

# GRANTEE POLICY GUIDE

JANUARY 2022



## HOMELESSNESS SOLUTIONS PROGRAM

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### CARES ACT EMERGENCY SOLUTIONS GRANT



The Maryland Department of Housing and Community Development (DHCD) administers the Homelessness Solutions Program (HSP) and the CARES Act Emergency Solutions Grant (ESG-CV) with the following program goals:



Reduce the number of individuals/households who become homeless by providing front-door shelter diversion services and homeless prevention assistance



Shorten the length of time an individual or household experiences homeless by quickly connecting them to safe permanent housing



Reduce the number of people that return to homelessness by ensuring households are connected to income supports, natural support networks, and community-based resources



Limit the transmission and negative health impacts of COVID-19 for people experiencing homelessness

Furthermore, these programs are a statewide funding response to address the issue of homelessness, aligning Maryland efforts with federal priorities to make homelessness “rare, brief, and non-recurring.” To better assist in this effort, this policy guide was created to provide additional guidance to grantees and subgrantees regarding eligible activities and costs, proper client eligibility determination, and effective program monitoring and management.

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## Policy Guide Revision History

Release	Revisions
Version 2.0 – January 2022	<p>Reorganized overall structure and content of policy guide</p> <p>Addition of ESG-CV eligible activities, costs, waivers, and restrictions*</p> <p>Addition of Federal and State Eviction Moratorium Guidance</p> <p>New Appendix Tools</p> <p>*Please note that all prior memos, documents, and other materials previously published are rescinded immediately, as the policy guide permanently incorporates the policies governing ESG-CV grant management.</p>

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## Section 1: Introduction

### Homelessness Solutions Program Funds (HSP)

The Homelessness Solutions Program (HSP) grants funds annually to all Continuums of Care and Local Homelessness Coalitions within the Maryland Balance of State Continuum of Care. The program draws on multiple state funding sources and HUD Emergency Solutions Grant funding to support street outreach, emergency shelter, permanent housing, and homelessness prevention activities in local communities.

Approximately \$1 million of the total HSP funds are dedicated exclusively to services and housing for youth and young adults under 25 who are currently or imminently at risk of homelessness. Eligible activities include street outreach, emergency shelter, drop-in centers, rapid re-housing, homelessness prevention, homeless resource days, Point-In-Time Count costs, and special activities for homeless youth and young adults. The program also provides some limited funding for existing transitional housing and permanent supportive housing case management programs that were grandfathered in when HSP was created. Additional policies guiding the work of youth-focused programs is forthcoming.

### CARES Act Emergency Solutions Grant (ESG-CV)

The 2020 Coronavirus Aid, Relief, and Economic Security Act (CARES Act) made \$4 billion available nationwide for the Emergency Solutions Grants Program to prevent, prepare for, and respond to coronavirus among individuals and families who are homeless or at risk of homelessness. This additional funding was made available to existing Emergency Solutions Grant Recipients to provide street outreach, emergency shelter, temporary emergency shelter, or rapid re-housing, as well as other COVID-19 crisis response activities. Additionally, funds may be used for homelessness prevention assistance.

The State of Maryland received approximately \$14 million for non-entitlement areas (rural and suburban communities who do not receive a direct grant from HUD). Urban metropolitan counties, also known as entitlement areas, received ESG-CV funding directly from HUD. State ESG-CV funds were distributed to 7 Continuums of Care: Maryland Balance of State, Carroll County, Frederick County, Harford County, Howard County, Lower Shore, and the Mid-Shore.

Additional eligible activities, costs, waivers, and restrictions specific to ESG-CV funded projects are noted through the policy guide in red boxes labeled “ESG-CV Special Conditions.”

## Eligible Grantees

Funding is available to eligible Continuums of Care (CoC) lead agencies (also known as Collaborative Applicants) within the State of Maryland. CoC grantees and their subgrantees must comply with program guidelines outlined in this policy guide as well as applicable state and federal regulations.

All grant recipients must meet the following basic criteria:

1. **Be a nonprofit or local government** entity
2. Administer homeless services from a **client-centered approach**. A client-centered approach means the program identifies the specific needs of each participant (client) and tailors case management assistance accordingly. Client-centered services also follow the best practices of Housing First principles referenced in this guide.
3. **Comply with Federal and state non-discrimination policies**. This includes all applicable federal requirements pertaining to non-discrimination, equal opportunity, and fair housing as discussed within this policy guide. Grantees and subgrantees must serve all households regardless of the sex, sexual orientation, gender identity, marital status, or age of any members of the family, and may not make client participation in religious or faith-based activities of any kind mandatory.
4. **Have a formalized grievance procedure**: Grantees and subgrantees shall maintain written grievance procedures for termination and denial of benefits based on the regulatory information provided in this guide. These policies will be reviewed annually during the HSP funding competition.
5. **Function with sound financial program management**, including being in accordance with federal OMB Uniform Guidance and Generally Accepted Accounting Principles (GAAP). This also includes **maintaining accurate** accounting and record keeping systems that control and identify contract funds, track all expenditures, and generate statistical reports.
6. **Maintain all books, client records, and financial documents** in a secure, locked location and ensure that records are kept for at least **five (5) years after the close of the grant**. Grantees and/or subgrantees must keep copies of back-up documentation to verify expenses covered by DHCD grants. All expenses must meet the allowable use of funds outlined in this guide.
7. **Use a Homelessness Management Information System (HMIS)** (or a comparable database for domestic violence providers) to enter and track data and share it with the **Maryland State Homelessness Data Warehouse (MSHDW)** on a quarterly basis.
8. Grantees must have and maintain **written standards** to guide the work of subgrantees to meet the requirements outlined in this guide.

Grantees and subgrantees must participate regularly in **Continuum of Care (CoC) meetings** and activities. In addition to satisfying the aforementioned requirements, CoC Lead Agencies have the responsibility of overseeing their subgrantees in order to verify proper execution of grant-eligible services to households experiencing homelessness. **Failure to do so can result in a decrease or loss in funding.**



## Section 2: Cross-Cutting Program Requirements

### Fair Housing & Equal Access

All grantees and subgrantees are required to comply with federal, state, and local laws as well as Department policies regarding discrimination and equal opportunity in emergency shelter and housing. This includes:

1. **Title VIII of the Civil Rights Act of 1968 (Fair Housing Act)** prohibits discrimination in the sale, rental, financing, and use of dwelling units based on race, color, national origin, religion, sex, familial status or disability.<sup>1</sup> Title VIII also prohibits the discrimination of clients accessing shelter, as it is considered a dwelling unit under the 1988 amendment of the act.<sup>2</sup>
2. **The Americans with Disabilities Act of 1990** prohibits discrimination of a person with a disability from participating in programs or activities. If a client seeking services has expressed that they have a disability, providers are required to make reasonable accommodations in policies and practices as well as reasonable modifications in physical structures.<sup>3</sup>
3. **The 2012 Equal Access to Housing Final Rule** prohibits the discrimination of clients with regard to actual or perceived sexual orientation, gender identity or marital status. Furthermore, the Equal Access to Housing Final Rule clarifies the term “family” to mean that any group of people that present together for assistance and identify themselves as a family, regardless of age or relationship or marital status, are considered to be a family and must be served together as such.<sup>4</sup>
4. **2016 HUD Equal Access in Accordance with Gender Identity Final Rule** prohibits providers from requiring involuntary client disclosure of sexual orientation or gender identity for the purpose of program eligibility or admission.<sup>5</sup> The Gender Identity Rule ensures that all clients, including transgender and other individuals who do not identify with the sex they were assigned at birth, are provided with fair access to programs, benefits, and services. Homeless services providers may not segregate or isolate transgender individuals solely on the basis of their gender identity.<sup>6</sup>
5. **Prohibition of Mandatory, Faith-Based Activities** disallows grantees or subgrantees receiving HSP funds to require participation of any kind in religious activities as a condition to receiving shelter services. Furthermore, shelter programs should not infringe upon a client’s personal religious practices.

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<sup>1</sup> [https://www.hud.gov/program\\_offices/fair\\_housing\\_equal\\_opp/progdesc/title8](https://www.hud.gov/program_offices/fair_housing_equal_opp/progdesc/title8)

<sup>2</sup> [https://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&rgn=div5&view=text&node=24:1.2.1.1.1&idno=24#se24.1.100\\_120](https://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&rgn=div5&view=text&node=24:1.2.1.1.1&idno=24#se24.1.100_120)

<sup>3</sup> [https://www.dol.gov/oasam/regs/statutes/ada\\_iaa.htm](https://www.dol.gov/oasam/regs/statutes/ada_iaa.htm)

<sup>4</sup> <https://www.hudexchange.info/faqs/1529/how-is-the-definition-of-family-that-was-included/>

<sup>5</sup> <https://www.hudexchange.info/resources/documents/Equal-Access-Final-Rule-2016.pdf>

<sup>6</sup> [https://www.hud.gov/LGBT\\_resources](https://www.hud.gov/LGBT_resources)



## Reasonable Accommodations

A reasonable accommodation is a modification to rules, policies, and procedures to help people with various types of disabilities access or use services. These accommodations apply to physical structures, communication methods, paperwork completion, and eligibility screening unless it would change the “fundamental nature” of a program. Reasonable accommodations for participants with disabilities must be granted throughout eligibility determination and completing necessary paperwork, especially as it pertains to requests for time extensions related to medical issues or hospitalizations. It is critical that all programs are aware of laws governing reasonable accommodation and have proactive plans in place for addressing the needs of people with disabilities. For more information and resources on reasonable accommodation, visit the [ADA Best Practices Toolkit for Homeless Services](#) or the [Corporation for Supportive Housing’s Guide to Tenant Selection](#) and their [sample forms and templates](#).

## Affirmative Outreach

Grantees and subgrantees must conduct affirmative outreach – proactively advertising/making known to the broader public and to program participants 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 grantee or subgrantee uses to conduct affirmative outreach will reach persons of a particular race, color, religion, sex, age, national origin, familial status, or disability who may qualify for those facilities and services, the grantee/subgrantee must establish additional procedures that ensure that those persons are made aware of the facilities, assistance, and services.

For example, if the grantee/subgrantee only posts flyers advertising their program services in majority white census tracts, it is unlikely they will affirmatively outreach to people of color and market to them at an equitable level. In this scenario, the grantee/subgrantee must take additional actions and implement culturally competent strategies to reach that population.

The grantee/subgrantee must take appropriate steps to ensure effective communication with persons with disabilities including, but not limited to, adopting procedures that will make information available to interested persons concerning the location of assistance, services, and facilities that are accessible to persons with disabilities.

## Limited English Proficiency

Executive Order 13166: Limited English Proficiency is a federal mandate that requires grantees of federal financial assistance to provide “meaningful access” to applicants and beneficiaries of their programs who do not speak English as their primary language and who have a limited ability to read, write, speak or understand English.

Grantees and subgrantees should evaluate and implement strategies to increase program access and availability of services for people with LEP – such as utilizing conversational language translation services and translating forms into languages other than English.

## Criminal Background Checks

On April 4, 2016 the Office of General Counsel within the US Department of Housing and Urban Development (HUD) issued guidance entitled, “Application of Fair Housing Act Standards to the Use of Criminal Records by Housing Providers and Real Estate-Related Transactions.”

The Department encourages providers to fully review the [HUD guidance](#). The Department requires that all policies related to criminal background checks and restrictions to access shelter must be reviewed and approved by the CoC Lead Agency.

## Involuntary Family Separation

Family shelters that only allow households headed by one gender and not another (e.g. women and children and not men and children) are not eligible to receive funding. HUD has determined that any shelter which accepts children is considered a “family” shelter, and therefore must accept all family compositions, regardless of the sex, sexual orientation, gender identity, or age of any members of the family.<sup>7</sup> Also in accordance with COMAR, Title 05, Subtitle 21 shelters are prohibited from involuntarily separating families. 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 DHCD funding.

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<sup>7</sup> <https://www.hudexchange.info/faqs/1529/how-is-the-definition-of-family-that-was-included/>

## Housing First

The Housing First approach focuses on quickly connecting people experiencing homelessness to permanent housing without preconditions and barriers to entry (e.g., sobriety treatment or service participation requirements). Services are voluntary and research has proven that once placed into housing, people experience improvements in their quality of life in the areas of health, mental health, substance use, and employment. This approach emphasizes the belief that housing is the foundation for quality-of-life improvements and acknowledges the basic principle that everyone is ready for housing regardless of their complex needs. This concept applies to shelters, transitional housing and permanent housing.

Housing First emerged as an alternative approach to traditional, treatment-based programs. In many programs, people experiencing homelessness were offered housing options only after they could demonstrate that they were “ready” for housing. In contrast to this belief, according to the United States Interagency Council on Homelessness (USICH) and Housing and Urban Development (HUD), Housing First is based on the following principles:

- Homelessness is first and foremost a housing crisis and can be addressed through the provision of safe and affordable housing.
- Everyone experiencing homelessness, regardless of their housing history and duration of homelessness, can achieve housing stability in permanent housing. Some may need very little support for a brief period of time, while others may need more intensive and long-term supports.
- Everyone is “housing ready.” Sobriety, compliance in treatment, or even criminal histories does not necessarily determine success in housing. However, homelessness programs and providers must be “consumer ready.”
- People experiencing homelessness have the right to self-determination in housing and should be treated with dignity and respect.
- The design of housing and services depends upon the needs and preferences of the population.<sup>8</sup>

To successfully address homelessness in Maryland, the Department has adopted this evidence-based model. Grantees and subgrantees that receive HSP funding are required to follow the best practices of Housing First principles for effective service delivery.

### Low-Barrier Shelter

As part of Housing First best practices, shelters that receive HSP assistance must implement a “low barrier” practice. Low-Barrier Shelters help to provide immediate and easier access to shelters by eliminating sobriety requirements, income requirements or other policies that could make it difficult to enter a shelter. Specific examples of policies that create additional barriers for access to shelter, and thus are not allowed in programs funded through HSP, include:

- Searches and seizures conducted by law enforcement officers without proper legal authorization (a warrant);
- Mandatory drug testing

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<sup>8</sup> <https://www.hudexchange.info/resources/documents/Housing-First-Permanent-Supportive-Housing-Brief.pdf>

This is not intended to be an exhaustive list. In general, programs should seek to “screen in” people who are applying for assistance, and find ways to accommodate their needs in shelter. Denial of services and/or termination of assistance should only occur when there is a clear danger or threat of harm to other residents and/or staff as a result of a program participant’s behavior. To evaluate ways to improve shelter standards and access, please review **the Low Barrier Shelter Checklist** created by the 100,000 Homes Campaign.

## VAWA & Serving Survivors of Domestic Violence

The Violence Against Women Act (“VAWA”) protects applicants, tenants, and program participants in HUD public housing programs from being evicted, denied housing assistance, or terminated from housing assistance based on acts of domestic violence, dating violence, sexual assault, or stalking against them.

[The Violence Against Women Act Final Rule](#), effective on December 16, 2016, further implements the requirements of the 2013 reauthorization of the act by expanding housing protections beyond HUD’s public housing programs. VAWA applies for all victims of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, gender identity, or sexual orientation, and which must be applied consistently with all nondiscrimination and fair housing requirements.

Under this legislation, HUD requires all HUD rental assistance programs to notify all recipients about VAWA Protections and Rights – these requirements are outlined in the section of this guide on Leases. CoCs are encouraged to implement [HUD best practices for serving domestic violence survivors](#).

## Client Confidentiality and Privacy

Sensitive information is routinely collected during intake and case management to assist with identifying needs and planning services. Grantees and subgrantees must respect all participants’ rights to confidentiality and privacy by not sharing any information about a participant without their express written consent. This includes not confirming a participant’s enrollment status, presence in the building, or other possible security considerations. Exceptions to this disclosure include law enforcement serving a warrant, mail delivery, or if the participant has requested to receive phone calls at the program.

A participant’s information may be shared with staff internally at the program, but only in the context of information necessary for service provision, case planning, and program coordination. Programs should be careful to identify with staff what information is appropriate to disclose and when. All case records are considered confidential and must be kept in a locked file cabinet in a designated room. Programs must keep on record for each staff member a statement of confidentiality, including an agreement to comply with agency policies for handling and storing written and electronic records containing participant information. Upon request, clients should have access to review their records and case file content. A private location should be provided to the client for this purpose within the program. Clients should not be allowed to remove their original case file from the program; however, they may be granted copies of file contents upon request.

By HUD regulations, the grantee and its subgrantees must develop and implement written procedures to ensure:

1. 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 assistance will be kept secure and confidential;

2. The address or location of any domestic violence, dating violence, sexual assault, or stalking shelter project will not be made public, except with written authorization of the person responsible for the operation of the shelter; and
3. 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 grantee or subgrantee and consistent with state and local laws regarding privacy and obligations of confidentiality.
4. The confidentiality procedures of the grantee and its subgrantees must be in writing and must be maintained in accordance with this section.

## Grievances & Terminations of Assistance

**HSP grantees and subgrantees are required to maintain written grievance procedures for termination and denial of benefits.** The written procedures should be submitted to the Department with the annual CoC grant application. This will allow the Department to review why program participants are denied from the program. Below is the following process for termination of benefits.

### Requirements for Termination of Housing Subsidy or Shelter

Before terminating housing subsidy or shelter benefits, the grantee or provider shall provide the recipient with notice and opportunity for an informal hearing. The notice should include:

- The date that termination of benefits will be effective;
- A statement of reasons for the decision to terminate benefits;
- Notification that if the client does not agree with the decision, the client may request an informal hearing for review of the decision;
- The procedures for requesting an informal hearing; and,
- The deadline for requesting an informal hearing (client must be given at least 14 days after the date of notice).

### Notice of Hearing

Upon receipt of a timely request for an informal hearing, the grantee or provider shall schedule an informal hearing and provide notice to the client, which includes:

- Date of issuance of the notice;
- Date, time, and location of the informal hearing (must be conducted within 14 after the date of notice);
- The issue to be heard during the informal hearing;
- Notice that failure to appear will result in the termination decision being upheld;
- The client's right to bring evidence, witnesses, and legal representation to the hearing, at the client's own expense;
- The client's right to review relevant documents in the possession of the grantee or provider, prior to the hearing; and,

- Notice that the grantee or provider may request to review relevant documents in the possession of the client prior to the hearing.

An informal hearing must be conducted by a person who neither made nor approved of the termination decision or is subordinate to that person.

Both the client and the grantee or subgrantee will have the opportunity to:

- Provide an opening statement;
- Present evidence;
- Question witnesses;
- Examine documents that are the basis for the termination decision; and,
- Request that the client, grantee or subgrantee staff be present to answer questions;
- Present legal argument(s).

### Written Decision

- This shall be provided by the person conducting the hearing **within 30 days**.
- Benefits in this section may **NOT** be terminated until a decision is issued affirming the terminating decision.
- Any decision affirming termination of benefits shall provide information to the client on the procedure for requesting an Appeal.

### Requirements for Termination of Other Benefits

For benefits other than housing subsidy or shelter, the grantee or provider shall provide clients with a notice of termination and the opportunity for an informal review. Benefits may be terminated prior to conduct of the informal review. The notice shall include:

- The action being taken, the reasons for such action being taken, and the effective date;
- Notification that if the client does not agree with the decision, the client may request an informal hearing for review of the decision;
- The procedures for requesting an informal hearing; and,
- The deadline for requesting an informal hearing.

### Notice of Informal Review

Upon receipt of a timely request for an informal hearing, the grantee or provider shall schedule an informal hearing and provide notice to the client, which includes:

- Date of issuance of the notice;
- Date, time, and location of the informal review;
- The issue to be heard during the informal review;
- The client's right to present information in support of the client's objections; and,
- Notice that failure to appear will result in the decision being upheld.

### Conduct of an Informal Review

- Must be conducted by a person who neither made nor approved of the termination decision nor is subordinate to that person.

**Decision**

- The decision resulting from the informal review may be provided orally at the informal review or in writing no later than 30 days afterwards.
- If the decision resulting from the informal review does NOT uphold the termination of benefits, and benefits have already been terminated, the grantee or provider shall provide retroactive benefits to cover any loss in benefits during the period between the termination and reinstatement of benefits.
- The decision shall provide information to the client on the procedure for requesting an Appeal.

**Appeal of Grievance Decisions**

If a client is not satisfied with the Decision rendered through the process above, the client may submit a written appeal to the Department within 30 days of the decision.



## Coordinated Entry

As a requirement of HUD, CoCs must have a Coordinated Entry System (CES) established. According to CoC regulations 24 CFR 578.7(a)(8), HUD's primary goal for CES is to assist with identifying people experiencing homelessness, to prevent homelessness whenever possible, and to assess the needs of people experiencing homelessness quickly in order to connect them to housing and services.<sup>9</sup>

### Core elements of a CES as defined by HUD include:

- CoCs must establish **access points** for people experiencing homelessness to receive intake to homeless services. The Continuum of Care (CoC) must ensure the system is accessible throughout its geographic area. For larger areas, multiple points of access are allowable, as long as the intake process is the same. Programs may establish specialized access points to target specific populations such as youth or victims of domestic violence.
- Create an **assessment process** to gather information on people's needs, preferences, and the barriers they face in regaining housing. The assessment process should be a process consistent throughout the CoC in order for clients to achieve fair, equitable, and equal access to services within the community. Assessments should be based on Housing First principles allowing clients to decide the information they will share and the services seek. CoCs must establish written policies and procedures concerning protection for clients of all data collected through the CES assessment process. Clients should not be required to disclose information during program enrollment beyond what is minimally required to establish eligibility for that program. For example, if a grant specifies that a written verification of disability from the Social Security Administration is alone sufficient to establish eligibility for permanent supportive housing, the program should not condition housing on further disclosure as to the diagnosis or nature of the disability. Programs may, however, request that clients to disclose this information voluntarily for the purpose of further assist with the provision of services
- CoCs use the CES to **prioritize** people experiencing homelessness within the CoC's geographic area. CoC's written policies and procedures include detailed information about the factors and assessment information that illustrates how prioritization decisions are made.

Referrals to housing or services may occur at various points in the CES, depending on how CoCs choose to incorporate it. How and when referrals occur depend on many factors, such as the person's needs and preferences, local priorities, and available resources.<sup>10</sup>

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<sup>9</sup> <https://www.hudexchange.info/resources/documents/Coordinated-Entry-Policy-Brief.pdf>

<sup>10</sup> <https://www.hudexchange.info/resources/documents/Coordinated-Entry-Core-Elements.pdf>

## Persons with Lived Experience Representation

At a minimum, Continuums of Care are required by HUD to have at least one person with lived experience of homelessness on their board. Homeless services providers receiving HUD or state funding should also have at least one person on their organization's board that is a current or former program participant. However, including people with lived experience in policy, planning, and program operations should really exceed these minimum standards.

In addition to improving the quality and effectiveness of homelessness assistance, more meaningful partnerships with people with lived experience of homelessness can help dispel dangerous and counterproductive myths regarding homelessness. Meaningful partnerships can demonstrate the expertise and motivation of people with lived experience and engage communities to implement effective solutions to homelessness.

Those with lived experiences of homelessness typically have the best understanding of the reality of our work to prevent and end homelessness – both in terms of the problems that exist and the knowledge of the services and interventions that are the most effective solutions. This is why it is so important to meaningfully and intentionally integrate them into the decision-making structure of our work at the system and program level. When we consult the experts, service implementations are made more relevant and responsive.

One of the most direct ways a CoC can support people with lived experience being in leadership positions is by providing them with a stipend to compensate them for their time and knowledge. Specific positions and/or the number of Board positions designated for people with lived experience on a CoC's board should be documented in the Continuum's by-laws and governance charter.

Documentation should include a description of the position and the anticipated number of hours that are necessary to complete the work. Additionally, documentation should include language about how compensation is determined and how frequently it is paid (i.e. monthly, quarterly, etc.) Some CoCs have used [livingwage.mit.edu](https://livingwage.mit.edu), to determine a living wage as a basis for compensation, while other CoCs have considered using the housing wage for the area as determined by the National Low Income Housing Coalition.

Compensation can be provided by using CoC planning grants, privately raised funds, or potentially the volunteer incentives under ESG-CV to support this kind of work (see Appendix for more information about how volunteer incentives can be determined and documented).

## Local Written Standards

Each grantee must develop and consistently apply written standards for subgrantees providing assistance. At a minimum, these written standards must include:

- Standard policies and procedures for **evaluating individuals' and families' eligibility** for assistance;
- Standards for **targeting and providing essential services related to street outreach**;
- 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;
- Policies and procedures for **assessing, prioritizing, and reassessing individuals' and families' needs** for essential services related to emergency shelter;
- 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);
- 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**;
- 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;
- 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
- Standards for **determining the type, amount, and duration of housing stabilization and/or relocation services** to provide 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 may receive assistance; or the maximum number of times the program participant may receive assistance.

## Data Collection and Reporting

Homeless Management Information Systems (HMIS) are the information systems designated and managed by local Continuums of Care to comply with the requirements of the federal CoC Program interim rule 24 CFR 578. It is a locally-administered data system used to record and track information about individuals and families served who are homeless or at risk of homelessness.<sup>11</sup>

### Data Entry Expectations of Providers

Entering data into HMIS is mandatory for DHCD-funded programs. All DHCD-funded programs should be set up in the local HMIS according to HUD's [ESG Program HMIS Manual](#). Continuums of Care must approve policies and procedures that govern the operation of the HMIS system and should monitor subgrantee compliance with data entry requirements during monitoring visits.

- Training for subgrantees should be arranged through the **HMIS Lead** for each jurisdiction
- All new and existing client information shall be updated and entered to reflect services provided **during each engagement**
- Each participating agency shall agree to and **sign all documents regarding HMIS** policies and procedures and strictly follow all protocols regarding sharing of information

Grantees and subgrantees must be in compliance with all requirements set forth by HUD and by the local HMIS lead agency with the exception of victim services providers. Victim service providers are prohibited by federal law from participating in the local HMIS due to confidentiality and safety concerns but are required to establish a comparable database approved by the HMIS lead agency of the CoC. The comparable database must meet the following criteria to be compatible with the State Data Warehouse.

- Collect client-level data over time and to generate aggregate reports based on the data into comma-separated values (CSV) format
- Meet HUD Sage requirements for Annual Performance Report (APR) data reporting, including being able to export both the CoC APR and ESG CAPER
- May be separate module of the same HMIS vendor utilized by the CoC as a whole

Victim services/domestic violence providers must document how they intend to ensure that data reporting policies and procedures are in place and followed while ensuring the confidentiality of participants.<sup>12</sup>

### Communication with Clients about HMIS

Each participating subgrantee should explain the purpose of the HMIS to program participants and attempt to secure release of information documents from clients before entering data.

**Please note:** Under federal law (5 U.S.C. Section 552a), a government agency may not deny shelter or services to

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<sup>11</sup> <https://www.hudexchange.info/programs/hmis/hmis-data-and-technical-standards/>

<sup>12</sup> [https://safehousingpartnerships.org/sites/default/files/2017-08/CD101\\_CSNNEDV.pdf](https://safehousingpartnerships.org/sites/default/files/2017-08/CD101_CSNNEDV.pdf)

clients who refuse to provide their SSN. This applies to all HUD-administered McKinney-Vento Act programs and HSP.

### Maryland Statewide Homelessness Data Warehouse (MSHDW)

All recipients of DHCD grant funding for homeless services are required to comply with data sharing to the MSHDW. Aggregate data from local HMIS systems will be transferred to the Maryland Statewide Homelessness Data Warehouse (MSHDW). The Data Warehouse will import data from all CoC HMIS systems. All grantees are expected to be providing information that meets all data quality standards. Collection and sharing of the universal data elements within HMIS enables the state of Maryland to better assess state progress towards reducing and ending homelessness across our state.

### General COVID19 Provisions/Waivers

#### COVID19 Special Conditions

To enhance the safety and security of clients, staff, and community partners, DHCD is waiving the following requirements for the duration of the Governor's State of Emergency declaration for COVID19:

- On-Site Inspections – Grantees/subgrantees may complete a remote visual inspection of RRH and HP units for habitability and lead paint
- Recordkeeping – Digital records and case files are acceptable. Grantees/subgrantees must ensure that digital case files have sufficient encryption and security measures in place to protect client data and privacy. Additionally, a digital backup of all case files should be done routinely.
- Signature Authority – Digital signatures from staff, clients, and community partners (landlords, service providers, etc) are acceptable for purposes of grant funding compliance.
- Households **do not** have to demonstrate that their reason for being homeless or at risk of homelessness is related to COVID19 in order to receive ESG-CV funded services. As long as they meet the eligibility criteria for the appropriate project type, they may be served.

## Section 3: Outreach

### Eligible Households

Funds may be used to reach **unsheltered households living in places not meant for human habitation** and connect them with emergency shelter, housing, and other critical services. Additionally, non-federal funds may be used for special events such as homeless resource days or administrative costs for Point-In-Time Counts.

### Street Outreach Eligible Activities and Costs

#### 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
- 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. Costs include staff salaries and program operational expenses (ex: printing, case files, client identification). Eligible services and activities are as follows:

- Using the local coordinated entry system
- Conducting the initial client evaluation, including verifying and documenting eligibility
- Developing, securing and coordinating services
- Obtaining Federal, State, and local benefits
- Monitoring and evaluating program participant progress
- Providing information and referrals to other providers
- Developing an individualized housing and service plan, including planning a path to permanent housing stability.

#### 3. 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. The costs of transporting unsheltered people to emergency shelters or other service facilities (such as hospitals or mental health care) are also eligible. These costs include the following:

- The cost of a program participant's travel on public transportation – ex: bus pass, cab vouchers
- If service workers use their own vehicles, mileage allowance for service workers to visit program participants

- The cost of purchasing or leasing a vehicle in which staff transports program participants and/or staff serving program participants, and the cost of gas, insurance, taxes and maintenance for the vehicle
- The travel costs of staff to accompany or assist program participants to use public transportation

## Special Event Eligible Activities and Costs (Non-Federal Funds Only)

1. **Homeless Resource Day (HRD)** – Fairs to inform homeless individuals, families, and their communities about the spectrum of housing, shelter and support services available in their area. These eligible activities may include direct services such as dental care, food, clothing, and other necessities for households experiencing homelessness. DHCD funding for this event may also cover costs associated with event planning/coordination, toiletries, and promotional items.
2. **Point-in-Time (PIT) count** – The Point-in-Time (PIT) count is a count of sheltered and unsheltered homeless persons on a single night in January. HUD requires that Continuums of Care conduct an annual count of persons experiencing homelessness who are staying in emergency shelters and transitional housing on a single night. Continuums of Care also must conduct a count of unsheltered homeless persons every other year (odd numbered years). Each count is planned, coordinated, and carried out locally. DHCD funding for this event may include training and survey materials or incentives such as gift cards, blankets, toiletries, and other necessities.

## Prohibited Costs

Funds may not be used for ineligible activities such as personal staff furniture, personal food expenses, or transportation costs.

## ESG-CV Special Conditions

### ESG-CV Unique Costs. Waivers. and Flexibilities

#### Unique Eligible Costs Under Street Outreach:

- Hazard Pay (for direct care staff - 25% differential or approved CoC rate)
- Volunteer Incentives
  - Reasonable incentives to volunteers (e.g., cash or gift cards) who are providing necessary services during COVID19. Can include people with lived experience supporting program and CoC planning
- Training on Infectious Disease Transmission, Risk Mitigation, and Treatment
- Mobile laundry, portable bathrooms and handwashing stations
- Cash payments of up to \$50/dose as an incentive to receive the coronavirus vaccine
- Purchase of PPE (e.g., masks, hand sanitizer, etc.) for program participants



## Section 4: Emergency Shelter

Emergency shelter programs span a variety of models and services according to their funding sources, target population, and facility type. However, they are always intended to provide temporary, short-term services. Emergency shelters do not require occupants to sign leases or occupancy agreements, but they may have clients sign a program participation agreement. Emergency shelter typically falls into one of four categories:

1. *Daytime Only/Drop-In Centers*—Typically provides respite from weather elements, offers meals and basic needs services, and may offer case management or supportive services to connect individuals to appropriate shelter, income, and housing. Most daytime-only shelters or drop-in centers do not offer sleeping space.
2. *Overnight Shelter*—Provides overnight housing and basic needs assistance to individuals by household type (families, single adults). Case management and supportive services may be part of the program model, but not always. Overnight shelters are typically first come, first serve for admitting clients.
3. *Comprehensive Shelter*—Provides 24/7 shelter, case management, basic needs assistance, and a full range of supportive services and programming in a facility. Participants typically have a reserved bed the duration of their stay and may store their belongings at the shelter.
4. *Hotel/Motel* – Provides shelter accommodation to participants by providing a hotel/motel voucher or program enters into a rental agreement with hotel/motel for rooms. Program may or may not provide supportive services, depending on funding availability.

### Eligible Households

Households who meet the HUD definition of Homeless Status or

At Risk of Homelessness Status are eligible to receive emergency shelter services.

## Eligible Activities and Costs

1. **Shelter Operations** – Funds may be used to provide services to families and individuals experiencing homelessness in emergency shelters as well as general building operations. Eligible costs include:
  - Rent/mortgage of the facility;
  - Maintenance for minor or routine repair of shelter facilities;
  - Security, equipment, insurance, utilities (such as gas, water, electricity, fuel, etc.);
  - Food and/or food service delivery;
  - Furniture and general shelter supplies; and
  - Hotel or motel vouchers, where no emergency shelter is available for households experiencing homelessness.
2. **Case management** – Program costs and staff salaries for those directly providing services to clients
3. **Child care** – Onsite child care costs may include providing meals and snacks, and appropriate developmental activities for children while in shelter. The children in child care must be under the age of 13, unless they have a disability. Children with disabilities 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.
4. **Outpatient health services** – Eligible activities may include outpatient health services and outpatient treatment of medical conditions, provided by licensed medical professionals. **Please note: DHCD funds may be used only for these services to the extent that other appropriate health services are inaccessible or unavailable within the community.**
5. **Mental health services** – Eligible mental health activities may include treatment of crisis interventions and therapy sessions. **Please note: DHCD funds may be used only for these services to the extent that other appropriate health services are inaccessible or unavailable within the community.**
6. **Substance use treatment services** – Eligible substance use treatment services are designed to prevent, reduce, eliminate, or deter relapse of substance use or addictive behaviors. **Please note: DHCD funds may be used only for these services to the extent that other appropriate health services are inaccessible or unavailable within the community.**
7. **Legal services** – Hourly fees for legal advice and representation by attorneys licensed in good standing with the bar association about matters that hinder households from obtaining housing. This can include matters such as:
  - 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; and
  - Appeals of veterans and public benefit claim denials are eligible costs under emergency shelter.

8. **Education services** – When necessary for the program participant to obtain housing, education services activities may include instruction or training in consumer education, health education, substance use prevention, literacy, English as a Second Language, and General Educational Development (GED).
9. **Employment assistance and job training** – Employment assistance and job training programs within the emergency shelter may include classroom, online, and/or computer instruction, on-the-job instruction, and services that assist individuals in securing employment.
10. **Life skills training** – Activities may include teaching critical life management skills necessary to assist the program participant to function independently in the community. Activities may include:
  - Budgeting and managing money resources, conflict resolution, shopping for food and needed items, improving nutrition, learning how to use public transportation, and parenting while in the shelter.
11. **Transportation** – transportation costs of a program participant’s travel to and from medical care, employment, child care, or other eligible essential services facilities. Additional transportation costs can include:
  - The cost of a program participant’s travel on public transportation;
  - Mileage allowance (if service providers use their own vehicles to visit program participants);
  - The cost of purchasing or leasing a vehicle for the organization’s staff to transport program participants, as well as general expenses such as gas, insurance, taxes, and maintenance for the vehicle.

## Transitional Housing (non-federal funds only)

Transitional housing is designed to meet more intensive service needs to increase the housing stability of the population served. Stays are typically between 90 days and 2 years and may require occupants to sign leases. Providers should link program participants to income sources, with the goal of helping participants secure permanent housing.

Please note: Transitional Housing is an eligible expense under this category but should be used primarily for special populations such as persons fleeing domestic violence and unaccompanied homeless youth. HUD has emphasized that transitional housing is a more costly homelessness intervention; therefore, its use should be specifically for special populations in need of longer-term services.<sup>13</sup> Using funds for Transitional Housing costs must be pre-approved by the Department.

## Prohibited Costs

- Capital Costs – DHCD funds may not be used for major building rehabilitation, renovations or construction labor
- Personal staff furniture, personal food expenses, or transportation costs

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<sup>13</sup> <https://www.hudexchange.info/resources/documents/Recovery-Housing-Policy-Brief.pdf>

- Inpatient detoxification and other inpatient drug or alcohol treatment

## Habitability Standards and Lead-Based Paint

Any emergency shelter that receives DHCD assistance for shelter operations must meet the minimum safety and sanitation standards required by HUD. To ensure clients are receiving adequate assistance through emergency shelter operations, HUD has created a list of minimum standards for grantee and subgrantee inspection. To document compliance for this requirement, grantees must complete the Emergency Shelter Habitability Checklist and Lead-Based Paint Screening Worksheet for each funded emergency shelter annually (these forms can be found in the Policy Guide Appendix).

## Other Shelter Requirements

**Housekeeping/Chores:** Program participants may have a cooperative responsibility for housekeeping duties in shelter. Housekeeping duties shall be limited to the immediate area where the client sleeps and additional housekeeping duties shall be voluntary. Failure to complete additional voluntary duties is not a valid reason for program termination.

**Program Fees/Collection of Public Benefits:** Charging client fees of any kind is not allowed in emergency shelter. This also includes collecting public benefits assistance such as Supplemental Nutrition Assistance Program (SNAP) or food stamps as income towards program fees from shelter occupants.

## ESG-CV Special Conditions

### ESG-CV Unique Costs, Waivers, and Flexibilities

#### Unique Eligible Costs Under Emergency Shelter:

- Hazard Pay (for direct care staff - 25% differential or approved CoC rate)
- Volunteer Incentives
  - Reasonable incentives to volunteers (e.g., cash or gift cards) who are providing necessary services during COVID19. Can include people with lived experience supporting program and CoC planning
- Training on Infectious Disease Transmission, Risk Mitigation, and Treatment
- Vaccine Incentives - Cash payments of up to \$50/dose as an incentive to receive the coronavirus vaccine
- Purchase of PPE (e.g., masks, hand sanitizer, etc.) for program participants

#### Allowable Hotel/Motel Costs:

- Hotel or motel rooms, directly or through a voucher
- Cleaning of hotel and motel rooms used by program participants
- Repair damages caused by program participants above the normal wear and tear of the room.

Case management services and meetings cannot be mandated – all services are voluntary.

#### New Project Type: Temporary Emergency Shelter

As defined by Notice CPD-20-08 released September 1, 2020: a “Temporary Emergency Shelter means any structure or portion of a structure, which is used for a limited period of time because of a crisis, such as a natural disaster or public health emergency, to provide shelter for individuals and families displaced from their normal

## Section 5: Rapid Re-Housing & Homelessness Prevention

Rapid Re-housing and Homelessness Prevention have the same eligible activities and costs:

- Rental Assistance
- Financial Assistance
- Housing Stability Case Management
- Unique Costs Allowable Under ESG-CV

However, Rapid Re-housing targets services to households who are already homeless – living in unsheltered locations or emergency shelters. Homelessness Prevention targets services to households who are at imminent risk of homelessness or are in need of shelter diversion.

### Rapid Re-Housing Overview

Rapid re-housing (RRH) rapidly connects families and individuals experiencing homelessness to permanent housing through a tailored package of assistance that may include the use of time-limited financial assistance and targeted supportive services. Program participants may be provided up to 24 months of rental assistance during any three-year period. This assistance may be short-term rental assistance, medium-term rental assistance, payment of rental arrears, or any combination of this assistance. The maximum amount of rental assistance provided and an individual or family's level of responsibility for rent payments, over time, shall be determined by the service provider and shall be reflective of the individual or family's need for rental assistance and the level of financial resources available to the program. Determinations of assistance must be in compliance with the CoC's Written Standards.

RRH programs help households solve the practical and immediate challenges to obtaining permanent housing while reducing the amount of time they experience homelessness, avoiding a near-term return to homelessness, and linking to community resources that enable them to achieve housing stability in the long-term. A fundamental goal of rapid rehousing is to reduce the amount of time a person is homeless.

RRH resources are limited and should be used most efficiently to ensure that assistance can be provided to the greatest number of people experiencing homelessness. An operating principle is that households should receive "just enough" assistance to successfully exit homelessness and avoid returning to the streets, other places not meant for human habitation, and emergency shelters. For best practices of how to successfully implement RRH principles, please see **The Core Components of Rapid Re-Housing in the Appendix**.

## Rapid Re-Housing Eligible Households

Households living in unsheltered locations or in emergency shelters meet the minimum eligibility for rapid re-housing, including those fleeing domestic violence. There is no income requirement at entry to be eligible for rapid re-housing, however, if a household receives more than one year of assistance, they must have income below 30% AMI at eligibility reassessment.

Households meeting the chronic homelessness definition cannot be automatically deemed ineligible to receive rapid re-housing assistance solely on the basis of being chronically homeless. Having a permanent disability is a requirement to meet the chronic homelessness definition, so intentionally excluding individuals who are chronically homeless from rapid re-housing would violate federal laws prohibiting housing discrimination on the basis of disability.

Rapid re-housing is an effective intervention for many different types of households experiencing homelessness, including those with no income, with disabilities, and with poor rental history. The majority of households experiencing homelessness are good candidates for rapid re-housing. Each CoC's Coordinated Entry System must have an assessment tool and process in place that can comprehensively evaluate service needs and target RRH resources effectively without violating federal fair housing laws.

## Homelessness Prevention Eligible Households

Homelessness Prevention assistance may be provided to households who meet the criteria under the:

- At Risk of Homelessness Status or meet the criteria in paragraph (2), (3), or (4) of the Homeless Status ,
- Lack the resources to obtain other permanent housing, and
- Have an annual income that does not exceed **50% of AMI** when using ESG-CV and **30% of AMI** when using State HSP funds

When assessing a program participant's needs during the initial evaluation, it is important to determine which households will be able to avoid homelessness with limited assistance and which will need deeper levels of support. Keep in mind that the goal of housing stability case management is to help stabilize people once housed, by connecting them to services and supports if needed. It should focus on helping people navigate barriers that may stand in the way of securing and maintaining housing and should also strive to build a support system by connecting them with people and programs in the community.

In the case of outstanding rental arrears, households should be assisted to apply for local rent relief programs such as Community Development Block Grant funding or Coronavirus Relief Funds first before utilizing State HSP or ESG-CV homelessness prevention funding.



## Eviction Moratorium Considerations

The following section includes complex guidance regarding which clients are eligible to receive homelessness prevention in the case of possible eviction and at what times they are not. Grantee and subgrantee should utilize the **Homelessness Prevention Eligibility Determination Tool** in the Appendix to screen clients for eligibility – the tool takes into account regular State HSP and ESG-CV requirements, CDC and State eviction moratoriums, and the current District Court closures. As circumstances change, the tool will be updated. This section is applicable to both State HSP and ESG-CV funding.

**Individuals who are considered a “covered person” by the Centers for Disease Control and Prevention (CDC) Moratorium<sup>14</sup> or the State of Maryland Moratorium<sup>15</sup> are not currently eligible for homelessness prevention assistance** for an eviction action initiated by a landlord or property owner for nonpayment of rent. However, as explained below, **within 14-21 days** before the end of the eviction moratorium(s), individuals or families may become eligible because the landlord or property owner will be legally able to evict the household from their unit for failure to pay rent. Special Note: If courts are not hearing new failure to pay rent cases, then the household cannot be legally evicted, and therefore would not be eligible for homelessness prevention assistance.

An eviction action initiated by the owner is not the only way for a household to qualify for homelessness prevention assistance. When determining eligibility for homelessness prevention assistance, be sure to assess the household's situation and consider whether they meet any of the conditions under the at risk of homelessness definition, which include situations such as: frequent moves, living in the home of another due to economic hardship, living in overcrowded situations, and exiting a publicly funded institution.

There are many situations where a household will still qualify for Homelessness Prevention assistance:

- Households who meet the normal eligibility for homeless prevention and are not a “covered person” under either the CDC or State Moratoriums – such as people who are doubled up or living in a motel
- Households facing Tenant Holding Over or Breach of Lease Cases – these cases are still being heard by the District Courts and are not protected under any federal or state moratoriums
- Households that have already received a warrant of restitution and judgment of possession for Failure to Pay Rent cases (this means a judge evaluated their legal eligibility under both the CDC and State Moratoriums and determined that they were not a “covered person”)

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<sup>14</sup> For a definition of a "covered person" see the [CDC's federal register notice 85 FR 55292](#). According to the [CDC FAQs](#), the CDC Moratorium is not intended to terminate or suspend the operations of any state or local court. Nor is it intended to prevent landlords from starting eviction proceedings, provided that the actual eviction of a covered person for non-payment of rent does NOT take place during the period of the moratorium.

<sup>15</sup> Households who have suffered a loss of income due to circumstances caused by COVID19 (loss of job, childcare needs, COVID19 positive)

## Other Steps for Grantees to Take

In cases where a household is ineligible for ESG homelessness prevention assistance during an eviction moratorium, there are steps that providers may take to help an individual or family regain housing stability:

- During the intake assessment, use problem-solving techniques and start collecting documentation to prepare for the end of the moratorium in case the household later becomes eligible.
- **Identify other funding that can provide assistance – utilize your state funds, community CDBG-CV funds, or Coronavirus Relief Funds.** State HSP, CDBG-CV, and CRF funds are not tied to whether moratoriums are in effect.

Additionally, in preparation for meeting your clients' needs once the moratorium(s) ends, consider having a member of your staff dedicated to building relationships with landlords, developing a housing database, and establishing a point of contact with landlords in case there were problems. Establishing a specialized staff position for this function could be a best practice for improving the speed of helping homeless persons maintain and obtain housing, meeting landlord needs and mitigating concerns, and possibly further contributing to housing stability.

The following two sections explain the specific eligibility criteria for ESG Homelessness Prevention assistance that are impacted by the CDC and State Eviction Moratoriums.

## Homeless Definition – Category 2 – Imminent Risk of Homelessness

Due to the CDC Eviction Moratorium, the earliest time that a “covered person” could qualify for Homelessness Prevention under Category 2 of the Homeless Definition due to an eviction action initiated by a landlord or property owner for nonpayment of rent is 14 days prior to 3/31/2020. Otherwise, the covered person's primary nighttime residence will not be lost within 14 days of the date of application for homeless assistance during the period the CDC Eviction Moratorium is in effect.

If the household is not a “covered person” under the CDC Moratorium but IS a “covered person” under the State Moratorium, then they will not be eligible to receive homelessness prevention assistance until 14 days prior to the Governor lifting the moratorium.

## Documentation Standards

Evidence that a household will imminently lose their housing must include 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 under state law. Acceptable documentation must substantiate that the criteria of Category 2 of the Homeless definition has been met; that is, the household will lose their residence within 14 days. A Notice to Quit or a Notice to Terminate issued under state law does not need to be equivalent to a court-ordered eviction action. However, if there is no reasonable expectation that a household will lose their residence within 14 days as a result of the issuance of a Notice to Quit, Notice to Terminate, or demand notice, then the criteria of Category 2 have not been met.

## At Risk of Homelessness - Category 1C

Due to the CDC Eviction Moratorium, the earliest time that a “covered person” could qualify for Homelessness Prevention under Category 1: Risk Factor (C) of the At-Risk of Homelessness definition due to an eviction action initiated by a landlord or property owner for nonpayment of rent is 21 days prior to 3/31/2020 if the landlord prepared an eviction notice, the documentation does not provide a way for the tenant to remedy the situation and avoid eviction, and the tenant’s right to occupy their housing will be terminated. Otherwise, the covered person's right to occupy their primary nighttime residence will not be lost within 21 days of the date of application for homeless assistance during the period the CDC Eviction Moratorium is in effect.

If the household is not a “covered person” under the CDC Moratorium but IS a “covered person” under the State Moratorium, then they will not be eligible to receive homelessness prevention assistance until 21 days prior to the Governor lifting the moratorium.

### Documentation Standards

Eligibility documentation for Category 1: Risk Factor (C) of the At-Risk of Homelessness definition does not need to be equivalent to a court-ordered eviction action. **Acceptable documentation must substantiate that a household’s right to occupy housing will be terminated within 21 days, not necessarily that the household will be required to leave the unit within 21 days.** In order to sufficiently document that the criteria for Category 1C have been met, other documentation, such as an eviction notice prepared by the landlord or a demand notice, must effectively terminate a household’s right to occupy the unit within 21 days. If the documentation provides a way for the tenant to remedy the situation and avoid eviction, e.g., paying the balance, the applicant must lack the ability to meet the terms of avoiding eviction in order to be eligible for assistance.

## Rental Assistance Costs

Funds may be used to pay a portion or all of a client’s rental assistance for up to 24 months during any three-year period. The time frame for this assistance includes:

- Short-term rental assistance (0-3 months),
- Medium-term rental assistance (4-24 months),
- Rental arrears (one-time payment for up to 6 months of rent in arrears). An arrears payment is only an eligible cost if the arrears are preventing the household from obtaining permanent housing and achieving stability in that housing.

Note: Any combination of the above types of assistance is acceptable as long as the total amount of assistance does not exceed 24 months. **There are special conditions for providing RRH rental assistance with ESG-CV funding (see end of rental assistance section).**

Rental assistance may be tenant-based or project-based:

### *Tenant-Based Rental Assistance*

1. A 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 participant continues to meet the program requirements.
2. The program participant enters into a lease directly with the landlord. There is no minimum term required for the lease.

3. The CoC Lead or service provider may require that all program participants live within a particular area for the period in which the rental assistance is provided.
4. The RRH program will enter into a rental assistance agreement with the landlord/owner of the property the program participant intends to rent. The RRH program must terminate and no further rental assistance payments shall be made if:
  - The program participant moves out of the housing unit for which the participant has a lease
  - The lease terminates and is not renewed; or
  - The participant becomes ineligible to receive rental assistance

### *Project-Based Rental Assistance*

If the service provider identifies a permanent housing unit that meets requirements and becomes available before a participant is identified to lease the unit, the program 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 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 by item 4.
2. The program may pay up to 100 percent of the first month's rent, provided that a 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 rental assistance.
3. The program may make monthly rental assistance payments only for each whole or partial month an assisted unit is leased to a program participant. When a participant moves out of an assisted unit, the program may pay the next month's rent, i.e., the first month's rent for a new program participant as provided in 2).
4. The participant's lease must not condition the term of occupancy to the provision of rental assistance payments. The minimum lease term for the program participant must be one year. If the program participant is determined ineligible or reaches the maximum number of months over which rental assistance can be provided, the program 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 program may resume payments if the individual or family again becomes eligible and needs further 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 program requirements.
5. The rental assistance agreement between the program and housing owner 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 or months for which the program participant remains eligible. However, under no circumstances may the program commit funds to be expended beyond their grant expenditure deadline or commit funds for a future grant before the grant is awarded.

### *Mobile Home Lot Rent*

Paying for rent of a lot on which a mobile home (also known as a manufactured home), trailer, or motor home is located, rent for the mobile home, trailer, or motor home itself, or for arrears of these rents is eligible as rental assistance under the HSP Homelessness Prevention and Rapid Re-Housing components. Please note: HSP funds cannot be used to purchase or make loan payments on a trailer, mobile home, or motor home.

## ESG-CV Special Conditions

### **ESG-CV Rental Assistance Restrictions:**

- If rental assistance is being paid through ESG-CV funding, the household may receive no more than 24 months of assistance total (same requirements as State HSP)

If a household is receiving rental assistance through State HSP, they may not transition to receiving rental assistance through ESG-CV funds. This is due to HUD's requirement to document ESG-CV RRH clients in a different HMIS project than an existing RRH project.

If a household starts out receiving rental assistance through ESG-CV1 and funding runs out, the household may transition to receiving rental assistance through ESG-CV2, provided the household receives than 24 months of assistance total.

Program participants who reach the maximum amount of assistance per household (24 months within 3 years) between January 21, 2020 and March 1, 2021 may receive an additional 6 months of rental assistance and services.

## Financial Assistance Costs

Funds may be used to pay housing owners/landlords and utility companies for the following costs:

1. **Rental Application Fees:** for the rental housing application fee that is charged by the owner to all applicants.
2. **Security Deposits:** that is equal to no more than 2 months' rent
3. **Last month's rent:** if necessary to obtain housing 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 rent assistance, which cannot exceed 24 months during any 3-year period.
4. **Utility Deposits:** for a standard utility deposit required by the utility company for all customers for utilities listed in the utility payment section.
5. **Utility Payments:** may pay for up to 24 months (during any 3-year period) 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: Gas, Electric, Water, Sewage

A household seeking utility only assistance may be eligible for ESG assistance if it can be documented that they will lose their housing and become literally homeless if utility assistance is not provided and the household meets other ESG eligibility requirements. In such cases, subrecipient must confirm and document in the case file that the utility company will in fact disconnect the utility service if the full amount or a partial payment is not paid, that the disconnection of utility service will cause housing to be unsafe or otherwise cause eviction (i.e. if the applicant is required to maintain utilities per their lease), and that no other utility assistance (OHEP, Maryland Fuel Fund, etc) is available to prevent the shut-off.

A copy of a utility shut-off notice or arrears statement is not sufficient by itself to document program eligibility. The household still has to meet all other eligibility requirements.

6. **Moving Costs:** such as truck rental or hiring a moving company. This may include payment of temporary storage fees for up to 3 months, provided that the fees are accrued after the date the program participant begins receiving assistance and before the program participant move into permanent housing. Payment of temporary storage fees in arrears is not eligible.

Please note: All financial assistance administered counts towards the 24-month time limit.

## Supportive Services Costs

Funds may be used to pay the costs of providing the following services:

- Housing search and placement – services or activities (including obtaining vital records) necessary to assist program participants in locating, obtaining, and retaining permanent housing;
- Housing stability case management– assessing, coordinating, and monitoring the delivery of services for participants to obtain or maintain permanent housing;
- Mediation – mediation services between the clients and the owner or person(s) with whom the client is living. Mediation services are eligible only under the assumption that clients may lose housing if services are not rendered;
- Legal services – legal services related to landlord/tenant matters, and the services necessary to resolve a legal problem that prohibits the program participant from obtaining or maintaining permanent housing;
- Credit repair – credit counseling and other services necessary to assist clients with critical skills related to household budgeting, managing money, and resolving personal credit problems. This assistance does not include the payment or modification of a debt.

Note: Housing stability case management assistance may not exceed 30 days during the period in which the program participant is seeking permanent housing and may not exceed 24 months during the period in which the program participant is living in permanent housing. At a minimum, program participants must attend monthly case management meetings (except in the case of ESG-CV, as noted at end of RRH section).

### Providing ESG Case Management Services without Rental or Financial Assistance

Under the Rapid Re-Housing and Homelessness Prevention components, funds can be used for case management services (or other services) alone. That is, although rental assistance cannot be provided independent of case management services, case management can be provided independent of rental assistance. For example, services (such as case management) could be provided after the term of a program participant's rental assistance expires, as long as the 24-month cap for each type of assistance is not exceeded. "Stand alone" case management or other services can also be provided to support program participants who receive rental assistance through non-DHCD programs, as long as the individual or family is eligible for assistance at the time of the intake evaluation and any recertification(s) of eligibility.

### Limitation on Housing Stability Case Management Under the Rapid Re-Housing Component

Often, households that are eligible for Rapid Re-Housing assistance reside in an emergency shelter or in a place not meant for human habitation while they wait for a unit to be identified. The following principles for charging the costs of housing stability case management under Rapid Re-Housing apply in these situations:

- Grantees/subgrantees may provide housing stability case management assistance under the Rapid Re-Housing component for up to 30 days during the period these program participants are residing on the street or in an emergency shelter and seeking permanent housing
- If the program participant needs more than 30 days of housing stability case management assistance while they are sleeping in an emergency shelter or on the street (or other place not meant for human habitation), it must be charged either to Emergency Shelter: essential services or Street Outreach: case management, as appropriate. The costs are then subject to the cap on these components.
- Once the program participant is in permanent housing, housing stability case management can be provided under the Rapid Re-Housing component for up to 24 additional months.



## Prohibited Costs for RRH and HP

Funds may not be used for:

- Capital Costs – Funds may not be used for major building rehabilitation, renovations or construction labor;
- Vehicle purchase, maintenance and repair;
- Personal staff furniture, personal food expenses, client furniture, or transportation costs;
- Payment of temporary storage fees in arrears
- Client debt modifications;
- Foreclosure or homeowner financial assistance; or
- Transitional housing.

## ESG-CV Special Conditions

### ESG-CV Unique Costs, Waivers, and Flexibilities

#### Unique Eligible Costs Under Rapid Re-Housing and Homelessness Prevention:

- Hazard Pay (for direct care staff - 25% differential or approved CoC rate)
- Vaccine Incentives - Cash payments of up to \$50/dose as an incentive to receive the coronavirus vaccine
- Volunteer Incentives
  - Reasonable incentives to volunteers (e.g., cash or gift cards) who are providing necessary services during COVID19. Can include people with lived experience supporting program and CoC planning
- Renter's Insurance:
  - Must be necessary to obtain/maintain housing (e.g., landlord requirement). Payment must be made directly to the insurance company on behalf of the program participant.
- Landlord Incentives
  - Signing bonuses up to 2 months of rent
  - Security deposits up to 2 months of rent
  - Cost to repair damages incurred by program participant not covered by security deposit or incurred while program participant is staying in the unit; and
  - Costs of extra cleaning or maintenance of a program participant's unit or appliances
- Training on Infectious Disease Transmission, Risk Mitigation, and Treatment
- Sponsor-based Rental Assistance
- Essential Services – Eligible Services expanded to include all services eligible under Emergency Shelter

Case management services and meetings cannot be mandated – all services are voluntary.

#### Income Eligibility for ESG-CV Homelessness Prevention:

- Increased to 50% of Area Median Income

## Section 6: Permanent Supportive Housing Case Management

### Eligible Activities and Costs

Funds may be used for the purpose of providing case management services for permanent supportive housing only if a provider received funds last year for this specific activity. These services may include:

- Linking residents to supportive services such as job training, health care, budgeting counseling, parenting skills, substance treatment, etc.
- Staff costs for those who assist clients in applying for food, medical, and other benefits.

## Section 7: Homeless Management Information System Costs

### Eligible Activities and Costs

Grantees and subgrantees may use federal or state funds to pay the costs of contributing data to the HMIS designated by the CoC for the geographic area, including<sup>16</sup>:

**1. Hardware and software costs:**

- purchasing or leasing computer hardware
- purchasing software or software licenses
- purchasing or leasing equipment, including telephones, faxes, and furniture

**2. Training and overhead:**

- obtaining technical support
- leasing office space
- costs of utilities and high-speed data transmission necessary to operate or contribute data to the HMIS
- staff travel costs to attend HUD-sponsored and HUD-approved HMIS training
- staff travel costs to conduct intake
- participation fees charged by the HMIS Lead, if the grantee/subgrantee is not the HMIS Lead

**3. Staffing:**

- completing data entry
- monitoring and reviewing data quality
- completing data analysis
- reporting to the HMIS Lead
- training staff on using the HMIS
- implementing and complying with HMIS requirements

**4. Comparable database:**

- For use by grantees and subgrantees that are victim services or authorized legal services providers

Note: CoC HMIS Leads may not use normal ESG to pay for the costs of operating and maintaining HMIS – only State and ESG-CV funds can be used for the administrative costs of HMIS (see list of eligible costs in ESG-CV box below).

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<sup>16</sup> <https://files.hudexchange.info/resources/documents/Homelessness-Programs-Toolkits-for-State-ESG-Recipients-HMIS.pdf>

## ESG-CV Unique Costs, Waivers, and Flexibilities

**ESG-CV may also be used by HMIS Leads for the cost of operating and maintain the HMIS:**

- Hosting and maintaining HMIS software or data
- backing up, recovering, or repairing HMIS software or data
- upgrading, customizing, and enhancing the HMIS
- integrating and warehousing data, including development of a data warehouse for use in aggregating data from subrecipients using multiple software systems
- administering the HMIS system
- reporting to providers, the CoC, and HUD
- conducting training on using the HMIS system or a comparable database, including travel to participate in training.

Additionally, ESG-CV funds may be used on HMIS costs even when they are not related to ESG-CV program participants or ESG-CV activities when necessary to collect and report better data about the impact of coronavirus across the community. These flexibilities will allow communities to collect data that is necessary to coordinate and report on activities to prevent, prepare for, and respond to coronavirus among individuals and families experiencing homelessness, at risk of homelessness, and receiving homeless assistance.

Example: HMIS funds may be used to collect data on FEMA non-congregate shelter projects or from providing HMIS access to healthcare facilities and health departments.

## Section 8: Administrative Costs

Grantees are eligible to utilize up to 10% of their State HSP funding to cover administrative activities. This may be shared between the grantee and subgrantee if applicable and is the decision of the grantee or CoC.

Administrative costs cover expenses dedicated to managing the grant. Eligible administration activities include but are not limited to:

- Preparing and reviewing HSP applications
- HSP financial reporting such as processing disbursement invoices
- HSP subgrantee monitoring and or training

The CoC Lead Agency may retain all funding requested for administrative costs, or may subgrant that funding to any agencies that are involved in carrying out those functions.

**Please note: Administrative staff costs are solely meant for the purpose of managing, coordinating, and oversight of administrative responsibilities related to the HSP grant. This does not include administering direct services for any of the HSP component areas.**

### ESG-CV Special Conditions

CoCs may use ESG-CV to cover allowable administrative costs as outlined under the State HSP funds. However, each CoC will receive a maximum total budget under ESG-CV for administrative funds. If a CoC chooses not to utilize the full amount of admin, they may reallocate the funds to another allowable component: street outreach, shelter, rapid re-housing, homelessness prevention, or HMIS.

## Section 9: Eligibility & Intake Requirements

Households seeking assistance under HSP and ESG-CV funded programs must be screened for eligibility prior to receiving services. At a minimum, eligibility screening for all households should include:

- Homeless Status/At Risk of Homelessness Status
- Annual Household Income (if applicable to project type)
- Duplication of Benefits
- Assessment of Household's Support Networks and Resources

For each individual and family determined ineligible to receive assistance, the record must include documentation of the reason for that determination.

### Homeless Status Determination

	Criteria	Documentation Standards
<b>Category 1</b> Literally Homeless  Eligible for: Outreach Shelter RRH	Household that <b>lacks a fixed, regular, and adequate nighttime residence</b> . Examples of clients that are homeless include: <ul style="list-style-type: none"> <li>• Households staying in a public or private place not meant for human habitation (such as wooded areas, cardboard boxes, sidewalks, underpasses, public bathrooms, etc.)</li> <li>• Households staying in emergency shelters, transitional housing, or hotels and motels paid for by government or a charitable organization</li> <li>• Households exiting an institution for 90 days or less, and stayed in a shelter or place not meant for human habitation prior to institution stay</li> </ul>	<ul style="list-style-type: none"> <li>• Written observation by the outreach worker; or</li> <li>• Written referral by another housing or service provider; or</li> <li>• Certification by the individual or head of household seeking assistance stating that (s)he was living on the streets or in shelter</li> </ul> <p>For individuals exiting an institution—one of the forms of evidence above and:</p> <ul style="list-style-type: none"> <li>• discharge paperwork or written/oral referral, or</li> <li>• written record of intake worker's due diligence to obtain above evidence and certification by individual that they exited institution</li> </ul>
<b>Category 2</b> Imminent Risk of Homelessness  Eligible for: Shelter RRH HP	Individual or family who will imminently lose their primary nighttime residence, provided that: <ul style="list-style-type: none"> <li>• Residence will be lost within 14 days of the date of application for homeless assistance;</li> <li>• No subsequent residence has been identified; and</li> <li>• The individual or family lacks the resources or support networks needed to obtain other permanent housing</li> </ul>	<p>One of the following:</p> <ul style="list-style-type: none"> <li>• A court order resulting from an eviction action notifying the individual or family that they must leave; or</li> <li>• For individual and families leaving a hotel or motel—evidence that they lack the financial resources to stay; or</li> <li>• A documented and verified oral statement</li> </ul> <p>AND certification that no subsequent residence has been identified</p> <p>AND self-certification or other written documentation that the individual lacks the financial resources and support necessary to obtain permanent housing</p>

	Criteria	Documentation Standards
<b>Category 3</b> Homeless under other Federal statutes  Eligible for: Shelter HP	Unaccompanied youth under 25 years of age, or families with children and youth, who <u>do not otherwise qualify</u> as homeless under Categories 1,2 and 4, but who meet all of the following: <ul style="list-style-type: none"> <li>• Are defined as homeless under the other listed federal statutes;</li> <li>• Have not had a lease, ownership interest, or occupancy agreement in permanent housing during the 60 days prior to the homeless assistance application;</li> <li>• Have experienced persistent instability as measured by two moves or more during in the preceding 60 days; and</li> <li>• Can be expected to continue in such status for an extended period of time due to special needs or barriers</li> </ul>	All of the following: <ul style="list-style-type: none"> <li>• Certification by the nonprofit or state or local government that the household met the criteria of homelessness under another federal statute; and</li> <li>• Certification of no permanent housing in last 60 days; and</li> <li>• Certification by the household, and any available supporting documentation, that they moved two or more times in the past 60 days; and</li> <li>• Documentation of special needs or 2 or more barriers</li> </ul>
<b>Category 4</b> Fleeing/ Attempting to Flee DV  Eligible for: Shelter RRH* HP	Any individual or family who: <ul style="list-style-type: none"> <li>• Is fleeing, or is attempting to flee, domestic violence;</li> <li>• Has no other residence; and</li> <li>• Lacks the resources or support networks to obtain other permanent housing</li> </ul> <p>If household also meets eligibility for Category 1: Literally Homeless, they can be assisted with RRH.</p>	<p><i>For victim service providers:</i></p> <ul style="list-style-type: none"> <li>• An oral statement by the individual or head of household seeking assistance which states: they are fleeing; they have no subsequent residence; and they lack resources. Statement must be documented by a self-certification or a certification by the intake worker.</li> </ul> <p><i>For non-victim service providers:</i></p> <ul style="list-style-type: none"> <li>• Oral statement by the individual or head of household seeking assistance that they are fleeing. This statement is documented by a self-certification or by the caseworker. Where the safety of the individual or family is not jeopardized, the oral statement must be verified; and</li> <li>• Certification by the individual or head of household that no subsequent residence has been identified; and</li> <li>• Self-certification, or other written documentation, that the individual or family lacks the financial resources and support networks to obtain other permanent housing.</li> </ul>

## At Risk of Homelessness Status Determination

To be considered at risk of homelessness, a household must:

1. Have an annual income below 30% of median family income for the area; AND
2. Does not have sufficient resources or support networks immediately available to prevent them from moving to an emergency shelter or a place not meant for human habitation; AND
3. Meets one of the following conditions:
  - a. Has moved because of economic reasons 2 or more times during the 60 days immediately preceding the application for assistance; OR
  - b. Is living in the home of another because of economic hardship; OR
  - c. Has been notified that their right to occupy their current housing or living situation will be terminated within 14 days after the date of application for assistance; OR
  - d. Lives in a hotel or motel and the cost is not paid for by charitable organizations or by Federal, State, or local government programs for low-income individuals; OR
  - e. Lives in an SRO or efficiency apartment unit in which there reside more than 2 persons or lives in a larger housing unit in which there reside more than one and a half persons per room; OR
  - f. Is exiting a publicly funded institution or system of care; 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 Con Plan

Households meeting the "at risk of homelessness" definition are eligible for Shelter and Homelessness Prevention assistance. Households can receive access to emergency shelter regardless of income.

### Documentation Standards

Eligibility documentation for Category 2: Risk Factor (C) of the At-Risk of Homelessness definition does not need to be equivalent to a court-ordered eviction action. **Acceptable documentation must substantiate that a household's right to occupy housing will be terminated within 14 days, not necessarily that the household will be required to leave the unit within 14 days.** In order to sufficiently document that the criteria for Category 1C have been met, other documentation, such as an eviction notice prepared by the landlord or a demand notice, must effectively terminate a household's right to occupy the unit within 14 days. If the documentation provides a way for the tenant to remedy the situation and avoid eviction, e.g., paying the balance, the applicant must lack the ability to meet the terms of avoiding eviction in order to be eligible for assistance.

To certify at risk of homeless status, the subgrantee must document all of the following:

- Written certification from intake worker that household is at risk of homelessness;
- Written certification that household has an annual income below 30% of median family income for the area; and
- Certification by the individual from the intake worker that the household does not have sufficient resources or support network to prevent them from becoming homeless.

Supporting Documentation in client records should include the following:

- Eviction notice or lease termination from household in need of homeless prevention assistance;
- Proof that household has an annual income below 30% of the median family income for the area; and
- Proof that household does not have sufficient resources or support networks (such as family or friends) to prevent them from being homeless.



## Income Eligibility Determination

Households receiving services through street outreach or emergency shelters are not required to meet income eligibility at either intake or during the program enrollment. through Rapid Re-Housing or Homelessness Prevention are subject to the following income eligibility guidelines:

Component	Intake	Re-Determination
Street Outreach	Income limits do not apply	Income limits do not apply
Emergency Shelter	Income limits do not apply	Income limits do not apply
Rapid Re-Housing	Income limits do not apply	<p>State HSP - Household's annual income must be less than or equal to 30 percent of HUD Area Median Income (AMI) <u>Limits in effect at the time of verification.</u></p> <p>ESG-CV Only - Household's annual income must be less than or equal to 50% of Area Median Income (AMI)</p> <p>Eligibility redetermination must be conducted at 12 months and annually thereafter. The household must continue to lack sufficient resources and support networks to retain housing without program assistance.</p> <p>CoCs may set a more restrictive income eligibility requirement for continued RRH assistance in their written standards for subgrantees.</p>
Homelessness Prevention	Household's annual income must be less than or equal to 30 percent of Area Median Income (AMI).	<p>State HSP - Household's annual income must be less than or equal to 30% of Area Median Income (AMI)</p> <p>ESG-CV Only - Household's annual income must be less than or equal to 50% of Area Median Income (AMI)</p> <p>Eligibility redetermination must be conducted not less than once every 3 months.</p>
Recordkeeping Requirements	If income is considered an eligibility factor at intake and/or redetermination, the client's file must include information <u>and</u> supporting documentation for client's income sources, how the annual income was calculated, and whether the client met eligibility under the Area Median Income requirements (more details below).	

## Income Definition & Documentation

Income is any money that goes to, or on behalf of, the head of household or spouse (even if temporarily absent) or to any other household member. Annual income includes the current (within 30 days) gross income of all adult household members (18 years of age or older) and income attributable to a minor (S.S.I., child support, etc.). The following types of income must be included or excluded for income calculation purposes as indicated in the chart:

Included in Income Calculation	Excluded from Income Calculation
<ul style="list-style-type: none"> <li>• Earned Income</li> <li>• Payment statement</li> <li>• Statement of income from employer/source of income</li> <li>• Self-Employment/Business Income</li> <li>• Most recent financial statements</li> <li>• Interest &amp; Dividend Income</li> <li>• Most recent interest or dividend income statement</li> <li>• Pension/Retirement Income (VA, SS, and from a former job)</li> <li>• Most recent benefit notice, pension statement or other payment statement from pension provider</li> <li>• Armed Forces Income</li> <li>• Payment statement</li> <li>• Statement of income from government official/agency</li> <li>• Unemployment</li> <li>• Most recent benefit statement</li> <li>• Disability Income (SSI, SSDI, private disability insurance and VA disability)</li> <li>• Disability income notice from SSI</li> <li>• Statement from SSI</li> <li>• VA Benefit Letter</li> <li>• TANF/Public Assistance/General Assistance</li> <li>• Most recent benefit or income notice from public assistance administrator</li> <li>• Statement from public assistance administrator</li> <li>• Alimony, Child Support</li> <li>• Court Order</li> <li>• All income from full-time students when the head of household or spouse</li> <li>• Income from full-time students up to \$480 annually when not head of household or spouse</li> <li>• Adoption Assistance Payments up to \$480 annually</li> <li>• Worker's Compensation</li> <li>• No Income Reported</li> <li>• Self-Certification</li> </ul>	<ul style="list-style-type: none"> <li>• Income from employment of children, including foster children (Under 18)</li> <li>• Inheritance and Insurance Income (Lump sum payments)</li> <li>• Medical Expense Reimbursements</li> <li>• Income of Live-in Aides</li> <li>• Disabled Persons</li> <li>• Student Financial Aid</li> <li>• Armed Forces Hostile Fire Pay</li> <li>• Self-Sufficiency Program Income – Funds set aside for use under a PASS program</li> <li>• Other Income (i.e., temporary, non-recurring or sporadic income)(Gifts)</li> <li>• Reparations paid by a foreign government</li> <li>• Income from full-time students- Annual earnings in excess of \$480 for each full-time student (18 or older), excluding the head of household or spouse</li> <li>• Adoption Assistance Payments- In excess of \$480 annually</li> <li>• Deferred and Lump Sum Social Security &amp; SSI payments</li> <li>• Income Tax and Property Tax refunds</li> <li>• Home Care Assistance</li> <li>• Other Federal Exclusions- 24 CFR 5.609(c) apply (i.e. food stamps, VISTA, LIEAP, WIA, WIC, Childcare)</li> </ul> <p>Household assets are generally not counted as income, with the exception of interest and dividend income.</p>

## Timeliness of Income Documentation

Documentation that is dated within 30 days prior to the time of application is acceptable. However, a statement received any time within the twelve months prior to the time of application and reflecting current benefits received by an applicant household is allowed.

## Determining Area Median Income

Grantees and subgrantees must ensure they are using the correct [HUD Area Median Income](#) thresholds for their jurisdiction prior to providing Homelessness Prevention assistance and when they complete the annual eligibility redetermination for Rapid Re-Housing clients.

## Income Calculation

Depending on pay periods used by the employer or the schedule of periodic payments, the following calculations convert the average wage into annual income:

- Hourly Wage multiplied by Hours Worked Per Week multiplied by 52 weeks
- Weekly Wage multiplied by 52 weeks
- Bi-Weekly (every other week) Wages multiplied by 26 bi-weekly periods
- Semi-Monthly Wage (twice a month) multiplied by 24 semi-monthly periods
- Monthly Wage multiplied by 12 months

Grantee and subgrantee staff can calculate the household's annual income and eligibility using the sample income verification form or by utilizing [HUD's Income Eligibility Calculator](#). If using HUD's calculator, print the summary of the determination and keep in the client's case file.

## Duplication of Benefits Determination

“Duplication of benefits” occurs when financial assistance is provided to a person or entity to assist them in remaining in or returning to permanent housing, and they receive assistance from a different source for the same purpose, and the total amount of assistance they receive exceeds the total need for those costs.

For example, a household seeking homeless prevention financial assistance under State HSP or ESG-CV may also be applying for similar assistance at other programs – such as through the Department of Social Services, local Community Development Block Grant programs, or through charitable programs. If the total amount of rental arrears owed is \$1000, the total combined amount of assistance received from all sources may not exceed \$1000.

To prevent a duplication of benefits, CoCs must evaluate whether a household seeking assistance through rapid re-housing or homelessness prevention has received or will receive financial assistance for housing costs through another source. Grantees and subgrantees must ask whether the household has received prior assistance or has been approved for assistance at intake into the RRH or HP program. Program staff should also carefully evaluate financial statements or landlord account statements that might demonstrate the household has received a subsidy or other assistance.

When possible, grantees and subgrantees are encouraged to coordinate services with other local programs providing rental or financial assistance to limit duplication of benefits. For example, a grantee may consider establishing a partnership with the local CDBG rental assistance program to have access to their approved payments list or could provide the CDBG program with access to HMIS or a list of households who received assistance.

Each grantee and subgrantee must include their efforts to prevent duplication of benefits in their policies and procedures and/or written standards.

## Order of Priority for Eligibility Documentation

All important client eligibility documents should be clearly documented through client records and case manager notes. The order of priority for evidence establishing and verifying homeless status, income eligibility, and XX is as follows:

1. **Third-party documentation** (outside source such as service provider or agency)
  - Written – Statement with relevant details on official letterhead or program template, must be signed and dated
  - Oral – Verification provided by the third party over the telephone or in-person directly to intake staff. Oral third-party verification is acceptable only if written third party verification cannot be obtained. Intake staff must document reasons why third party written verification could not be obtained in the case file. The intake worker must sign and date the verification statement as true.
2. **Staff/Intake worker observation** – homeless status only
3. **Self-Certification** – an affidavit of homeless or income status as reported by the household is allowable but is only acceptable if written or verbal third-party verification cannot be obtained. Intake staff must document reasons why third party written or oral verification could not be obtained in the case file. At a minimum, self-declaration documentation must include source, amount, frequency, applicant's signature, and date.

Third party source documents are the preferred method of verifying and documenting housing status and income eligibility. However, lack of third party documentation **must not** prevent a household experiencing homelessness from being immediately admitted to emergency shelter, receiving street outreach services, 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.

## Recordkeeping Requirements

All records pertaining to each fiscal year of funding must be retained for 5 years after the closeout of the grant. Copies made by microfilming, photocopying, or similar methods may be substituted for the original records.

## Section 10: Rental Assistance Requirements

Households seeking rental assistance through Rapid Re-Housing or Homelessness Prevention must be currently residing in or moving into units that can meet certain compliance standards, including:

- Fair Market Rent limitations and rent reasonableness
- Leases and Rental Assistance Agreements
- Habitability Standards
- Lead-Based Paint Hazards
- Violence Against Women Act protections

### Rent Calculations

For purposes of calculating rent<sup>17</sup> under this section, the gross rent shall equal the sum of:

1. the total monthly rent for the unit, and fees required for occupancy under the lease (excluding late fees and pet fees) and
2. if the tenant pays separately for utilities, the monthly allowance for utilities established by the public housing authority for the area in which the housing is located. Utility costs may include gas, electric, water, sewer, and trash. Telephone, cable or satellite television service, and internet costs are not included in utility calculations.

### Fair Market Rent and Rent Reasonableness

Whether a household is seeking to maintain its current housing or relocate to another unit to avoid homelessness (Homelessness Prevention), or exiting homelessness into new housing (Rapid Re-Housing), the process for determining acceptable rent amounts is the same:

- The program first compares the gross rent for the current or new unit with current Fair Market Rent (FMR) limits for their county, which are updated annually
- If the unit's gross rent is at or below FMR, the program next uses current data to determine rent reasonableness (more information is provided below on how to determine and document this).

If the gross rent is at or below both the FMR **and** the rent reasonableness standard for a unit of comparable size is met, funds may be used to pay the rent amount for the unit.

If the gross rent for the unit exceeds either the rent reasonableness standard or FMR, funds **may not** be used for any portion of the rent, even if the household is willing and/or able to pay the difference.

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<sup>17</sup> <https://files.hudexchange.info/resources/documents/ESG-Rent-Reasonableness-and-FMR.pdf>

**Exceptions:** Rent reasonableness and FMR requirements do not apply when a household receives:

1. Only rental arrears assistance
2. Only financial assistance or services. This includes rental application fees, security deposits, an initial payment of “last month’s rent,” utility payments/deposits, and/or moving costs, housing search and placement, housing stability case management, landlord-tenant mediation, legal services, and credit repair. (Note: “Last month’s rent” may not exceed the rent charged for any other month; security deposits may not exceed 2 months’ rent.)

### Determining and Documenting Fair Market Rent

Grantees and subgrantees must compare the unit’s rent to the **current Fair Market Rent (FMR) limits** for the county the unit is located in. Grantees and subgrantees should print and place in case files a copy of the applicable FMR data to document the FMR for that participant’s unit size and geographic area.

## ESG-CV Special Conditions

### Waiver of Fair Market Rent Limits

If a household is being assisted with ESG-CV funds, the unit does not need to meet Fair Market Rent standards. However, it does still need to meet rent reasonableness standards.

### Determining and Documenting Rent Reasonableness

HUD’s rent reasonableness standard is designed to ensure that rents being paid are reasonable in relation to rents being charged for similar units in the same market. Grantees and subgrantees should determine rent reasonableness by considering the location, quality, size, type, and age of the unit, and any amenities, maintenance, and utilities to be provided by the owner. Comparable rents can be checked by using a market study of rents charged for units by reviewing advertisements for comparable rental units.

Grantees/subgrantees must utilize the Rent Reasonableness Verification Form and step-by-step procedures required by DHCD. This includes using the data sources prescribed by DHCD to determine comparable rents and keeping a printout of three comparable units’ rents/listings, and features (location, size, amenities, quality, etc.) in the case file. Another acceptable method of documentation is written verification signed by the property owner or management company, on letterhead, affirming that the rent for a unit assisted with funds is comparable to current rents charged for similar unassisted units managed by the same owner. The grantee/subgrantee must include rent reasonableness determination processes in their policies and procedures

For units within the FMR limit, if a rent reasonableness determination supports a lower rent than the advertised rent, then funds may not be used to rent the unit unless the landlord is willing to lower the rent.

## Rental Assistance Agreements

Rental assistance payments may only be made to an owner with whom the grantee/subgrantee has entered into a rental assistance agreement. The agreement must set forth the terms under which rental assistance will be provided, including the requirements that apply. The rental assistance agreement must provide that, during the time of the agreement, the owner must give the grantee/subgrantee a copy of any notice to the participant to vacate the housing unit, or any complaint used under state or local law to commence an eviction action against the participant.

It must at least include the following:

- A provision requiring the owner to give the grantee/subgrantee a copy of any notice to the program participant to vacate the housing unit, or any complaint used under state or local law to commence an eviction action against the program participant
- The same payment due date, grace period, and late payment penalty requirements as the program participant's lease
- For project-based rental assistance, the initial term of the rental assistance agreement must be one (1) year. For tenant-based rental assistance, grantees/subrecipients should establish the term of the rental assistance agreement for the period of time they anticipate providing assistance. The rental assistance agreement may cover one or more permanent housing units in the same building.

The rental assistance agreement should also include provisions addressing the following:

- The type of rental assistance being provided (tenant-based or project-based)
- Late Payments: If a grantee/subgrantee incurs late payment penalties, it is the sole responsibility of the grantee/subgrantee to pay those penalties using non-DHCD funds
- Program Participant Sharing in Rent: The grantee/subgrantee may require the program participant to pay a portion of the monthly rental cost. In such cases, the grantee (or subgrantee, if applicable) must have written policies and procedures for determining the program participant's portion, and the rental assistance agreement should specify the amount of rent to be paid by the grantee/subgrantee and the amount to be paid by the program participant
- Termination: When providing tenant-based rental assistance, the rental assistance agreement with the owner must terminate and no further rental assistance payments may be made under that agreement if: (1) the program participant moves out of the housing unit, (2) the lease terminates and is not renewed, or (3) the program participant becomes ineligible to receive ESG rental assistance

Even when the assistance is solely for arrears, a rental assistance agreement is required, because rental arrears are considered rental assistance. For payments of rental arrears, the agreement should provide the amount paid by the grantee/subgrantee, include the number of months of arrears paid, and any other terms and conditions of the payment. The agreement should reflect the evidence/documentation used to justify that the arrears are an eligible payment.



## Leases

Each program participant receiving rental assistance must have a legally binding, written lease for the rental unit. The lease must be between the owner and the program participant, or the program participant and the sponsor agency, in situations where sponsor-based rental assistance is provided. Multiple participants identifying together as a single household may be on the same lease.

Where the assistance is solely for rental arrears, a written agreement may be accepted in place of a written lease, if the agreement gives the 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 participants living in housing with project-based rental assistance**, the lease must have an initial term of one year. Additionally, 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 grantee/subgrantee 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.

Each lease executed must include a lease provision or incorporate a lease addendum that includes all requirements that apply to tenants, the owner, or lease under VAWA protections:

- [HUD Form 5380: Notice of Occupancy Rights under the Violence Against Womens Act](#) is a template for grantees and subgrantees to use when notifying all households receiving rapid re-housing or homelessness prevention assistance their rights through this act.
- [HUD Form 5382: Certification of Domestic Violence, Dating Violence, Sexual Assault or Stalking Documentation](#) is an optional form to be filled out if a program participant is a survivor of domestic violence and is seeking VAWA protections from a grantee or subgrantee. A program participant may fill out HUD Form 5382 to show that they have experienced domestic violence, dating violence, sexual assault, or stalking, and that they wish to seek protections under VAWA.

While it is mandatory that grantees and subgrantees must notify program participants of both forms, it is optional for a program participant to complete HUD Form 5382. As a best practice, grantees and subgrantees are encouraged to document that program participants have received both forms in HSP client records.

## Habitability Standards

Households assisted with rapid re-housing or homelessness prevention must have units that meet habitability standards. Inspections must be conducted upon initial occupancy and signed by the grantee/subgrantee. An on-site inspection is required anytime a program participant is receiving rental assistance or financial assistance. Financial assistance includes arrears, security deposit assistance, utility assistance, etc.). Habitability inspections are not required for persons receiving services only (anything other than financial assistance).

Habitability standards do not require a certified inspector to conduct on-site inspections – they can be performed by program staff. Inspections must be conducted upon initial occupancy and then on an annual basis for the term of assistance.

Following are the habitability standards that grantees/subgrantees must follow:

- The unit must be in compliance with all applicable state and local housing codes and licensing requirements.
- Structure and materials: must be structurally sound so as not to pose any health and safety threat to occupants and to protect occupants from the elements.
- Access: must be accessible to occupants without being accessible to unauthorized persons, and must provide an alternate means of egress in case of fire.
- Space and security: must afford adequate space and security for occupants and belongings including an acceptable place to sleep.
- Interior air quality: each room or space must be provided with natural or mechanical ventilation and must be free of air pollutants at levels that threaten the health of the occupants.
- Water supply: must be free from contamination.
- Sanitary facilities: Residents must have access to sufficient sanitary facilities that are in proper operating condition, may be used in privacy, and are adequate for personal cleanliness and the disposal of human waste.
- Thermal environment: must have adequate heating and or cooling facilities in proper working condition.
- Illumination and electricity must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. Sufficient electrical sources must be provided to permit use of essential electrical appliances while assuring safety from fire.
- Food preparation and refuse disposal: all food preparation areas must contain suitable space and equipment to store, prepare, and serve food in a sanitary manner.
- Sanitary condition: housing and any equipment must be maintained in a sanitary condition.
- Fire safety
  - Each dwelling 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 the hearing-impaired in each bedroom occupied by a hearing-impaired person.
  - 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 detectors. Public areas include, but are not limited to, laundry rooms, community rooms, day care centers, hallways, stairwell, and common areas.
  - There must also be a second means of exiting the building in the event of fire or other emergency.

## Lead-Based Paint Requirements

Lead-based paint requirements exist to protect vulnerable families from potential health hazards. Every grantee/subgrantee must ensure that households assisted with rapid re-housing or homelessness prevention have met HUD requirements for lead-based paint visual assessment.

### Grantee/Subgrantee Requirements

1. Assign staff to conduct visual lead-based inspections (must complete [20-minute online training](#))
2. Determine whether lead-based paint requirements are triggered for unit
3. Inform client and property owner of the lead-based paint requirements and schedule visual assessment
4. Conduct visual assessment
5. Identify risks and compare to “de minimis” level
6. Make assistance determination
7. Confirm all identified deteriorated paint has been stabilized by property owner
8. Respond to a child with elevated blood leads levels
9. Conduct ongoing lead-based paint monitoring (Annually)

Lead-based paint visual assessment must be completed for all units that meet the three following conditions:

1. The household living in the unit is being assisted with rental assistance and/or financial assistance (ex: utilities assistance, utility/security deposits, or arrears)
2. The unit was constructed prior to 1978
3. A child under the age of six is, child under 6 will be living in the unit or a pregnant woman will live there

**Exceptions** – Visual assessments by staff are not required under the following circumstances:

- Unit has a lead-free certificate
- It is a zero-bedroom or Single Room Occupancy (SRO) sized unit (studio apartments, dormitories, etc.);
- The property has had all lead-based paint identified and removed in accordance with HUD regulations;
- The client is receiving Federal assistance from another program, where the unit has already undergone a visual assessment within the past 12 months – e.g., if the client has a Section 8 voucher and is receiving assistance for a security deposit or arrears (note, in such cases, staff are required to obtain documentation that a visual assessment has been conducted from the agency administering the other form of assistance for the case file); or
- It meets any of the other exemptions described in 24 CFR Part 35.115(a).

If any of the conditions outlined above are met, program staff simply need to document the condition by completing the **ESG Lead Screening Worksheet in the Appendix** and placing a copy in the case file.

## Recordkeeping Requirements

All records pertaining to each fiscal year of funding must be retained for 5 years after the closeout of the grant. Copies made by microfilming, photocopying, or similar methods may be substituted for the original records.

### Rental Assistance

Client files/records must include copies of all leases and rental assistance agreements, 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.

### Habitability Standards

Grantees/subgrantees must use the “Habitability Standards Checklist” in the Appendix as a guide to conduct the on-site inspection. This checklist should be completed upon initial occupancy and on an annual basis for the term of assistance. Copies of the completed checklists should be included in the case files for documentation purposes.

### Lead-Based Paint Requirements

Grantees/subgrantees must place a completed copy of the Lead-Based Paint Screening Worksheet in the client’s case file. If remediation of lead-based paint was required, keep copies of all documents related to property owner disclosures, remediation efforts, lead certificate/second visual assessment results, and any resources provided to household about lead exposure.

## Section 11: Fiscal Requirements

### Match

All CoCs must provide matching funds of **at least 25% of the total HSP grant**. This match requirement may be met at the grantee or subgrantee level, allowing CoCs or providers to use programs or services funded by local and private resources as a match for this funding.

In order to meet the match requirement:

- Matching contributions must be used for eligible costs under street outreach, emergency shelter, rapid re-housing, homelessness prevention, HMIS, or administrative costs
- Matching funds must be received and expended within the contract period.
- Contributions may not be used to meet multiple match requirements. This includes using match funds from a previous grant - matching funds may only be counted once per year.
- Matching contributions may be obtained from any local or private source. No federal sources may be used, **except** funding provided by the Community Services Block Grant (CSBG). Additionally, no state sources may be used, **except** funding provided through the Emergency Assistance Program (EAP), formerly known as the Homelessness Prevention Program. The grantee must ensure the laws governing any funds used as matching contributions do not prohibit those funds from being used to match HSP funds. Additionally, if HSP funds are used to satisfy the matching requirements of another federal program, funding from that program may not be used to satisfy the matching requirements of HSP.

Matching funds may include the following:

- Cash contributions. Cash expended for allowable costs of the grantee/subgrantee.
- Non-cash contributions. The value of any real property, equipment, goods or services contributed by the grantee or subgrantee towards meeting the HSP goals. This source of match may include staff hours to help HSP administration activities such as on-site monitoring assessments and invoice processing if those activities are not funded under the HSP administrative category.

**Please note: All matching documentation, such as match commitment letters, to meet program requirements must be readily available from the grantee for the Department to review during HSP Monitoring Assessments.**

### ESG-CV Special Conditions

#### ESG-CV Waiver of Requirement

Match is not required for ESG-CV funding.

## Financial Systems

Grantees and subgrantees will maintain an accounting system which segregates each major funding category (Emergency Shelter/Rapid Re-Housing/Homeless Prevention). Please note the following:

- Program must not make payments directly to program participants but only to third parties such as landlords and utility companies
- Property receiving financial or rental assistance funds may not be owned by the subrecipients or the parent, subsidiary or affiliated organization of the subrecipients
- Rental assistance paid by program cannot exceed the actual rent costs
- Programs may not charge program fees to participants

Internal controls reflect the overall financial management of an organization. Standards for financial management systems of nonprofit organizations may be found in [24 CFR 84](#). The following areas should be included:

- **Budget Controls:** When budget controls are adequate, the grantees and subgrantees will have a regular, on-going basis of comparison between actual expenditures and budgeted amounts for the activities. The budget will cover intended activity expenses with flexibility for adjustments during the grant period. The grantee and subgrantee will also relate its financial information to recorded outcomes.
- **Accounting Controls:** Expenditures must be supported by invoices, contracts, purchase orders, etc.
- **Wages:** Wages supported by more than one funding source must be documented by records that clearly show the time distribution and wage breakdowns between programs.

**Audits:** The grantee and subgrantees shall conform to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Requirements) of 2 CFR 200.302, Financial Management, 2 CFR Part 200, Subpart F, Audit Requirements and 2 CFR 200.303, Internal Controls.

## Procurement Standards

Purchases of services from contractors or vendors by nonprofit entities with DHCD funds are subject to 24 CFR Part 84. This includes standards that prohibit conflicts of interest, procedures for open competition with consistent technical solicitations, affirmative efforts to hire minority- and women- and veteran owned businesses, maintenance of selection documentation, and a contract administration system that provides sufficient monitoring. Purchases of services from contractors or vendors by public agencies with DHCD funds are subject to 24 CFR Part 85.

### Rapid Re-Housing and Homelessness Prevention

- **Late Payments:** The subgrantee must make timely payments to each property 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 subrecipient is solely responsible for paying late payment penalties that it incurs with non-DHCD funds.
- **W9:** Rapid re-housing and homelessness prevention programs are required to collect the W9 for each landlord and property management institution. For more information or to get a copy of the form, please refer to the IRS.

## Invoices and Payment Requests

Invoices and payment requests for both the HSP and ESG-CV programs are required to be submitted on a monthly basis, between 15<sup>th</sup> and 30<sup>th</sup> each month for the prior month. Subgrantees are asked to submit all invoices for the 15<sup>th</sup> of each month to allow the grantee or CoC lead sufficient time to review and compile all subgrantee invoices into a single request for payment for the month. The grantee is responsible for submitting the compiled invoice to DHCD via the Project Portal (<https://projectportal.dhcd.state.md.us/>).

Accurate and timely RFPs are critical to enable DHCD to meet HUD quarterly drawdown requirements. Delays in submitting requests for payment and inaccurate/incomplete submission are considered a performance concern, and repeated non-compliance may result in the reallocation of funds for CoCs that are not demonstrating adequate spending rates. Delayed payment requests increase the risk that CoCs will have unspent funds at the end of the Fiscal Year, requiring DHCD to return funds to the State or to HUD, and impact the ability of DHCD staff to review cost eligibility, increasing the risk of error.

### Step 1: Service provider submits invoice to lead agency.

Each month, subgrantees (service providers) are required to submit the following documentation to their lead agency:

- Updated invoice workbook (Excel document)
- Signed invoice (scanned PDF)
- Accounting transaction summary report
- Supporting documentation for all expenditures (receipts, checks, etc.)

### Instructions for updating the subgrantee invoice:

1. Fill in the contact information at the top of the form.
2. Fill in the Report Month Expended (Column D) with the total amounts being requested, by subcategory.
3. Verify that the Total Amount of Payment Requested is correct.
4. Print and Obtain Signature.
5. Scan and Save as PDF.
6. Submit both the updated invoice workbook and signed invoice to the grantee.

Grantee/ Continuum of Care:					
<b>HSP Report Type: HSP Subgrantee Invoice</b>					
Subgrantee:					
Email:					
Address:					
Telephone:					
Report Month:					
Contract Period: July 1, 2020 - September 30, 2021					
HSP Budget Category	Approved Budget	Previous Charges	Report Month Expended	Costs To Date	Available Balance
<b>I. Rapid Rehousing</b>					
a) RRH - Rental Assistance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
b) RRH - Case Management	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
c) RRH - Unrestricted Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>II. Homelessness Prevention</b>					
a) HP - Rental Assistance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
b) HP - Case Management	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
c) HP - Unrestricted Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>III. Emergency Shelter</b>					
a) Shelter Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>IV. PSH Case Management</b>					
a) Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>V. Street Outreach</b>					
a) Street Outreach Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>VI. HMIS</b>					
a) Data Collection	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>VII. Admin</b>					
a) Administrative Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>IX. Youth Funding</b>					
a) Youth Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>TOTAL</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
I certify:					
1. That this request for disbursement is for eligible project/activity costs authorized under the Homelessness Solutions Program (HSP) Grant; and					
2. That valid supporting documentation is attached to this request. Supporting Documentation should include:					
i. An Accounting Transaction Report with a breakdown of transactions and expenses that aligns clearly with this invoice.					
ii. Note: Detailed receipts and client-specific information need not be submitted to DHCD on a monthly basis, but should be maintained on site for inspection during Monitoring Visit(s).*					
3. That financial and programmatic records in connection with the HSP Grant will be maintained on site and available for inspection by DHCD upon request.					
<b>Amount of Payment Requested:</b>	<b>\$0.00</b>	Signature of Designated HSP Contact			
		Print Name and Title			
		Date			

## Requirements for the Transaction Summary Report

Sample Transaction Summary Report:

Appendix ABC

Maryland CoC  
G/A Transaction Detail

From Date: 07/01/2018  
To Date: 07/31/2018  
From Account: 1234-567-891011  
To Account: 1213-1415-161718  
Project: Homeless Solutions Program Grant  
Run Date: 08/01/2018  
Username: Accounting Manager XYZ

HSP Category	Date	Description	Name	Check #	Vendor	Amt Paid	Previous Balance	Balance Rem
Outreach - Services	7/15/2018	Payroll - Case Manager #1	Bobby Joe	1234		\$2,500.00		
Outreach - Services	7/20/2018	Mileage Reimbursement	John Smith	5678		\$20.00		
<b>Subtotal</b>						<b>\$2,520.00</b>		
Housing Stabilization								
Rapid Rehousing - Rental Assistance	7/1/2018	July Rent	John Smith	1310	ABC Realty Group	\$500.00		
	7/2/2018	July Rent	Jane Doe	1311	Capital Properties, LLC	\$300.00		
Homelessness Prevention - Rental Assistance	7/7/2018	July Rent	Kathy Curtains	1610	XYZ Properties, Inc.	\$300.00		
	7/10/2018	July Rent	Candace Perkins	1700	WBC Properties, Inc.	\$200.00		
Homelessness Prevention - Case Management	7/20/2018	Case Management Services	John Smith	1710	QRS Company	\$150.00		
<b>Subtotal</b>						<b>\$1,450.00</b>		
Emergency Shelter								
Women & Family - Operations	7/31/2018	July Utilities - Gas	Family Shelter XYZ	4444	DMV Gas Company	\$280.00		
Other Shelters - Operations	7/31/2018	July Utilities - Electric	Emergency Shelter 123	8910	DMV Electric Company	\$250.00		
<b>Subtotal</b>						<b>\$530.00</b>		
HMS								
Data Collection	7/31/2018	Data Collection		8001	Company 123	\$500.00		
<b>GRAND TOTAL</b>						<b>\$5,000.00</b>		

While the Transaction Summary Report does not need to look like the sample above, it should serve as a “guide” or table of contents for the supporting documentation being provided. The Transaction Summary Report must include the following components:

- Expenditure description, dates & amounts billed to the grant.
- The category totals and overall total should align with the amounts on the invoice being submitted for the corresponding month.
- If funds are used to pay for staff, each person’s name, title, and payroll amount should be listed on the summary report.
- If funds are used to provide a security deposit or rental assistance for clients, the last name of each client and amount paid should be clearly noted on the summary page. (Note: Clients IDs or HIPPA codes are also acceptable).
- Back-up documentation should not be submitted to DHCD, but should be kept on site.

### Eligible Expenses under the HSP and ESG-CV Programs

Subgrantees and grantees should use the following HSP reference documents to confirm expense eligibility prior to submitting invoices. If eligibility is unclear, please contact DHCD program staff for clarification.

- HSP Policy Guide
- HSP Program Eligible Activities Quick Reference
- HSP Monitoring Documentation Checklist

### *Step 2: CoC compiles the monthly request for payment*

The grantee/CoC leads are responsible for reviewing and verifying eligible expenses, and compiling subgrantee submissions into a single monthly Request for Payment (RFP). The grantee is responsible for submitting the compiled Request for Payment in Project Portal. Each RFP must include a total of all expenses under each activity for HSP and ESG-CV, as well as the following supporting documentation for each provider:



- Updated subgrantee invoicing workbook
- Signed Invoice (PDF)
- Accounting Transaction Summary Report

The Project Portal allows the grantee to provide an on-line signature and tracks the budget and expenditures for each activity, so separate summary documentation is not required.

Detailed supporting documentation for subgrantee expenditures should be maintained by the CoC/grantee, but should not be included in the monthly request for payment.

### *Step 3: DHCD review and approval*

Once received, the documentation will be reviewed by DHCD program staff, and either approved for payment, approved for partial payment if ineligible expenses are identified, or returned for revisions. Maryland DHCD processes payment within 30 days. If a payment is not received in this timeframe, grantees may contact DHCD HSP program staff for assistance.

## **Budget Modifications**

Grantees may request budget modifications to respond to the changing needs of their community by moving funds from one activity to another, e.g., from Homelessness Prevention to Rapid Rehousing, or to move money from providers who are unable to deliver services as planned. Requests for budget modifications may be submitted once the funding agreement is executed, and require the grantee to submit a signed budget modification form outlining the change. While frequent budget modifications may result in follow-up during monitoring, grantees are encouraged to submit budget modifications as needs or issues arise.

All budget modifications will be reviewed by DHCD staff to ensure the funding sources available can accommodate the change, and the revisions and rationale are clear. If no issues are identified, DHCD will approve most modifications within a week. Once approved, DHCD is responsible for uploading the documentation in Project Portal, updating the grantee's Exhibit A, and making the necessary budget revisions in the Portal. The grantee is responsible for updating subgrantee invoice templates and their respective budgets to reflect the change.

## **Property Controls**

The Federal regulations regarding property controls in 24 CFR 84.34 (f) are for the purpose of tracking the assets purchased with grant funds to ensure that they are properly maintained, secure and being used for authorized purposes. Agencies using HSP or ESG-CV funds to purchase furnishings, vehicles or equipment for an activity should keep accurate records including the following: a complete description of the item purchased, a serial or other identification number, the source of funds and Grant Agreement number, the acquisition date and the cost. Equipment purchased with DHCD funds may be lent out to subgrantees, community partners, or persons with lived experience of homelessness who volunteer their time in the CoC. CoCs should have policies and procedures as well as a checkout form for lending equipment.

## Recordkeeping Requirements

All records pertaining to each fiscal year of funding must be retained for 5 years after the closeout of the grant. Copies made by microfilming, photocopying, or similar methods may be substituted for the original records.

1. The grantee must retain supporting documentation for all costs charged to the ESG grant.
2. The grantee and its subgrantees must keep documentation showing that grant funds were spent on allowable costs in accordance with the requirements for eligible activities under “§§ 576.101 through 576.109, financial management in 2 CFR 200.302, and the cost principles in 2 CFR part 200, subpart E.
3. The grantee and its subgrantees must retain records of the receipt and use of program income.
4. The grantee must keep documentation of compliance with the expenditure limits in § 576.100 and the expenditure deadline in § 576.203.

### *Subgrantees and contractors:*

1. The grantee must retain copies of all solicitations of and agreements with subgrantees, records of all payment requests by and dates of payments made to subgrantees, and documentation of all monitoring and sanctions of subgrantees, as applicable. If the grantee is a State, the grantee must keep records of each recapture and distribution of recaptured funds under § 576.501.
2. The grantee and its subgrantees must retain copies of all procurement contracts and documentation of compliance with the procurement requirements in 2 CFR part 200, subpart D.
3. The grantee must ensure that its subgrantees comply with the recordkeeping requirements specified by the grantee and HUD notice or regulations.

## Section 12: Monitoring Requirements

**CoC Leads (grantees) are required to monitor subgrantees.** Grantees will be required to conduct a risk assessment annually for each subgrantee using a DHCD-provided tool, and assign the subgrantee a risk score of High, Medium, or Low. Grantees will use the assigned scores to develop a monitoring plan, schedule, and procedures each year. Grantees should look at the monitoring process as an ongoing relationship with subgrantees that involves continuous communication and evaluation. The goal of this partnership is to help both grantees and subgrantees enhance performance and to make the best possible use of HSP funds.

### Priority Areas for HSP Monitoring

The areas for monitoring and oversight include the following:

#### 1. Financial Monitoring

CoCs will conduct the financial monitoring of subgrantees. Financial monitoring will include a review of financial records related to the HSP grant. Additionally, grantees should certify that funds are being used to benefit people experiencing homelessness effectively and at a reasonable cost. Subgrantees should make available all accounting records relevant to state funds during grantee monitoring visits.

Additional areas of review for financial monitoring include:

- **Financial Regulations** – Ensure that grantees and subgrantees are appropriately following financial management requirements. Grantees should also be in compliance with **2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards**.<sup>18</sup>
- **Invoicing** – Ensure that grantees and subgrantees financial records align with the invoicing documentation submitted to the Department as well as supporting documentation maintained in their financial records. This includes: general ledger print outs and supporting documentation for eligible expenses provided for invoicing. Supporting documentation consists of receipts, paystubs for staff salaries, checks to vendors, etc.
- **Financial Audits** – Grantees must review subgrantees' most recent audit for sufficient accounting management. If subgrantee has not received an audit, grantee should review recent board meeting notes for the organization's financial report.
- **Match Documentation** – Grantees are expected to monitor subgrantees for proper match documentation. Grantees must review documents such as general ledgers or journals entries to prove matching funds for HSP have been committed and/or spent.

#### 2. Programmatic Monitoring

In addition to monitoring financial management, grantees are required to monitor subgrantees for programmatic oversight. Below are the requirements for subgrantee program monitoring.

**Case File Documentation Chart** - Documentation of client eligibility and services received must be

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<sup>18</sup> <https://www.hudexchange.info/resources/documents/Uniform-Guidance-Frequently-Asked-Questions.pdf>

maintained in printed or electronically saved client case records, including records for applicants found to be ineligible. File documentation will be the basis of CoC subgrantee monitoring. At minimum, client records must contain the following:

**a. Outreach**

- Homeless Status
- Verification of participation in appropriate Homeless Management Information System (HMIS)
- Signed Release of Information Form
- Case notes regarding information about case management, housing or social services administered to the client.

**b. Emergency Shelter**

- Homeless Status
- Verification of participation in appropriate Homeless Management Information System (HMIS)
- Signed Release of Information Form
- Intake form and assessment of household needs
- Case notes regarding information about case management or social services administered to client while in emergency shelter
- Evidence of referrals to social service and other resources.

**Please note: Grantees should complete Minimum Habitability Standards for Emergency Shelter Checklist and Lead-Based Paint Screening Worksheet during the monitoring visit of the emergency shelter.**

**c. Rapid Re-Housing Client Records**

- Homeless Status
- Verification of participation in appropriate Homeless Management Information System (HMIS)
- Connection to other community resources or public benefits
- Signed Release of Information Form
- Intake form and assessment of household needs
- Verification of client income and assets-intake form should include questions about personal assets or income of all program participants
- Fair Market Rent and Rent Reasonableness documentation
- Lease
- Rental assistance agreement
- Minimum Habitability Standards for Permanent Housing Checklist
- HSP Lead-Based Paint Screening Worksheet
- Acknowledgement of VAWA Attachment

**d. Homelessness Prevention**

- At Risk of Homeless Status
- Verification of participation in appropriate Homeless Management Information System (HMIS)
- Annual income below 30% of median family income for the area
- Lack of other resources or support to obtain or sustain permanent housing
- Connection to other community resources or public benefits
- Signed Release of Information Form
- Intake form and assessment of household needs
- Fair Market Rent and Rent Reasonableness documentation (if applicable)

- Lease
- Rental assistance agreement
- Verification of client income and assets- intake form should include questions about personal assets or income of all program participants
- Minimum Habitability Standards for Permanent Housing Checklist
- HSP Lead-Based Paint Screening Worksheet and
- Acknowledgement of VAWA Attachment

To conduct a comprehensive monitoring assessment, grantees are required to utilize the **HSP/ESG-CV Monitoring Exhibits**. This document will provide an overview of all component areas to review. Additionally, in the summary portions of the monitoring tools, grantees are required to provide the following information:

- Subgrantee best practices
- Concern(s) or finding(s) based on applicable regulation, or program policy
- Recorded suggestions for concerns
- Deadline for written response to the findings describing how the grantees/subrecipient shall resolve any finding(s) and
- Correcting any deficiency identified

Based on the information provided to the Department by the grantee, technical assistance may be provided.

## Section 13: Terms and Definitions

**"At risk of homelessness"** means a household with an annual income below 30% of the area median income (AMI) and does not have sufficient resources or support networks immediately available to prevent them from becoming homeless.

**"Client"** means a recipient of services.

**"Continuum of Care"** (CoC) means the regional or local planning body that coordinates housing and services funding for homeless families and individuals as defined in 24 CFR 578.3.

**"Crisis shelter home"** means an emergency shelter that provides assistance in moving households from homelessness into permanent housing and provides shelter, meals, information and referral services, and counseling to households.

**"Department"** means the Department of Housing and Community Development, a principal department of the State.

**"Dwelling unit"** means a room, an apartment, house, or mobile home.

**"Eligible dwelling unit"** means a dwelling unit that:

- (a) Is subject to a physical inspection under a federal, another State, or a local affordable housing program, including the federal low-income housing tax credit program; or
- (b) Meets the dwelling unit standards established by the Secretary in accordance with Housing and Community Development Article, §4-1403, Annotated Code of Maryland as well as the Minimum Habitability Standards as defined in 24 CFR 576.403.

**"Family shelter"** means any shelter that serves children under the age of 18.

**"Grant"** means the funds awarded by the Department to a grantee from available program funds.

**"Grant application"** means an application for grant funds from the Department.

**"Grantee"** means a nonprofit entity or local government that receives a grant from the Department under a program.

**"Homeless"** means a household who lacks a fixed, regular, and adequate nighttime residence.

**"Homelessness Solutions Program"** means a Department program that provides federal and state funding to local CoCs to support homeless and at risk of homelessness services across the state of Maryland.

**"Household"** means an individual or one or more adults and/or children living together as a family.

**"Housing assistance payments"** means rental assistance payments that are used, for a period not to exceed 24 months, to pay:

- (a) Rent;
- (b) Security deposits;
- (c) Utilities; and
- (d) Housing-related expenses.

**"Local government"** means any of the 23 counties of the State, the City of Baltimore, a municipal corporation of the State subject to the provisions of the State Constitution, Article XI-E, or any of their duly authorized agencies, departments or instrumentalities.

**"Nonprofit organization"** means a corporation, foundation, or other legal entity that is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code.

**"Program"** means the Homelessness Solutions Program .

**"Program agreement"** means an agreement or agreements between the Department and a grantee to implement one or more programs.

**"Provider"** means an entity that:

- (a) Is a nonprofit entity, a local government, or a public housing authority; and
- (b) Contracts with the Department or a grantee to provide services under a program.

**"Resident of the State"** means a person who is living in the State voluntarily and not for temporary purposes, with no immediate intention of moving from the State at the time of application.

**"Secretary"** means the Secretary of the Department.

**"Subgrantee"** means entities under contract with the Grantee (CoC) to provide HSP direct client services and receive funding directly from the grantee agency.

**"Special populations"** means unaccompanied homeless youth, veterans, participants of victim service programs, and services for people living with HIV/AIDS. Victim services include spousal violence, dating violence, sexual assault, human trafficking or stalking.