U.S.C. 10401 *et seq.*) prohibits that recipient or subrecipient from making its shelter or housing conditional on the participant's acceptance of services. § 576.402 *Terminating assistance.* (a) *In general.* If a program participant violates program requirements, the recipient or subrecipient may terminate the assistance in accordance with a formal process established by the recipient or subrecipient that recognizes the rights of individuals affected. The recipient or subrecipient 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. (b) *Program participants receiving rental assistance or housing relocation and stabilization services.* To terminate rental assistance or housing relocation and stabilization services to a program participant, the required formal process, at a minimum, must consist of: (1) Written notice to the program participant containing a clear statement of the reasons for termination; (2) A review of the decision, in which the program participant is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision; and (3) Prompt written notice of the final decision to the program participant. (c) *Ability to provide further assistance.* Termination under this section does not bar the recipient or subrecipient from providing further assistance at



a later date to the same family or individual. § 576.403 Shelter and housing standards. (a) *Lead-based paint remediation and disclosure.* 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 shelters assisted under ESG program and all housing occupied by program participants.

(b) *Minimum standards for emergency shelters.* Any building for which Emergency Solutions Grant (ESG) funds are used for conversion, major rehabilitation, or other renovation, must meet state or local government safety and sanitation standards, as applicable, and the following minimum safety, sanitation, and privacy standards. Any emergency shelter that receives assistance for shelter operations must also meet the following minimum safety, sanitation, and privacy standards. The recipient may also establish standards that exceed or add to these minimum standards. (1) *Structure and materials.* The shelter building must be structurally sound to protect residents from the elements and not pose any threat to health and safety of the residents. Any renovation (including major rehabilitation and conversion) carried out with ESG assistance must use Energy Star and WaterSense products and appliances. (2) *Access.* The shelter must be accessible in accordance with Section 504 of the Rehabilitation Act (29 U.S.C. 794) and implementing regulations at 24 CFR part 8; the Fair Housing Act (42 U.S.C. 3601 *et seq.*) and implementing regulations at 24 CFR part 100; and Title II of the Americans with Disabilities Act (42 U.S.C. 12131 *et seq.*) and 28 CFR part 35; where applicable. (3) *Space and security.* Except where the shelter is intended for day use only, the shelter must provide each program participant in the shelter with an acceptable place to sleep and adequate space and security for themselves and their belongings. (4) *Interior air quality.* Each room or space within the shelter must have a natural or mechanical means of ventilation. The interior air must be free of pollutants at a level that might threaten or harm the health of residents. (5) *Water supply.* The shelter's water supply must be free of contamination. (6) *Sanitary facilities.* Each program participant in the shelter must have access to sanitary facilities that are in proper operating condition, are private, and are adequate for personal cleanliness and the disposal of human waste. (7) *Thermal environment.* The shelter must have any necessary heating/cooling facilities in proper operating condition. (8) *Illumination and electricity.* The shelter must have adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There must be sufficient electrical sources to permit the safe use of electrical appliances in the shelter. (9) *Food preparation.* Food preparation areas, if any, must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner. (10) *Sanitary conditions.* The shelter must be maintained in a sanitary condition. (11) *Fire safety.* There must be at least one working smoke detector in each occupied unit of the shelter. Where possible, smoke detectors must be located near sleeping areas. The fire alarm system must be designed for hearing-impaired residents. All public areas of the shelter must have at least one working smoke detector. There must also be a second means of exiting the building in the event of fire or other emergency. (c) *Minimum standards for permanent housing.* The recipient or subrecipient cannot use ESG funds to help a program participant remain or move into housing that does not meet the minimum habitability standards provided in this paragraph (c). The recipient may also establish standards that exceed or add to these minimum standards. (1) *Structure and materials.* The structures must be structurally sound to protect residents from the elements and not pose any threat to the health and safety of the residents. (2) *Space and security.* Each resident must be provided adequate space and security for themselves and their belongings. Each resident must be provided an acceptable place to sleep. (3) *Interior air quality.* Each room or space must have a natural or mechanical means of ventilation. The interior air must be free of pollutants at a level that might threaten or harm the health of residents. (4) *Water supply.* The water supply must be free from contamination. (5) *Sanitary facilities.* Residents must have access to sufficient sanitary facilities that are in proper operating condition, are private, and are adequate for personal cleanliness and the disposal of human waste. (6) *Thermal environment.* The housing must have any necessary heating/cooling facilities in proper operating condition. (7) *Illumination and electricity.* The structure must have adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There must be sufficient electrical sources to permit the safe use of electrical appliances in the structure. (8) *Food preparation.* All food preparation areas must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner. (9) *Sanitary conditions.*

The housing must be maintained in a sanitary condition. (10) *Fire safety.* (i) There must be a second means of exiting the building in the event of fire or other emergency. (ii) Each unit must include at least one battery-operated or hard-wired smoke detector, in proper working condition, on each occupied level of the unit. Smoke detectors must be located, to the extent practicable, in a hallway adjacent to a bedroom. If the unit is occupied by hearing impaired persons, smoke detectors must have an alarm system designed for hearing-impaired persons in each bedroom occupied by a hearing-impaired person. (iii) The public areas of all housing must be equipped with a sufficient number, but not less than one for each area, of battery-operated or hard-wired smoke detectors. Public areas include, but are not limited to, laundry rooms, community rooms, day care centers, hallways, stairwells, and other common areas. § 576.404 Conflicts of interest. (a) *Organizational conflicts of interest.* The provision of any type or amount of ESG assistance may not be conditioned on an individual's or family's acceptance or occupancy of emergency shelter or housing owned by the recipient, the subrecipient, or a parent or subsidiary of the subrecipient. No subrecipient may, with respect to individuals or families occupying housing owned by the subrecipient, or any parent or subsidiary of the subrecipient, carry out the initial evaluation required under § 576.401 or administer homelessness prevention assistance under § 576.103. (b) *Individual conflicts of interest.* For the procurement of goods and services, the recipient and its subrecipients must comply with the codes of conduct and conflict of interest requirements under 24 CFR 85.36 (for governments) and 24 CFR 84.42 (for private nonprofit organizations). For all other transactions and activities, the following restrictions apply: (1) *Conflicts prohibited.* No person described in paragraph (b)(2) of this section who exercises or has exercised any functions or responsibilities with respect to activities assisted under the ESG program, or who is in a position to participate in a decision-making process or gain inside information with regard to activities assisted under the program, may obtain a financial interest or benefit from an assisted activity; have a financial interest in any contract, subcontract, or agreement with respect to an assisted activity; or have a financial interest in the proceeds derived from an assisted activity, either for him or herself or for those with whom he or she has family or business ties, during his or her tenure or during the one-year period following his or her tenure. (2) *Persons covered.* The conflict-of-interest provisions of paragraph (b)(1) of this section apply to any person who is an employee, agent, consultant, officer, or elected or appointed official of the recipient or its subrecipients. (3) *Exceptions.* Upon the written request of the recipient, HUD may grant an exception to the provisions of this subsection on a case-by-case basis, taking into account the cumulative effects of the criteria in paragraph (b)(3)(ii) of this section, provided that the recipient has satisfactorily met the threshold requirements of paragraph (b)(3)(i) of this section. (i) *Threshold requirements.* HUD will consider an exception only after the recipient has provided the following documentation: (A) If the recipient or subrecipient is a government, disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and (B) An opinion of the recipient's attorney that the interest for which the exception is sought would not violate state or local law. (ii) *Factors to be considered for exceptions.* In determining whether to grant a requested exception after the recipient has satisfactorily met the threshold requirements under paragraph (b)(3)(i) of this section, HUD must conclude that the exception will serve to further the purposes of the ESG program and the effective and efficient administration of the recipient's or subrecipient's program or project, taking into account the cumulative effect of the following factors, as applicable: (A) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available; (B) Whether an opportunity was provided for open competitive bidding or negotiation; (C) Whether the affected person has withdrawn from his or her functions, responsibilities or the decision-making process with respect to the specific activity in question; (D) Whether the interest or benefit was present before the affected person was in the position described in paragraph (b)(1) of this section; (E) Whether undue hardship results to the recipient, the subrecipient, or the person affected, when weighed against the public interest served by avoiding the prohibited conflict; and (F) Any other relevant considerations. (c) *Contractors.* All contractors of the recipient or subrecipient must comply with the same requirements that apply to subrecipients under this section. § 576.405 Homeless participation. (a) Unless the recipient is a State, the recipient must provide for the participation of not less than one homeless individual or formerly homeless individual on the board of

directors or other equivalent policy-making entity of the recipient, to the extent that the entity considers and makes policies and decisions regarding any facilities, services, or other assistance that receive funding under Emergency Solutions Grant (ESG). (b) If the recipient is unable to meet requirement under paragraph (a), it must instead develop and implement a plan to consult with homeless or formerly homeless individuals in considering and making policies and decisions regarding any facilities, services, or other assistance that receive funding under Emergency Solutions Grant (ESG). The plan must be included in the annual action plan required under 24 CFR 91.220. (c) To the maximum extent practicable, the recipient or subrecipient must involve homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under ESG, in providing services assisted under ESG, and in providing services for occupants of facilities assisted under ESG. This involvement may include employment or volunteer services.

§ 576.406 Faith-based activities. (a) Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to receive ESG funds. Neither the Federal Government nor a State or local government receiving funds under ESG shall discriminate against an organization on the basis of the organization's religious character or affiliation. (b) Organizations that are directly funded under the ESG program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization as part of the programs or services funded under ESG. If an organization conducts these activities, the activities must be offered separately, in time or location, from the programs or services funded under ESG, and participation must be voluntary for program participants.

(c) Any religious organization that receives ESG funds retains its independence from Federal, State, and local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that the religious organization does not use direct ESG funds to support any inherently religious activities, such as worship, religious instruction, or proselytization. Among other things, faith-based organizations may use space in their facilities to provide ESG-funded services, without removing religious art, icons, scriptures, or other religious symbols. In addition, an ESG-funded religious organization retains its authority over its internal governance, and the organization may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents. (d) An organization that receives ESG funds shall not, in providing ESG assistance, discriminate against a program participant or prospective program participant on the basis of religion or religious belief. (e) ESG funds may not be used for the rehabilitation of structures to the extent that those structures are used for inherently religious activities. Solutions ESG funds may be used for the rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under the ESG program. Where a structure is used for both eligible and inherently religious activities, ESG funds may not exceed the cost of those portions of the rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to ESG funds. Sanctuaries, chapels, or other rooms that an ESG-funded religious congregation uses as its principal place of worship, however, are ineligible for funded improvements under the program. Disposition of real property after the term of the grant, or any change in use of the property during the term of the grant, is subject to government-wide regulations governing real property disposition (*see* 24 CFR parts 84 and 85). (f) If the recipient or a subrecipient that is a local government voluntarily contributes its own funds to supplement federally funded activities, the recipient or subrecipient has the option to segregate the Federal funds or commingle them. However, if the funds are commingled, this section applies to all the commingled funds.

§ 576.407 Other Federal requirements. (a) *General*. The requirements in 24 CFR part 5, subpart A are applicable, including the nondiscrimination and equal opportunity requirements at 24 CFR 5.105(a). Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1701u, and implementing regulations at 24 CFR part 135 apply, except that homeless individual have priority over other Section 3 residents in accordance with § 576.405(c). (b) *Affirmative outreach*. The recipient or subrecipient must make known that use of the facilities, assistance, and services are available to all on a nondiscriminatory basis. If it is unlikely that the procedures that the recipient or subrecipient intends to use to make known the availability of the facilities, assistance, and services will to reach persons of any particular race, color, religion, sex, age, national origin, familial status, or disability who may qualify for those facilities and services, the recipient or subrecipient must establish additional procedures that ensure that those persons are made aware of the

facilities, assistance, and services. The recipient and its subrecipients must take appropriate steps to ensure effective communication with persons with disabilities including, but not limited to, adopting procedures that will make available to interested persons information concerning the location of assistance, services, and facilities that are accessible to persons with disabilities. Consistent with Title VI and Executive Order 13166, recipients and subrecipients are also required to take reasonable steps to ensure meaningful access to programs and activities for limited English proficiency (LEP) persons. (c) *Uniform Administrative Requirements*. The requirements of 24 CFR part 85 apply to the recipient and subrecipients that are units of general purpose local government, except that 24 CFR 85.24 and 85.42 do not apply, and program income is to be used as match under 24 CFR 85.25(g). The requirements of 24 CFR part 84 apply to subrecipients that are private nonprofit organizations, except that 24 CFR 84.23 and 84.53 do not apply, and program income is to be used as the nonfederal share under 24 CFR 84.24(b). These regulations include allowable costs and non-Federal audit requirements.

(d) *Environmental review responsibilities*. (1) Activities under this part are subject to environmental review by HUD under 24 CFR part 50. The recipient shall supply all available, relevant information necessary for HUD to perform for each property any environmental review required by 24 CFR part 50. The recipient also shall carry out mitigating measures required by HUD or select alternate eligible property. HUD may eliminate from consideration any application that would require an Environmental Impact Statement (EIS). (2) The recipient or subrecipient, or any contractor of the recipient or subrecipient, may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct property for a project under this part, or commit or expend HUD or local funds for eligible activities under this part, until HUD has performed an environmental review under 24 CFR part 50 and the recipient has received HUD approval of the property. (e) *Davis-Bacon Act*. The provisions of the Davis-Bacon Act (40 U.S.C. 276a to 276a-5) do not apply to the ESG program. (f) *Procurement of Recovered Materials*. The recipient and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired by the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines. § 576.408 Displacement, relocation, and acquisition. (a) *Minimizing displacement*. Consistent with the other goals and objectives of Emergency Solutions Grant (ESG), the recipient and its subrecipients must assure that they have taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms) as a result of a project assisted under Emergency Solutions Grant (ESG). (b) *Temporary relocation not permitted*. No tenant-occupant of housing (a dwelling unit) that is converted into an emergency shelter may be required to relocate temporarily for a project assisted with ESG funds or be required to move to another unit in the same building/complex. When a tenant moves for a project assisted with ESG funds under conditions that trigger the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), 42 U.S.C. 4601-4655, as described in paragraph (c) of this section, the tenant should be treated as permanently displaced and offered relocation assistance and payments consistent with that paragraph. (c) *Relocation assistance for displaced persons*. (1) *In general*. A displaced person (defined in paragraph (c)(2) of this section) must be provided relocation assistance at the levels described in, and in accordance with, the URA and 49 CFR part 24. A displaced person must be advised of his or her rights under the Fair Housing Act (42 U.S.C. 3601 *et seq.*). Whenever possible, minority persons shall be given reasonable opportunities to relocate to comparable and suitable decent, safe, and sanitary replacement dwellings, not located in an area of minority concentration, that are within their financial means. This policy, however, does not require providing a person a larger payment than is necessary to enable a person to relocate to a comparable replacement dwelling. (See 49 CFR 24.205(c)(2)(ii)(D).) As required by Section 504 of the Rehabilitation Act (29 U.S.C. 794) and 49 CFR part 24, replacement dwellings must also contain the accessibility features needed by displaced persons with disabilities.

(2) *Displaced Person.* (i) For purposes of paragraph (c) of this section, the term “displaced person” means any person (family, individual, business, nonprofit organization, or farm, including any corporation, partnership, or association) that moves from real property, or moves personal property from real property, permanently, as a direct result of acquisition, rehabilitation, or demolition for a project assisted under the ESG program. This includes any permanent, involuntary move for an assisted project, including any permanent move from the real property that is made: (A) After the owner (or person in control of the site) issues a notice to move permanently from the property or refuses to renew an expiring lease, if the move occurs on or after: (I) The date of the submission by the recipient (or subrecipient, as applicable) of an application for assistance to HUD (or the recipient, as applicable) that is later approved and funded if the recipient (or subrecipient, as applicable) has site control as evidenced by a deed, sales contract, or option contract to acquire the property; or (II) The date on which the recipient (or subrecipient, as applicable) selects the applicable site, if the recipient (or subrecipient, as applicable) does not have site control at the time of the application, provided that the recipient (or subrecipient, as applicable) eventually obtains control over the site; (B) Before the date described in paragraph (c)(2)(i)(A) of this section, if the recipient or HUD determines that the displacement resulted directly from acquisition, rehabilitation, or demolition for the project; or (C) By a tenant-occupant of a dwelling unit and the tenant moves after execution of the agreement covering the acquisition, rehabilitation, or demolition of the property for the project. (ii) Notwithstanding paragraph (c)(2)(i) of this section, a person does not qualify as a displaced person if: (A) The person has been evicted for cause based upon a serious or repeated violation of the terms and conditions of the lease or occupancy agreement; violation of applicable Federal, State or local law, or other good cause; and the recipient determines that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance. (B) The person moved into the property after the submission of the application but, before signing a lease and commencing occupancy, was provided written notice of the project, its possible impact on the person (*e.g.*, the person may be displaced), and the fact that the person would not qualify as a “displaced person” (or for any assistance under this section) as a result of the project; (C) The person is ineligible under 49 CFR 24.2(a)(9)(ii); or (D) HUD determines that the person was not displaced as a direct result of acquisition, rehabilitation, or demolition for the project. (iii) The recipient or subrecipient may, at any time, request that HUD to determine whether a displacement is or would be covered by this rule. (3) *Initiation of negotiations.* For purposes of determining the type of replacement housing payment assistance to be provided to a displaced person pursuant to this section: (i) If the displacement is the direct result of privately undertaken rehabilitation, demolition, or acquisition of the real property, “initiation of negotiations” means the execution of the agreement between the recipient and the subrecipient or the agreement between the recipient (or subrecipient, as applicable) and the person owning or controlling the property; (ii) If site control is only evidenced by an option contract to acquire the property, the “initiation of negotiations” does not become effective until the execution of a written agreement that creates a legally enforceable commitment to proceed with the purchase, such as a sales contract. (d) *Real property acquisition requirements.* The acquisition of real property, whether funded privately or publicly, for a project assisted with Emergency Solutions Grant (ESG) funds is subject to the URA and Federal governmentwide regulations at 49 CFR part 24, subpart B. (e) *Appeals.* A person who disagrees with the recipient's (or subrecipient's, if applicable) determination concerning whether the person qualifies as a displaced person, or the amount of relocation assistance for which the person may be eligible, may file a written appeal of that determination with the recipient under 49 CFR 24.10. A low-income person who disagrees with the recipient's determination may submit a written request for review of that determination by the appropriate HUD field office. Subpart F—Grant Administration § 576.500 Recordkeeping and reporting requirements. (a) *In general.* The recipient must have policies and procedures to ensure the requirements of this part are met. The policies and procedures must be established in writing and implemented by the recipient and its subrecipients to ensure that ESG funds are used in accordance with the requirements. In addition, sufficient records must be established and maintained to enable the recipient and HUD to determine whether ESG requirements are being met. (b) *Homeless status.* The recipient must maintain and follow written intake procedures to ensure compliance with the homeless definition in § 576.2. The procedures must require documentation at intake of the evidence relied upon to

establish and verify homeless status. The procedures must establish the order of priority for obtaining evidence as third-party documentation first, intake worker observations second, and certification from the person seeking assistance third. However, lack of third-party documentation must not prevent an individual or family from being immediately admitted to emergency shelter, receiving street outreach services, or being immediately admitted to shelter or receiving services provided by a victim service provider. Records contained in an HMIS or comparable database used by victim service or legal service providers are acceptable evidence of third-party documentation and intake worker observations if the HMIS retains an auditable history of all entries, including the person who entered the data, the date of entry, and the change made; and if the HMIS prevents overrides or changes of the dates on which entries are made.(1) If the individual or family qualifies as homeless under paragraph (1)(i) or (ii) of the homeless definition in § 576.2, acceptable evidence includes a written observation by an outreach worker of the conditions where the individual or family was living, a written referral by another housing or service provider, or a certification by the individual or head of household seeking assistance.(2) If the individual qualifies as homeless under paragraph (1)(iii) of the homeless definition in § 576.2, because he or she resided in an emergency shelter or place not meant for human habitation and is exiting an institution where he or she resided for 90 days or less, acceptable evidence includes the evidence described in paragraph (b)(1) of this section and one of the following:(i) Discharge paperwork or a written or oral referral from a social worker, case manager, or other appropriate official of the institution, stating the beginning and end dates of the time residing in the institution. All oral statements must be recorded by the intake worker; or(ii) Where the evidence in paragraph (b)(2)(i) of this section is not obtainable, a written record of the intake worker's due diligence in attempting to obtain the evidence described in paragraph (b)(2)(i) and a certification by the individual seeking assistance that states he or she is exiting or has just exited an institution where he or she resided for 90 days or less.(3) If the individual or family qualifies as homeless under paragraph (2) of the homeless definition in § 576.2, because the individual or family will imminently lose their housing, the evidence must include:(i)(A) A court order resulting from an eviction action that requires the individual or family to leave their residence within 14 days after the date of their application for homeless assistance; or the equivalent notice under applicable state law, a Notice to Quit, or a Notice to Terminate issued under state law; (B) For individuals and families whose primary nighttime residence is a hotel or motel room not paid for by charitable organizations or federal, state, or local government programs for low-income individuals, evidence that the individual or family lacks the resources necessary to reside there for more than 14 days after the date of application for homeless assistance; or(C) An oral statement by the individual or head of household that the owner or renter of the housing in which they currently reside will not allow them to stay for more than 14 days after the date of application for homeless assistance. The intake worker must record the statement and certify that it was found credible. To be found credible, the oral statement must either: (I) be verified by the owner or renter of the housing in which the individual or family resides at the time of application for homeless assistance and documented by a written certification by the owner or renter or by the intake worker's recording of the owner or renter's oral statement; or (II) if the intake worker is unable to contact the owner or renter, be documented by a written certification by the intake worker of his or her due diligence in attempting to obtain the owner or renter's verification and the written certification by the individual or head of household seeking assistance that his or her statement was true and complete;(ii) Certification by the individual or head of household that no subsequent residence has been identified; and(iii) Certification or other written documentation that the individual or family lacks the resources and support networks needed to obtain other permanent housing.(4) If the individual or family qualifies as homeless under paragraph (3) of the homeless definition in § 576.2, because the individual or family does not otherwise qualify as homeless under the homeless definition but is an unaccompanied youth under 25 years of age, or homeless family with one or more children or youth, and is defined as homeless under another Federal statute or section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)), the evidence must include:(i) For paragraph (3)(i) of the homeless definition in § 576.2, certification of homeless status by the local private nonprofit organization or state or local governmental entity responsible for administering assistance under the Runaway and Homeless Youth Act (42 U.S.C. 5701 *et seq.*), the Head Start Act (42 U.S.C. 9831 *et seq.*), subtitle N of the Violence Against Women Act of 1994 (42 U.S.C. 14043e *et seq.*), section 330 of the Public

Health Service Act (42 U.S.C. 254b), the Food and Nutrition Act of 2008 (7 U.S.C. 2011 *et seq.*), section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), or subtitle B of title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 *et seq.*), as applicable;(ii) For paragraph (3)(ii) of the homeless definition in § 576.2, referral by a housing or service provider, written observation by an outreach worker, or certification by the homeless individual or head of household seeking assistance;(iii) For paragraph (3)(iii) of the homeless definition in § 576.2, certification by the individual or head of household and any available supporting documentation that the individual or family moved two or more times during the 60-day period immediately preceding the date of application for homeless assistance, including: recorded statements or records obtained from each owner or renter of housing, provider of shelter or housing, or social worker, case worker, or other appropriate official of a hospital or institution in which the individual or family resided; or, where these statements or records are unobtainable, a written record of the intake worker's due diligence in attempting to obtain these statements or records. Where a move was due to the individual or family fleeing domestic violence, dating violence, sexual assault, or stalking, then the intake worker may alternatively obtain a written certification from the individual or head of household seeking assistance that they were fleeing that situation and that they resided at that address; and

(iv) For paragraph (3)(iv) of the homeless definition in § 576.2, written diagnosis from a professional who is licensed by the state to diagnose and treat that condition (or intake staff-recorded observation of disability that within 45 days of date of the application for assistance is confirmed by a professional who is licensed by the state to diagnose and treat that condition); employment records; department of corrections records; literacy, English proficiency tests; or other reasonable documentation of the conditions required under paragraph (3)(iv) of the homeless definition.(5) If the individual or family qualifies under paragraph (4) of the homeless definition in § 576.2, because the individual or family is fleeing domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions related to violence, then acceptable evidence includes an oral statement by the individual or head of household seeking assistance that they are fleeing that situation, that no subsequent residence has been identified and that they lack the resources or support networks, *e.g.*, family, friends, faith-based or other social networks, needed to obtain other housing. If the individual or family is receiving shelter or services provided by a victim service provider, the oral statement must be documented by either a certification by the individual or head of household, or a certification by the intake worker. Otherwise, the oral statement that the individual or head of household seeking assistance has not identified a subsequent residence and lacks the resources or support networks, *e.g.*, family, friends, faith-based or other social networks, needed to obtain housing must be documented by a certification by the individual or head of household that the oral statement is true and complete, and, where the safety of the individual or family would not be jeopardized, the domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening condition must be verified by a written observation by the intake worker or a written referral by a housing or service provider, social worker, legal assistance provider, health-care provider, law enforcement agency, legal assistance provider, pastoral counselor, or any other organization from whom the individual or head of household has sought assistance for domestic violence, dating violence, sexual assault, or stalking. The written referral or observation need only include the minimum amount of information necessary to document that the individual or family is fleeing, or attempting to flee domestic violence, dating violence, sexual assault, and stalking. (c) *At risk of homelessness status.* For each individual or family who receives Emergency Solutions Grant (ESG) homelessness prevention assistance, the records must include the evidence relied upon to establish and verify the individual or family's "at risk of homelessness" status. This evidence must include an intake and certification form that meets HUD specifications and is completed by the recipient or subrecipient. The evidence must also include:(1) If the program participant meets the criteria under paragraph (1) of the "at risk of homelessness" definition in § 576.2:(i) The documentation specified under this section for determining annual income;(ii) The program participant's certification on a form specified by HUD that the program participant has insufficient financial resources and support networks; *e.g.*, family, friends, faith-based or other social networks, immediately available to attain housing stability and meets one or more of the conditions under paragraph (1)(iii) of the definition of "at risk of homelessness" in § 576.2;(iii) The most reliable evidence available to show that the program participant does not have sufficient resources or support

networks; *e.g.*, family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the “homeless” definition. Acceptable evidence includes:

(A) Source documents (*e.g.*, notice of termination from employment, unemployment compensation statement, bank statement, health-care bill showing arrears, utility bill showing arrears);(B) To the extent that source documents are unobtainable, a written statement by the relevant third party (*e.g.*, former employer, public administrator, relative) or the written certification by the recipient's or subrecipient's intake staff of the oral verification by the relevant third party that the applicant meets one or both of the criteria under paragraph (1)(ii) of the definition of “at risk of homelessness” in § 576.2; or(C) To the extent that source documents and third-party verification are unobtainable, a written statement by the recipient's or subrecipient's intake staff describing the efforts taken to obtain the required evidence; and(iv) The most reliable evidence available to show that the program participant meets one or more of the conditions under paragraph (1)(iii) of the definition of “at risk of homelessness” in § 576.2. Acceptable evidence includes:(A) Source documents that evidence one or more of the conditions under paragraph (1)(iii) of the definition (*e.g.*, eviction notice, notice of termination from employment, bank statement);(B) To the extent that source documents are unobtainable, a written statement by the relevant third party (*e.g.*, former employer, owner, primary leaseholder, public administrator, hotel or motel manager) or the written certification by the recipient's or subrecipient's intake staff of the oral verification by the relevant third party that the applicant meets one or more of the criteria under paragraph (1)(iii) of the definition of “at risk of homelessness”; or(C) To the extent that source documents and third-party verification are unobtainable, a written statement by the recipient's or subrecipient's intake staff that the staff person has visited the applicant's residence and determined that the applicant meets one or more of the criteria under paragraph (1)(iii) of the definition or, if a visit is not practicable or relevant to the determination, a written statement by the recipient's or subrecipient's intake staff describing the efforts taken to obtain the required evidence; or(2) If the program participant meets the criteria under paragraph (2) or (3) of the “at risk of homelessness” definition in § 576.2, certification of the child or youth's homeless status by the agency or organization responsible for administering assistance under the Runaway and Homeless Youth Act (42 U.S.C. 5701 *et seq.*), the Head Start Act (42 U.S.C. 9831 *et seq.*), subtitle N of the Violence Against Women Act of 1994 (42 U.S.C. 14043e *et seq.*), section 330 of the Public Health Service Act (42 U.S.C. 254b), the Food and Nutrition Act of 2008 (7 U.S.C. 2011 *et seq.*), section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) or subtitle B of title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 *et seq.*), as applicable.(d) *Determinations of ineligibility.* For each individual and family determined ineligible to receive Emergency Solutions Grant (ESG) assistance, the record must include documentation of the reason for that determination. (e) *Annual income.* For each program participant who receives homelessness prevention assistance, or who receives rapid re-housing assistance longer than one year, the following documentation of annual income must be maintained:(1) Income evaluation form containing the minimum requirements specified by HUD and completed by the recipient or subrecipient; and(2) 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);(3) 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 recipient's or subrecipient'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 (4) 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. (f) *Program participant records.* In addition to evidence of homeless status or “at risk of homelessness” status, as applicable, records must be kept for each program participant that document:(1) The services and assistance provided to that program participant, including, as applicable, the security deposit, rental assistance, and utility payments made on behalf of the program participant;(2)



Compliance with the applicable requirements for providing services and assistance to that program participant under the program components and eligible activities provisions at § 576.101 through § 576.106, the provision on determining eligibility and amount and type of assistance at § 576.401(a) and (b), and the provision on using appropriate assistance and services at § 576.401(d) and (e); and(3) Where applicable, compliance with the termination of assistance requirement in § 576.402.(g) *Centralized or coordinated assessment systems and procedures.* The recipient and its subrecipients must keep documentation evidencing the use of, and written intake procedures for, the centralized or coordinated assessment system(s) developed by the Continuum of Care(s) in accordance with the requirements established by HUD. (h) *Rental assistance agreements and payments.* The records must include copies of all leases and rental assistance agreements for the provision of rental assistance, documentation of payments made to owners for the provision of rental assistance, and supporting documentation for these payments, including dates of occupancy by program participants. (i) *Utility allowance.* The records must document the monthly allowance for utilities (excluding telephone) used to determine compliance with the rent restriction. (j) *Shelter and housing standards.* The records must include documentation of compliance with the shelter and housing standards in § 576.403, including inspection reports. (k) *Emergency shelter facilities.* The recipient must keep records of the emergency shelters assisted under the ESG program, including the amount and type of assistance provided to each emergency shelter. As applicable, the recipient's records must also include documentation of the value of the building before the rehabilitation of an existing emergency shelter or after the conversion of a building into an emergency shelter and copies of the recorded deed or use restrictions. (l) *Services and assistance provided.* The recipient must keep records of the types of essential services, rental assistance, and housing stabilization and relocation services provided under the recipient's program and the amounts spent on these services and assistance. The recipient and its subrecipients that are units of general purpose local government must keep records to demonstrate compliance with the maintenance of effort requirement, including records of the unit of the general purpose local government's annual budgets and sources of funding for street outreach and emergency shelter services. (m) *Coordination with Continuum(s) of Care and other programs.* The recipient and its subrecipients must document their compliance with the requirements of § 576.400 for consulting with the Continuum(s) of Care and coordinating and integrating ESG assistance with programs targeted toward homeless people and mainstream service and assistance programs. (n) *HMIS.* The recipient must keep records of the participation in HMIS or a comparable database by all projects of the recipient and its subrecipients. (o) *Matching.* The recipient must keep records of the source and use of contributions made to satisfy the matching requirement in § 576.201. The records must indicate the particular fiscal year grant for which each matching contribution is counted. The records must show how the value placed on third-party, noncash contributions was derived. To the extent feasible, volunteer services must be supported by the same methods that the organization uses to support the allocation of regular personnel costs. (p) *Conflicts of interest.* The recipient and its subrecipients must keep records to show compliance with the organizational conflicts-of-interest requirements in § 576.404(a), a copy of the personal conflicts of interest policy or codes of conduct developed and implemented to comply with the requirements in § 576.404(b), and records supporting exceptions to the personal conflicts of interest prohibitions. (q) *Homeless participation.* The recipient must document its compliance with the homeless participation requirements under § 576.405.(r) *Faith-based activities.* The recipient and its subrecipients must document their compliance with the faith-based activities requirements under § 576.406.(s) *Other Federal requirements.* The recipient and its subrecipients must document their compliance with the Federal requirements in § 576.407, as applicable, including:(1) Records demonstrating compliance with the nondiscrimination and equal opportunity requirements under § 576.407(a), including data concerning race, ethnicity, disability status, sex, and family characteristics of persons and households who are applicants for, or program participants in, any program or activity funded in whole or in part with ESG funds and the affirmative outreach requirements in § 576.407(b).(2) Records demonstrating compliance with the uniform administrative requirements in 24 CFR part 85 (for governments) and 24 CFR part 84 (for nonprofit organizations).(3) Records demonstrating compliance with the environmental review requirements, including flood insurance requirements.(4) Certifications and disclosure forms required under the lobbying and disclosure requirements in 24 CFR part 87.(t) *Relocation.* The records must include documentation of compliance with the displacement, relocation,

and acquisition requirements in § 576.408.(u) *Financial records.* (1) The recipient must retain supporting documentation for all costs charged to the ESG grant.(2) The recipient and its subrecipients must keep documentation showing that ESG grant funds were spent on allowable costs in accordance with the requirements for eligible activities under § 576.101-§ 576.109 and the cost principles in OMB Circulars A-87 (2 CFR part 225) and A-122 (2 CFR part 230).(3) The recipient and its subrecipients must retain records of the receipt and use of program income.(4) The recipient must keep documentation of compliance with the expenditure limits in § 576.100 and the expenditure deadline in § 576.203.(v) *Subrecipients and contractors.* (1) The recipient must retain copies of all solicitations of and agreements with subrecipients, records of all payment requests by and dates of payments made to subrecipients, and documentation of all monitoring and sanctions of subrecipients, as applicable. If the recipient is a State, the recipient must keep records of each recapture and distribution of recaptured funds under § 576.501.(2) The recipient and its subrecipients must retain copies of all procurement contracts and documentation of compliance with the procurement requirements in 24 CFR 85.36 and 24 CFR 84.40-84.48.(3) The recipient must ensure that its subrecipients comply with the recordkeeping requirements specified by the recipient and HUD notice or regulations.(w) *Other records specified by HUD.* The recipient must keep other records specified by HUD. (x) *Confidentiality.* (1) The recipient and its subrecipients must develop and implement written procedures to ensure:(i) All records containing personally identifying information (as defined in HUD's standards for participation, data collection, and reporting in a local HMIS) of any individual or family who applies for and/or receives ESG assistance will be kept secure and confidential;(ii) The address or location of any domestic violence, dating violence, sexual assault, or stalking shelter project assisted under the ESG will not be made public, except with written authorization of the person responsible for the operation of the shelter; and(iii) The address or location of any housing of a program participant will not be made public, except as provided under a preexisting privacy policy of the recipient or subrecipient and consistent with state and local laws regarding privacy and obligations of confidentiality.(2) The confidentiality procedures of the recipient and its subrecipients must be in writing and must be maintained in accordance with this section.(y) *Period of record retention.* All records pertaining to each fiscal year of ESG funds must be retained for the greater of 5 years or the period specified below. Copies made by microfilming, photocopying, or similar methods may be substituted for the original records.(1) Documentation of each program participant's qualification as a family or individual at risk of homelessness or as a homeless family or individual and other program participant records must be retained for 5 years after the expenditure of all funds from the grant under which the program participant was served;(2) Where ESG funds are used for the renovation of an emergency shelter involves costs charged to the ESG grant that exceed 75 percent of the value of the building before renovation, records must be retained until 10 years after the date that ESG funds are first obligated for the renovation; and(3) Where ESG funds are used to convert a building into an emergency shelter and the costs charged to the ESG grant for the conversion exceed 75 percent of the value of the building after conversion, records must be retained until 10 years after the date that ESG funds are first obligated for the conversion.(z) *Access to records.* (1) *Federal government rights.* Notwithstanding the confidentiality procedures established under paragraph (w) of this section, HUD, the HUD Office of the Inspector General, and the Comptroller General of the United States, or any of their authorized representatives, must have the right of access to all books, documents, papers, or other records of the recipient and its subrecipients that are pertinent to the ESG grant, in order to make audits, examinations, excerpts, and transcripts. These rights of access are not limited to the required retention period but last as long as the records are retained.(2) *Public rights.* The recipient must provide citizens, public agencies, and other interested parties with reasonable access (consistent with state and local laws regarding privacy and obligations of confidentiality and the confidentiality requirements in this part) to records regarding any uses of ESG funds the recipient received during the preceding 5 years.(aa) *Reports.* The recipient must collect and report data on its use of ESG funds in the Integrated Disbursement and Information System (IDIS) and other reporting systems, as specified by HUD. The recipient must also comply with the reporting requirements in 24 CFR parts 85 and 91 and the reporting requirements under the Federal Funding Accountability and Transparency Act of 2006, (31 U.S.C. 6101 note), which are set forth in appendix A to 2 CFR part 170. § 576.501 Enforcement. (a) *Performance reviews.* (1) HUD will review the performance of each recipient in

carrying out its responsibilities under this part whenever determined necessary by HUD, but at least annually. In conducting performance reviews, HUD will rely primarily on information obtained from the records and reports from the recipient and, when appropriate, its subrecipients, as well as information from onsite monitoring, audit reports, and information from IDIS and HMIS. Where applicable, HUD may also consider relevant information pertaining to the recipient's performance gained from other sources, including citizen comments, complaint determinations, and litigation. Reviews to determine compliance with specific requirements of this part will be conducted as necessary, with or without prior notice to the recipient.

(2) If HUD determines preliminarily that the recipient or one of its subrecipients has not complied with an ESG program requirement, HUD will give the recipient notice of this determination and an opportunity to demonstrate, within the time prescribed by HUD and on the basis of substantial facts and data, that the recipient has complied with Emergency Solutions Grant (ESG) requirements. HUD may change the method of payment to require the recipient to obtain HUD's prior approval each time the recipient draws down Emergency Solutions Grant (ESG) funds. To obtain prior approval, the recipient may be required to manually submit its payment requests and supporting documentation to HUD in order to show that the funds to be drawn down will be expended on eligible activities in accordance with all ESG program requirements.

(3) If the recipient fails to demonstrate to HUD's satisfaction that the activities were carried out in compliance with ESG program requirements, HUD will take one or more of the remedial actions or sanctions specified in paragraph (b) of this section.

(b) *Remedial actions and sanctions.* Remedial actions and sanctions for a failure to meet an ESG program requirement will be designed to prevent a continuation of the deficiency; mitigate, to the extent possible, its adverse effects or consequences; and prevent its recurrence.

(1) HUD may instruct the recipient to submit and comply with proposals for action to correct, mitigate, and prevent noncompliance with ESG requirements, including:

- (i) Preparing and following a schedule of actions for carrying out activities affected by the noncompliance, including schedules, timetables, and milestones necessary to implement the affected activities;
- (ii) Establishing and following a management plan that assigns responsibilities for carrying out the remedial actions;
- (iii) Canceling or revising activities likely to be affected by the noncompliance, before expending ESG funds for the activities;
- (iv) Reprogramming ESG funds that have not yet been expended from affected activities to other eligible activities;
- (v) Suspending disbursement of ESG funds for some or all activities;
- (vi) Reducing or terminating the remaining grant of a subrecipient and reallocating those funds to other subrecipients; and
- (vii) Making matching contributions before or as draws are made from the recipient's ESG grant.

(2) HUD may change the method of payment to a reimbursement basis.

(3) HUD may suspend payments to the extent HUD deems it necessary to preclude the further expenditure of funds for affected activities.

(4) HUD may remove the recipient from participation in reallocations of funds under subpart D of this part.

(5) HUD may deny matching credit for all or part of the cost of the affected activities and require the recipient to make further matching contributions to make up for the contribution determined to be ineligible.

(6) HUD may require the recipient to reimburse its line of credit in an amount equal to the funds used for the affected activities.

(7) HUD may reduce or terminate the remaining grant of a recipient and reallocate those funds to other recipients in accordance with subpart D of this part.

(8) HUD may condition a future grant.

(9) HUD may take other remedies that are legally available.

(c) *Recipient sanctions.* If the recipient determines that a subrecipient is not complying with an ESG program requirement or its subgrant agreement, the recipient must take appropriate actions, as prescribed for HUD in paragraphs (a) and (b) of this section. If the recipient is a State and funds become available as a result of an action under this section, the recipient must reallocate those funds to other subrecipients as soon as practicable. If the recipient is a unit of general-purpose local government of territory, it must either reallocate those funds to other subrecipients or reprogram the funds for other activities to be carried out by the recipient as soon as practicable. The recipient must amend its Consolidated Plan in accordance with its citizenship participation plan if funds become available and are reallocated or reprogrammed under this section. The reallocated or reprogrammed funds must be used by the expenditure deadline in § 576.20

