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# ESG/HPP PROGRAM MANUAL

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State of Wisconsin  
Department of  
Administration  
Division of Energy,  
Housing, and  
Community Resources

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Program Rules and Guidance  
for the Emergency Solutions  
Grant (ESG) and  
Homelessness Prevention  
Program (HPP)

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Last Revised December 2023

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# Table of Contents

- Chapter 1: General Information ..... 6**
  - 1.1 Program Overview ..... 6
- Chapter 2: Application Process ..... 7**
  - 2.1 Eligible Applicants ..... 7
  - 2.2 Application Timeline ..... 7
  - 2.3 Consolidated Application Process ..... 7
  - 2.4 Selection of Lead Agency ..... 8
  - 2.5 Application Attachments ..... 8
    - A. Lead Agency Selection Documentation ..... 8
    - B. SAM.gov Registration and Debarment Status ..... 9
    - C. EHH Certification ..... 9
    - D. Environmental Review ..... 9
    - E. Local Unit of Government Certification ..... 9
    - F. Minimum Standards for Emergency Shelters ..... 9
  - 2.6 ESG Match ..... 10
    - A. Match Categories ..... 10
    - B. Eligible Match Sources ..... 10
    - C. Match Requirements ..... 11
    - D. Match Documentation ..... 11
  - 2.7 Decision Authority ..... 12
  - 2.8 Appeals ..... 12
- Chapter 3: Policies, Procedures, and Requirements ..... 13**
  - 3.1 Accessibility Practices/Resources ..... 13
  - 3.2 Affirmative Action ..... 13
  - 3.3 Anti-Lobbying ..... 13
  - 3.4 Confidentiality ..... 13
  - 3.5 Conflict of Interest ..... 14
    - A. Organizational Conflicts of Interest ..... 14
    - B. Individual Conflicts of Interest ..... 14
    - C. Individual Conflict of Interest Exception Process ..... 14
    - D. Procurement Conflicts of Interest ..... 15
    - E. DEHCR Notification ..... 16

3.6 Coordinated Entry .....	16
A. Compliance Review Process .....	16
B. Coordinated Entry Alternative .....	16
3.7 Debarment.....	17
3.8 Drug-Free Workplace .....	17
3.9 Equal Access and Gender Identity Rules .....	17
3.10 Equity Advancement & Culturally Responsive Practices.....	18
3.11 Expectations of Lead Agencies.....	18
3.12 Expectations of Lead Agencies with Subrecipients .....	18
3.13 Expectations of Subrecipients .....	19
3.14 Faith-Based Activities/Religious Influence .....	19
3.15 Financial Management.....	19
3.16 Financial Statements .....	20
3.17 Identification .....	20
3.18 Involuntary Family Separation.....	20
3.19 Monitoring .....	20
3.20 Nondiscrimination for Clients and Employees .....	20
3.21 Participation in Continuum of Care .....	21
3.22 Participation of People with Lived Experience.....	21
3.23 Procurement .....	21
3.24 Recordkeeping and Retention .....	21
3.25 Residency .....	22
3.26 Signatory Authority .....	22
3.27 Trauma-Informed Care .....	22
3.28 Violence Against Women Act (VAWA) .....	22
A. Notice of Occupancy Rights Under VAWA (HUD form 5380).....	22
B. Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking, and Alternate Documentation (HUD form 5382).....	22
C. VAWA Lease Addendum (HUD form 91067) .....	23
D. Emergency Transfer Plan.....	23
3.29 WBE/MBE.....	23
3.30 Written Standards.....	23
<b>Chapter 4: Monitoring and Reporting .....</b>	<b>25</b>
4.1 Monitoring .....	25

A. Monitoring of Lead Agencies by DEHCR.....	25
B. Monitoring of Subrecipients by Lead Agencies.....	26
4.2 Reporting.....	26
A. ESG Annual CAPER.....	26
B. Homeless Management Information System (HMIS).....	26
C. Housing Inventory Chart (HIC).....	27
D. Lead Agency Quarterly Performance Report.....	27
E. Point-in-Time (PIT).....	27
<b>Chapter 5: Project Types.....</b>	<b>28</b>
5.1 Rapid Re-housing.....	28
Overview of Eligible Activities.....	28
5.2 Homelessness Prevention.....	29
Overview of Eligible Activities.....	30
5.3 Street Outreach.....	31
Overview of Eligible Activities.....	31
5.4 Emergency Shelter.....	32
Overview of Eligible Activities.....	32
5.5 Homelessness Management Information System (HMIS).....	34
Overview of Eligible Activities:.....	34
5.6 Administration.....	34
Overview of Eligible Activities:.....	34
<b>Chapter 6: Client File Requirements.....</b>	<b>35</b>
6.1 Client Eligibility.....	35
A. Homeless Definitions.....	36
B. At-Risk of Homelessness Definition.....	37
C. Homelessness Documentation Requirements.....	38
6.2 Agency-Owned Housing Units.....	39
6.3 Coordination with Homeless Services and Mainstream Resources.....	39
6.4 Evaluation of Need and Case Management.....	40
6.5 Fair Market Rent.....	40
6.6 Government Issued Identification.....	40
6.7 Habitability Standards.....	40
A. Emergency Shelter Standards.....	40
B. Permanent Housing Standards.....	41

6.8 Housing Stability Plan .....	41
6.9 Income at Program Entry .....	41
6.10 Lead Safety .....	41
6.11 Lease Agreement .....	42
6.12 Re-Evaluations .....	42
6.13 Rent Reasonableness .....	42
6.14 Rental Assistance Agreement Requirements .....	43
6.15 Rent Assistance Standard Operating Procedure .....	44
6.16 Terminating Assistance .....	44
6.17 Documentation Requirements .....	45
<b>Chapter 7: Financial Management.....</b>	<b>46</b>
7.1 Financial Management .....	46
7.2 Tracking of Funds .....	46
7.3 Indirect Cost Allocation .....	46
7.4 Audit .....	46
<b>Chapter 8: Method of Payment .....</b>	<b>47</b>
8.1 EHH Payment Request Forms .....	47
A. Category Minimum .....	47
B. Email/Naming Convention.....	47
8.2 Match Reporting .....	48
8.3 Budget Adjustments.....	48
8.4 Budget Constraints.....	48
8.5 ESG Program Income .....	48
8.6 Reallocation .....	49
8.7 Final Payment Request & Close Out: .....	49
<b>Chapter 9: Resources.....</b>	<b>50</b>

# Chapter 1: General Information

The Wisconsin Department of Administration’s (DOA) Division of Energy, Housing, and Community Resources (DEHCR) developed this handbook as a resource for Emergency Solutions Grant, Housing Assistance Program, and Homeless Prevention Program (EHH) grantees. EHH grantees are required to follow all state and federal requirements, policies, and procedures in this guide. Grantees may only operate the types of programs that have been included in their written contract agreement with the state. In the event of a conflict between the language specified in the contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

## 1.1 Program Overview

The Emergency Solutions Grant (ESG), Housing Assistance Program (HAP), and Homeless Prevention Program (HPP) are collectively referred to as the EHH Program. ESG is federally administered by the United States Department of Housing and Urban Development (HUD). HUD awards ESG funding to the State of Wisconsin to distribute to eligible applicants. HPP and HAP are State of Wisconsin funding sources. These three sources of funding are distributed to lead fiscal agents in each HUD COC or local homeless coalition. Program requirements for HAP can be found in the HAP Program Manual.

Program	Authorized By	Project Types
<b>Emergency Solutions Grant (ESG)</b>	1991 McKinney-Vento Homeless Assistance Act. Amended in 2009 by Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009 24 CFR 576	Rapid Re-Housing
		Homelessness Prevention
		Emergency Shelter
		Street Outreach
		Data Collection (HMIS)
		Administrative Costs
<b>Homeless Prevention Program (HPP)</b>	Wisconsin Statutes § 16.303	Rapid Re-Housing
		Homelessness Prevention
		Administrative Costs
<b>Housing Assistance Program (HAP)</b>	Wisconsin Statutes § 16.306 Wisconsin Admin Code § 87.03	Housing
		Administrative Costs

# Chapter 2: Application Process

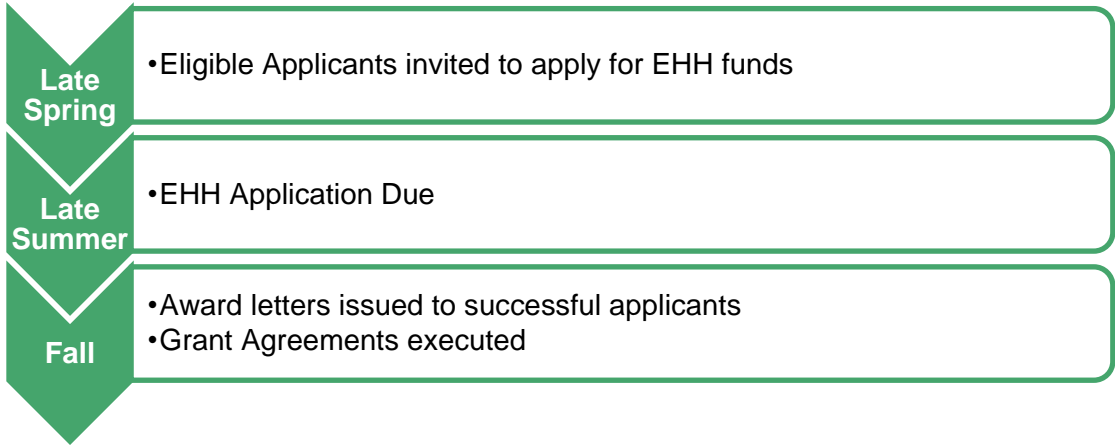
## 2.1 Eligible Applicants

Eligible applicant agencies must have current, direct experience in delivering services to people experiencing homelessness and meet the following eligibility criteria:

- The applicant must be one of the following:
  - A local unit of government, OR
  - A public or private not-for-profit agency providing housing-related services and/or shelter specifically targeted to people who are homeless.
    - If the applicant is a not-for-profit agency, it must be incorporated as a public or private not-for-profit agency in the State of Wisconsin as of the application date.

## 2.2 Application Timeline

The EHH Application timeline is as follows. This timeline is dependent on the HUD allocation process and is subject to change.



## 2.3 Consolidated Application Process

A Continuum of Care (COC) is a regional planning body that receives HUD funding and coordinates efforts to address housing and homeless issues. There are four HUD-recognized COCs in Wisconsin. The Milwaukee, Dane/Madison, and Racine COCs each cover one county. The Balance of State COC covers the other 69 counties and is divided into groups of counties known as local homeless coalitions. Homeless service agencies within each HUD COC or local homeless coalition apply for funds together in a single consolidated EHH Application for their area.

Each COC/local homeless coalition must designate a lead applicant (chosen by the COC/local homeless coalition membership) that will hold the contract with DEHCR. Other agencies within the COC/local homeless coalition’s service area may contract with the lead applicant and be subrecipients of the funding. Lead applicants act as fiscal agents and are responsible for the implementation of the grant and the proper use of grant funds.

Using the consolidated application structure, lead applicants and subrecipients may apply for funding under six project types. These project types are:

- Rapid Re-housing
- Homelessness Prevention
- Street Outreach
- Emergency Shelter
- Homelessness Management Information Systems (HMIS)
- Administration

This consolidated application structure means that no two consolidated applications will have exactly the same components. To give an example of a hypothetical consolidated application:

- Agency A may be the Lead Applicant and also wish to apply for Rapid Re-Housing funding as well as HMIS funding. They would apply under the “Lead Applicant,” “Rapid Re-Housing,” and “HMIS” application sections and receive funding for each of those project types.
- Agency B is a shelter. They may wish to apply under the “Emergency Shelter” section and receive funding for this project type. They would be a subrecipient of Agency A.
- Agency C is an emergency shelter and a street outreach provider. They may wish to apply under the “Emergency Shelter” and “Street Outreach” sections and receive funding for both of those project types. They would also be a subrecipient of Agency A.

## 2.4 Selection of Lead Agency

Each EHH grant cycle, each HUD CoC or local homeless coalition must vote on and approve an agency to be the Lead Agency for the EHH contract. The vote must take place among the full CoC/coalition membership. An agency cannot become the EHH Lead Agency without majority approval from the CoC/coalition membership. Meeting minutes showing the vote outcome must be submitted with the application.

## 2.5 Application Attachments

Each EHH grant cycle, documentation beyond the application itself is required. Required attachments include:

- Lead Agency Selection Documentation
- SAM.gov Registration and Debarment Status
- EHH Certification
- Environmental Review (Exemption or Questionnaire)
- Local Unit of Government Certification
- Minimum Standards for Emergency Shelters
- Match Documentation

### **A. Lead Agency Selection Documentation**

Every consolidated application must include the minutes from the HUD CoC or local coalition meeting in which the lead agency for EHH funds was selected.



## **B. SAM.gov Registration and Debarment Status**

All lead agencies and subrecipients must provide documentation from [SAM.gov](#) (System for Award Management) showing an active registration and non-debarment/no active exclusions. Instructions on how to obtain that documentation can be found on [DEHCR's website](#).

## **C. EHH Certification**

All lead agencies and subrecipients must complete this form. The document lists requirements that every recipient of EHH funding must agree to and confirm compliance with.

## **D. Environmental Review**

All lead agencies and subrecipients must complete either an Environmental Review Determination Exemption form or Environmental Review Questions as appropriate. Agencies are not required to complete either form if they are exclusively receiving Administration and/or HMIS funding.

- **Environmental Review Determination of Exemption Form:** Typically, grantees for non-rehab emergency shelter, rapid re-housing, homelessness prevention, and street outreach projects will use this form to satisfy their environmental review requirements.
- **Environmental Review Questions:** Typically, grantees receiving funding for emergency shelter rehabilitation must use this form. Agencies wishing to apply for extensive emergency shelter rehabilitation costs that will change the use, size, capacity, or character of a structure must contact the EHH Program Manager for guidance prior to submitting an application.

The lead agency/subrecipient or any contractor thereof may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct property for an ESG funded project until HUD and/or DEHCR have performed an environmental review under 24 CFR part 50 and approved the property. This is required even if ESG funds are not used to fund the work done to the property.

## **E. Local Unit of Government Certification**

All lead agencies and subrecipients receiving emergency shelter funds must obtain a certification of approval from the unit of general-purpose local government for the geographic area in which the activities are to be carried out. If an applicant has already submitted a certification in a prior EHH application year, they do not need to obtain a new certification of approval unless specifically required by DEHCR.

## **F. Minimum Standards for Emergency Shelters**

All lead agencies and subrecipients receiving emergency shelter funds (not including motel voucher programs) must submit a completed Minimum Standards for Emergency Shelters form for each shelter facility receiving ESG funding.

Every consolidated application must include documentation of all anticipated ESG match sources. See below for more information on match.

## 2.6 ESG Match

ESG requires a one hundred percent match commitment. Decisions regarding how match requirements are met should be made at the local level during the application period. Lead agencies submitting consolidated applications are responsible for ensuring that the match requirement is met.

Matching funds may be utilized for any ESG-eligible activity: emergency shelter, rapid re-housing, homelessness prevention, street outreach, HMIS, or administration. Any expense that could have been charged to ESG, but was instead charged to a different funding source, can be reported as match.

Matching funds are based on the total grant amount and do not have to be provided on a component-by-component basis. For example, an agency receiving \$10,000 for RRH and \$10,000 for Shelter does not need to split their match between the two project types; they could provide \$20,000 in match from just shelter expenses.

Matching funds are based on the total grant amount and do not have to be equally divided among subrecipients. For example, if both Subrecipient A and Subrecipient B receive \$10,000 for shelter, Subrecipient A could provide \$15,000 in match while Subrecipient B provides \$5,000 in match.

State HPP and HAP funds can be used as ESG match if they are used for ESG-eligible activities and comply with all ESG requirements.

- If HPP funding is used to provide RRH assistance on units above FMR, it cannot be used for ESG match as FMR is a requirement of ESG funding (unless only paying rent arrears).
- If HAP funding is used for a transitional housing or permanent supportive housing program, it cannot be used for ESG match as those project types are not ESG-eligible.

### A. Match Categories

Match categories include:

- Other Non-ESG HUD Funds
- Other Federal Funds
- State Government
- Local Government
- Private Funds
- Other
- Fees
- Program Income (Returned Utility or Security Deposits)

### B. Eligible Match Sources

- Cash contributions which are expended for ESG-allowable costs.
- Noncash contributions – the value of any real property, equipment, goods, or services contributed to the ESG program, provided that, if they were to have been procured using grant funds, they would have been an allowable expense.

- The value of any donated material or building received during the grant cycle. The agency may count either depreciation of the building and fair rental charges for the land for each year the building is used for the recipient's ESG program or, if the building is donated for long-term use in the recipients ESG program, the fair market value of the capital assets, as specified in 2 CFR 200.306(h)(2), (i), and (j). To qualify as a donation for long-term use, the donation must be evidenced by a recorded deed or use restriction that is effective for at least 10 years after the donation date.
- The value of any lease on a building.
- Any salary paid to staff to carry out the program of the lead agency or subrecipient.
- The value of the time and services contributed by volunteers to carry out the program.
  - The value of volunteer time may be determined by each agency; the value must be reasonable and appropriate for the services provided.
  - For services provided by a professional, the value can be the hourly rate charged by that professional.
- Program income in the form of returned utility or security deposits. If program income is collected from ESG programs, it must be used as ESG match.
- Donations and/or grants.

### **C. Match Requirements**

- Match must be used in accordance with all requirements that apply to ESG grant funds except the expenditure limits in 24 CFR 576.100.
- If the matching funds are from another state or federal program, they must also be used in accordance with that program's requirements.
- If an agency uses HPP or HAP funds as match to its ESG allocation, all ESG rules and requirements apply to clients served with the matching funds.
- Match must be spent by the expenditure deadline which applies to the ESG funds being matched.
- HUD federal ESG funds may not be used to match State ESG.
- Match spent on ESG may not be used to match any other federal program's funds.
- Matching funds may not be used to match more than one ESG grant.

### **D. Match Documentation**

All proposed match funds must be documented at the time of application, and all documentation must be submitted with the application. Documentation requirements for different kinds of match are as follows:

- For funds provided by units of local or state government, churches, foundations, or the United Way which will be used to match ESG funds: copies of the funding award and/or commitment letter from these sources on their official letterhead and signed by an authorized signatory of the funding organization.
- For donated volunteer hours, donations from businesses or individuals, client rent/boarder fees, or client program service fees which will be used to match ESG funds: a letter on applicant's letterhead signed by an authorized signatory describing how the applicant will maintain records of these match sources, the total amount of the match expected to be received, and, in the case of volunteer hours, the number of hours expected to be donated.

- For the value of a donated building or any lease: documentation of the fair market value of the building or lease.
- For staff salaries: a letter on applicant's official letterhead signed by an authorized signatory describing the funding source of the salaries and the exact amount of match to be provided.
- For HPP and HAP funding: no documentation required.

## 2.7 Decision Authority

In every EHH grant cycle, there are three main collaborators, each of whom have decision authority over different parts of the granting process:

- HUD CoC/Local Homeless Coalition Membership
  - Votes on and approves an agency to be the lead agency for EHH funding
  - Votes on and approves funding priorities and funding allocation methodology
  - Votes on and approves overall funding allocation amounts for all agencies/programs
- Lead Agency
  - Monitors subrecipient spending and reallocates funding as needed
  - Requests budget adjustments (from DEHCR) when needed
- Agency administering a program
  - Determines the individual budget line items from the funding allocation
  - Requests budget adjustments (from Lead Agency) when needed

## 2.8 Appeals

If any agency believes an EHH Lead Agency, a HUD-recognized COC, or a local homeless coalition made an unfair funding or enforcement decision, they may submit an emailed letter to [doasupportivehousing@wisconsin.gov](mailto:doasupportivehousing@wisconsin.gov) explaining the grievance to DEHCR. The letter should thoroughly explain the situation and the reason the grievance is being made. DEHCR will respond within 30 days.

# Chapter 3: Policies, Procedures, and Requirements

## 3.1 Accessibility Practices/Resources

All grantees should have resources and practices in place to communicate with all potential beneficiaries including those with limited or no English. Further, facilities and programming should be accessible to people with disabilities including, but not limited to, people with vision loss, hearing loss, physical/mobility concerns, and learning disabilities.

## 3.2 Affirmative Action

Grantees with an award over fifty thousand dollars (\$50,000) are required to submit a written affirmative action plan. An exemption occurs from this requirement if the Grantee has a workforce of less than fifty (50) or is a Wisconsin municipality. Instructions on where to submit the Plan or the Exemption Statement can be found in the agency contract.

Affirmative Action plans or approved Exemptions are valid for three years. If a grantee's plan/exemption was placed on the eligible directory listing, all state granting agencies can see the approved plan on file and the grantee does not need to submit additional documentation for new contracts. If the grantee's plan/exemption is not in the directory, they are required to submit affirmative action information to each granting agency that they contract with and for each separate contract.

Additional information can be found on the document "[State of Wisconsin Affirmative Action Plan Requirements](#)".

## 3.3 Anti-Lobbying

The Grantee and Subrecipients may not use federally-appropriated funds to pay, by or on behalf of it, any person for influencing or attempting to influence any governmental or affiliated governmental officer or employee. If any funds other than federally-appropriated funds are used to influence or attempt to influence, the Grantee or Subrecipient must both complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions and in all sub-award documents disclose to Subrecipients the lobbying activity accordingly.

## 3.4 Confidentiality

Lead agencies and subrecipients must develop and implement written confidentiality procedures to ensure:

- A. All records containing personally identifying information of any person or family who applies for and/or receives EHH assistance will be kept secure and confidential.
- B. The address or location of any domestic violence, dating violence, sexual assault, or stalking shelter project assisted under the ESG will not be made public except with written authorization of the person responsible for the operation of the shelter.
- C. 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 a lead agency or subrecipient

and consistent with all applicable state and local laws regarding privacy and obligations of confidentiality.

- D. Lead agencies and subrecipients must develop and implement procedures to ensure the confidentiality of records pertaining to any person provided family violence prevention or treatment services under any project assisted under the EHH program, including protection against the release of the address or location of any family violence shelter project, except with the written authorization of the person responsible for the operation of that shelter.
- E. The use or disclosure by any party of any information concerning eligible individuals who receive services for any purpose not connected with the administration of the program is prohibited except with the informed, written consent of the eligible individual, or the individual's legal guardian.

### 3.5 Conflict of Interest

EHH regulations require compliance with organizational, individual, and procurement conflict of interest provisions. Lead agencies/subrecipients will be required to repay any EHH funds disbursed for persons with whom there is an identified conflict of interest unless an exception is granted from HUD (for ESG) or from DEHCR (for HPP).

#### **A. Organizational Conflicts of Interest**

- i. Grantees must not condition EHH assistance on a participant's acceptance of housing owned by the grantee or a parent or subsidiary of the grantee.
- ii. Grantees must not conduct an initial evaluation or provide homelessness prevention assistance to persons living in property owned by the grantee or a parent or subsidiary of the grantee.

#### **B. Individual Conflicts of Interest**

The individual conflict of interest regulations prohibit financial gain for self, family, or those with business ties.

- i. No person who exercises responsibility over EHH funded projects or who is in a position to participate in a decision-making process or gain inside information with regard to EHH funded projects may:
  - a. Obtain a financial interest or benefit from an assisted activity.
  - b. Have a financial interest in any contract, subcontract, or agreement with respect to an assisted activity.
  - c. Benefit from an assisted activity, either for themselves or for those with whom they have family or business ties, during their tenure or during the one-year period following their tenure.

#### **C. Individual Conflict of Interest Exception Process**

Upon written request of the grantee, HUD may grant an exception to the provisions above on a case-by-case basis. The most common situation where an exception is requested is when a family member of an employee needs EHH assistance (e.g., the family member of an employee experiences homelessness and applies for rapid re-housing assistance). Follow the steps below if a conflict of interest is identified when providing EHH funded assistance.

- i. Submit a request for an exception in writing to DEHCR. The request must contain the following items:
  - a. A narrative of the situation, which must contain the name and title of the person for whom the exception is requested, and a brief description of the person's position as it relates to the HUD-assisted project or contract award. The narrative must also address all applicable factors below.
    - I. Whether the person is a member of a group or class of persons intended to be the beneficiaries of the HUD-assisted activity, and if so, whether the exception would permit the person to receive generally the same interests or benefits being made available or provided to the group or class.
    - II. Whether the affected person has withdrawn from his or her functions or responsibilities or the decision-making process with respect to the specific assisted activity in question.
    - III. If the agency requesting an exemption is a government, they must also provide an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made.
    - IV. Any other relevant considerations.
- ii. DEHCR will review the request for exception based on the above factors and any other applicable information. In determining whether to grant the requested exception, DEHCR shall consider whether an exception will serve to further the purposes of the EHH program and the effective and efficient administration of the organization's project. If the request is deemed appropriate, DEHCR will seek a legal opinion from the DOA Legal Counsel stating whether there would be a violation of local, state, or federal law if the exception were granted.
  - a. If the legal opinion obtained from DOA Legal Counsel is not favorable to the request, no exception will be granted.
  - b. If the legal opinion obtained from DOA Legal Counsel is favorable to the request, DEHCR will send a recommendation, along with the original request, seeking HUD's determination.
- iii. When HUD responds to the request for an exception, DEHCR will notify the grantee of the decision. At any point, DEHCR reserves the right to refuse a request for an exception. If this occurs, a written response will be provided.

#### **D. Procurement Conflicts of Interest**

In the procurement of property and services, the conflict-of-interest provisions at 24 CFR 85.36 and 24 CFR 84.42 apply. These regulations require grantees to maintain written standards governing the performance of their employees engaged in administering contracts. At a minimum, these standards must:

- i. Require that no employee, officer, agent of the grantee shall participate in the selection, award, or administration of a contract supported by EHH funds if their participation would create a real or apparent conflict of interest.
- ii. Require that grantee employees, officers and agents not accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to sub agreements.

- iii. Stipulate provisions for penalties, sanctions, or other disciplinary actions for violations of standards.

## **E. DEHCR Notification**

The grantee's Conflict of Interest Policy must include a statement that any conflict of interest regarding EHH funding must be submitted to DEHCR for review. Example situations, and notification requirements, are described below.

- i. If a grantee identifies a possible conflict of interest, determines it's a conflict, and doesn't pursue it, DEHCR does not need to be notified.
- ii. If a grantee identifies a possible conflict of interest, determines it's not a conflict, and proceeds, DEHCR does not need to be notified.
- iii. If a grantee identifies a possible conflict of interest, determines it's a conflict, and wants to proceed offering the service, they must submit it to DEHCR for review/approval.

## **3.6 Coordinated Entry**

*Required for ESG funds only.*

Each HUD COC is required to develop and operate a coordinated entry system. Lead agencies and subrecipients receiving ESG funding must participate in coordinated entry for their ESG-funded programs. Program participation in coordinated entry will be reviewed during annual monitoring. Victim service providers may choose not to use the COC's coordinated assessment system.

Coordinated entry refers to a process for people to access homelessness prevention, housing, and related services within a given COC. It includes the following core components:

- Information so people will know where or how to access coordinated entry.
- A place or way to request assistance, such as a walk-in center or a 2-1-1 call center.
- A screening and assessment process and tools to gather information about the person, their housing and service needs, and program eligibility and priority.
- Information about programs and agencies which provide housing or services.
- A process and tools for referral to appropriate programs or agencies.

### **A. Compliance Review Process**

In the event that a COC has reason to believe an agency is not compliant with the COC coordinated entry process, the following process should be followed:

- i. Contact the agency in question and attempt to address the concern locally.
- ii. If the agency is found to be non-compliant and does not address the issue in a timely manner, DEHCR should be notified.

In the event that DEHCR has reason to believe an agency is not compliant with the applicable COC coordinated entry process, DEHCR will notify the applicable COC and request a compliance review.

### **B. Coordinated Entry Alternative**

Agencies may establish a Coordinated Entry MOU with another provider in their service area to provide Coordinated Entry access for their clients if they don't have the capacity to fully comply with requirements.



Coordinated Entry MOUs must meet the following criteria:

- i. They must be signed by authorized signatories for both the primary and secondary providers
- ii. They must state the primary provider's specific responsibilities, which must include:
  - a. Referring all applicants to the secondary provider
  - b. Maintaining a record of each referral
  - c. Securing a Release of Information from each referred applicant to allow the providers to communicate with each other about them
  - d. Maintaining communication about each referred applicant with the secondary provider
- iii. They must state the secondary provider's specific responsibilities
- iv. They must be dated and require annual reauthorization

### 3.7 Debarment

Federal funds may not be used to directly or indirectly employ, award contracts to, or otherwise engage the services of any contractor or Subrecipient during any period of debarment, suspension, or placement of ineligibility status. The Grantee and Subrecipients may not be listed in the federal publication which lists debarred, suspended, and ineligible contractors.

### 3.8 Drug-Free Workplace

The Grantee and Subrecipients must provide a drug-free workplace by complying with the implementation of rules around drug prohibition, notification to employees of the rules, and disclosure of violations in accordance with the rules.

The Drug-Free Workplace Act of 1988 has the following requirements:

- A. Agencies must have a formal drug-free workplace policy statement.
- B. Agencies must establish a drug-free awareness program.
- C. Agencies must ensure employees are aware that they must notify the agency within 5 calendar days if they are convicted of a criminal drug violation in the workplace.
- D. Agencies have 10 days to notify the granting agency that a covered employee has been convicted of a criminal drug violation in the workplace.
- E. Agencies must take action on an employee convicted of a workplace drug violation.

### 3.9 Equal Access and Gender Identity Rules

Grantees must have policies and practices to ensure clients have equal access to services regardless of sexual orientation, gender identity, family composition or marital status. Individuals must be placed in programs in accordance with their gender identity and family composition. There cannot be any requirements for individuals to "prove" gender identity or family composition.

[HUD's Equal Access Agency Assessment Tool](#) can help providers assess their compliance with regulations and best practices. It assesses the following areas: general adherence, harassment policy, managing and resolving violations, confidentiality practices, data collection, facility enhancements.

## 3.10 Equity Advancement & Culturally Responsive Practices

Each grantee is expected to identify any inequities between the population of BIPOC (Black, Indigenous, People of Color) in its service territory compared to the grantee's clients. If there are differences that negatively impact BIPOC populations, strategies should be defined to help close the gap and be more culturally responsive to the populations identified in the analysis.

## 3.11 Expectations of Lead Agencies

Lead agencies for EHH funds have the following expectations:

- A. Comply with all funding requirements.
- B. Collect and ensure timely submission of all reports required by DEHCR in the grant agreement.
- C. Ensure all funds are spent in an appropriate manner within the agreed-upon budget.
- D. Submit budget adjustments to DEHCR and reallocate funds as needed to fully spend out all funds.
- E. Meet all HMIS compliance standards (or comparable database standards for victim service providers).

## 3.12 Expectations of Lead Agencies with Subrecipients

Lead agencies for EHH funds with subrecipients have the following expectations in addition to those listed above:

- A. Issue agreements or contracts with each subrecipient laying out expectations regarding matters such as the use of grant funds, monitoring expectations, payment requests, and eligible activities. All subrecipient agreements/contracts must be executed within 45 days of the DEHCR contract start date (exceptions may be granted on a case-by-case basis).
- B. Collect and review invoices from subrecipients to ensure proper payment requests. Financial backup documentation should be collected at least once per grant cycle to ensure proper usage of funds.
- C. Submit subrecipient expenditures to DEHCR within 30 days of receiving the expenditure report from the subrecipient.
- D. Ensure timely payment disbursement to subrecipients. Subrecipients must be reimbursed within 21 days of the lead agency receiving reimbursement from DEHCR.
- E. Collect and ensure timely submission of all subrecipient reports required by DEHCR in the grant agreement.
- F. Perform an annual monitoring for EHH program compliance with each subrecipient within 12 months of the contract start date. For new subrecipients, the Grantee must perform a compliance monitoring within six months of the subrecipient first incurring expenses.
- G. Provide training and technical assistance on EHH grant compliance and program operations to subrecipients, especially new subrecipients.

- H. Ensure that each subrecipient meets HMIS compliance standards (or comparable database standards for victim service providers).
- I. Notify DEHCR immediately if contractual issues arise with a subrecipient's performance.
- J. Ensure that information such as new rules or income/rent limits is promptly passed along to subrecipients.
- K. Facilitate communication for subrecipients.
- L. Ensure that the process for allocating EHH funds locally is fair and transparent.

### **3.13 Expectations of Subrecipients**

Subrecipients of EHH Lead Agencies have the following expectations:

- A. Comply with all funding requirements.
- B. Understand all program rules and requirements.
- C. Submit invoices and reports on a timely basis.
- D. Undergo and complete a monitoring review at least once every grant cycle.
- E. Notify DEHCR of any concerns related to the performance of the lead agency.
- F. Ensure all funds are spent in an appropriate manner within the agreed-upon budget.
- G. Request budget adjustments to the lead agency as needed to fully spend out all funds.

### **3.14 Faith-Based Activities/Religious Influence**

All EHH-funded activities must be administered in a manner that is free from religious influences and in accordance with the following principles:

- A. Grantees must not discriminate against any employee or applicant for employment and must not limit employment or give preference in employment to persons on the basis of religion.
- B. Grantees must not discriminate against any person applying for shelter or services and must not limit shelter or services or give preference to persons on the basis of religion.
- C. Grantees must provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing and exert no other religious influence in the provision of programs or services funded under EHH.
  - o If a grantee conducts these activities, the activities must be offered separately in time or location from the programs or services funded under EHH, and participation must be voluntary for EHH program participants.

### **3.15 Financial Management**

All funding sources from the Department (Division of Energy, Housing and Community Resources) are to be tracked separately. Payroll expenses should include documentation from timesheet to paycheck. Timesheets should show hours spent on EHH eligible activities vs. other non-EHH activities. The Grantee should establish policies and procedures for keeping backup documentation on expenditures so it can be produced upon request.

## 3.16 Financial Statements

The grantee is required to provide access to financial statements and expenditure records upon request by representatives of the Department of Administration (DOA, DEHCR), US Department of Housing and Urban Development (HUD), and the Legislative Audit Bureau (LAB).

## 3.17 Identification

Grantees cannot require third party documentation such as birth certificates or photo identification as a condition of immediately admitting an individual or family into emergency shelter or other EHH services.

## 3.18 Involuntary Family Separation

All individuals or groups of individuals regardless of age, gender identification, sexual orientation, and marriage status identifying as a family must be served as a family by any project which serves families. There can be no involuntary separation.

Any emergency shelter (or housing program) that serves households with children must serve all eligible households with children regardless of their gender composition – e.g. emergency shelters that serve households with children may not serve exclusively women and children.

There can be no documentation requirement or need for “proof” of family, gender identification, and/or sexual orientation. Examples of prohibited inquiry and documentation include but are not limited to parentage, birth certificates, and marriage certificates.

Households with children under age 18 must not be denied admission to any family shelter or housing program based on the age of any child under age 18. An example of a prohibited admission policy would be denying a family admission because there is a 16-year-old in the family.

## 3.19 Monitoring

The grantee shall comply with monitoring visits and/or desk monitoring from representatives of the Department of Administration (DOA, DEHCR), US Department of Housing and Urban Development (HUD), and the Legislative Audit Bureau (LAB) for EHH grant program compliance.

## 3.20 Nondiscrimination for Clients and Employees

Each Grantee and Subrecipient must have a policy expressing discrimination against clients/potential clients and employees/potential employees based on race, color, religion, sex (including pregnancy, sexual orientation, or gender identity), national origin, physical condition, disability, age (40 or older) or genetic information (including family medical history) is illegal and will not be tolerated. The policy should outline a way for clients/potential clients and employees/potential employees to report discrimination, and potential repercussions.

Recipients and subrecipients must also take steps to ensure meaningful access to programs and activities for people with limited English proficiency (LEP).

## 3.21 Participation in Continuum of Care

Lead agencies and subrecipients are required to participate in their HUD-recognized COC and/or local homeless coalition to the extent necessary to ensure maximum coordination of services. Participation can take many forms including:

- Attend COC membership meetings.
- Participate in a COC committee.
- Participate in advocacy efforts organized by the COC.
- Use COC data when talking about homelessness in your community.
- Attend COC sponsored trainings.
- Participate in coordinated entry.

## 3.22 Participation of People with Lived Experience

*Required for ESG funds only.*

To the maximum extent possible, lead agencies and subrecipients must involve homeless individuals and families in constructing, renovating, maintaining, and operating facilities, in providing services assisted under the ESG program, and in providing services for occupants of facilities assisted with ESG.

To the maximum extent practicable, lead agencies and subrecipients must have representation of a person who is homeless or was formerly homeless on either:

- The Board of Directors; or
- An equivalent policymaking entity directly responsible for making policy for the project(s) for which funding is being requested.

If an agency does not have such representation, efforts at recruitment will be reviewed during the annual monitoring.

## 3.23 Procurement

The Grantee and Subrecipients must have written procurement procedures which seek to avoid purchasing unnecessary items, mandate an analysis as to whether leasing or purchasing is more economical, and which meet the statutory solicitation requirements when seeking bids. Purchases of services from contractors or vendors by nonprofit grantees with ESG funds are subject to the federal regulations governing procurement procedures.

## 3.24 Recordkeeping and Retention

Lead agencies and subrecipients must have written policies and procedures in place to ensure all recordkeeping requirements are met. Lead agencies must also maintain a copy of any executed contract with any subrecipient which relates to project activities funded under their EHH contract.

Program and financial records for lead agencies and subrecipients must be maintained for a minimum of five (5) years after the final expenditure under their EHH contract. Emergency shelter rehabilitation/conversion records must be maintained for a minimum of ten years from initial rehabilitation/conversion if the costs are greater than 75% of the post-conversion value.

## 3.25 Residency

Grantees and subrecipients shall not require homeless individuals and families to be residents of the state or locality to receive shelter or other EHH services, nor shall they set differing allowed lengths of stay based on whether a homeless individual or family are residents of the state or locality.

## 3.26 Signatory Authority

All grantees and subrecipients must have documentation designating the person or persons who have signing authority for their organization and must be able to provide it to DEHCR upon request.

## 3.27 Trauma-Informed Care

Recognizing that many clients have experienced different types of trauma, each grantee is required to have trauma-informed care practices in place. Trauma-informed care practices are defined as an approach to intervention and providing services that focuses on how trauma may affect an individual's life and their response to receiving services in various systems. All grantees are expected to provide training to their staff on trauma-informed care practices.

## 3.28 Violence Against Women Act (VAWA)

The Violence Against Women Act (VAWA) prohibits denial or termination of assistance or eviction solely because a person is a victim of domestic violence, dating violence, sexual assault, or stalking. This protection applies to all eligibility and termination decisions that are made with respect to EHH rental assistance.

Lead agencies and subrecipients that determine eligibility for or administers EHH rental assistance are responsible for ensuring the following information is provided at the applicable times.

### **A. Notice of Occupancy Rights Under VAWA (HUD form 5380)**

Information included in this notice must be provided to each applicant for EHH rental assistance and each program participant receiving EHH rental assistance at each of the following times:

- i. When an individual or family is denied EHH rental assistance
- ii. When a program participant begins receiving EHH rental assistance
- iii. When a program participant is notified of termination of EHH rental assistance
- iv. When a program participant receives notification of eviction

A signed acknowledgement of receipt of this information in the client file (for each applicable time) is sufficient documentation.

### **B. Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking, and Alternate Documentation (HUD form 5382)**

Information included in this certification form must be provided to program participants when they are notified of termination of rental assistance and/or notified of eviction. The date(s) it was provided should be documented in the client file.

If the program participant completes and submits this certification form (or something comparable), keep a copy in the client file.

### **C. VAWA Lease Addendum (HUD form 91067)**

Information in this form must be included in every lease for EHH-assisted housing. The required elements are listed below:

- i. Right for the lease to be broken without penalty, if the tenant qualifies for an emergency transfer, except for tenant based rental assistance
- ii. Language that protects individuals from being denied access to housing and/or evicted from their housing on the basis of or as a direct result of being a survivor
- iii. Construction of lease terms and terms of assistance
- iv. Limitation of VAWA protections
- v. Confidentiality requirements

If this information is provided in the original lease agreement, a separate lease addendum is not required.

### **D. Emergency Transfer Plan**

Lead agencies and subrecipients must develop and implement emergency transfer plans compliant with 24 CFR 5.2005(e).

## **3.29 WBE/MBE**

The Grantee and Subrecipients should utilize small businesses and women- and minority-owned firms to the greatest extent practicable. Furthermore, the Grantee and Subrecipients must comply with the reporting requirements as established by DEHCR for emergency shelter rehabilitation projects.

## **3.30 Written Standards**

*Required for ESG funds only.*

Grantees and subrecipients of ESG funding must adhere to their area's HUD COC established written standards for each program type (rapid re-housing, homelessness prevention, emergency shelter, and street outreach). If no such standards are established by the HUD COC, the recipient must develop and consistently apply their own written standards. All written standards must provide a clear policy or instruction for the items listed below (per 24 CFR § 576.400 (e)(3)) and must be approved by DEHCR.

At a minimum, written standards must include the following:

- A. Standard policies and procedures for evaluating eligibility for assistance;
- B. Standards for targeting and providing essential services related to street outreach;
- C. Policies and procedures for admission, diversion, referral, and discharge by emergency shelters, 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; and individuals and families who have the highest barriers to housing and are likely to be homeless the longest;

- D. Policies and procedures for assessing, prioritizing, and reassessing individuals' and families' needs for essential services related to emergency shelter;
- E. 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;
- F. Policies and procedures for determining and prioritizing which eligible households will receive homelessness prevention assistance and which eligible households will receive rapid re-housing assistance (*must include an emergency transfer priority*);
- G. 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;
- H. 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
- I. Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide to a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the program participant receive assistance; or the maximum number of times the program participant may receive assistance.

Each grant cycle and/or when changes occur, HUD COCs and/or recipients should submit their ESG Written Standards to DEHCR for review. DEHCR will review the standards and either approve the standards or request changes to the standards to make them compliant with ESG requirements and regulations.



# Chapter 4: Monitoring and Reporting

## 4.1 Monitoring

### A. Monitoring of Lead Agencies by DEHCR

#### *i. Notification of Monitoring*

DEHCR will monitor the performance of each EHH grantee (i.e. the lead agencies contracted with DEHCR) at least annually. In conducting performance reviews, information will be obtained from records and reports from onsite or desk monitorings, audit reports, and information from HMIS. Monitoring reviews to determine compliance with specific program requirements will be conducted as necessary.

#### *ii. Components of a Monitoring*

During DEHCR's annual monitoring of lead agencies, several different components may be reviewed, including:

- a. Personnel policies and procedures, such as conflict of interest and confidentiality policies
- b. Fiscal policies and procedures, such as the agency's chart of accounts and allocation methodology
- c. Program policies and procedures, such as the termination procedure
- d. Funding-specific requirements, such as homeless participation
- e. Client files
- f. Financial backup documentation supporting reimbursement requests
- g. Financial backup documentation for reported match, including documentation related to the value of volunteer time
- h. Participation and performance in HMIS or an HMIS-comparable database
- i. Involvement in the applicable HUD COC and/or local homeless coalition
- j. Compliance with coordinated entry and COC written standards
- k. Participation in the January Point-in-Time (PIT) count
- l. Completion of monthly Housing Inventory Chart (HIC) report
- m. Compliance with the ESG CAPER requirements
- n. Completion of the Lead Agency Quarterly Performance Reports
- o. Performance as a lead agency
- p. Subrecipient monitoring process and procedures

#### *iii. Client Files*

Client files reviewed during a monitoring will be selected by DEHCR. The files must be submitted in a secure manner. Unredacted client files must never be provided through unsecure means.

#### *iv. Possible Corrective Actions*

- a. For unallowable expenditures: funds must be reimbursed and used for allowable program costs; submit documentation showing the reimbursement and reallocation of funds.
- b. For expenditures lacking appropriate documentation: provide documentation showing cost eligibility.

- c. For insufficient policies: submit a revised policy that is fully compliant with all requirements.
- d. For insufficient client files (varies depending on severity of deficiencies):
  - o Submit a plan that describes how the agency will ensure future compliance with all client file requirements.
  - o Provide training on EHH client file requirements to program staff and then notify DEHCR when training is completed.
  - o Schedule a virtual training with DEHCR to take place within 30 days for all program staff.
  - o Submit client files along with each request for payment reimbursement; files must be compliant to receive the month's reimbursement.

## **B. Monitoring of Subrecipients by Lead Agencies**

Lead agencies are required to perform an annual monitoring with each subrecipient within 12 months of the contract start date. For new subrecipients, lead agencies must perform a monitoring within six months of the subrecipient first incurring expenses. The annual monitoring must ensure each subrecipient meets obligations specified in the grant agreement as well as minimum fiscal standards. Lead agencies must also review documentation supporting reimbursement requests, such as invoices and timesheets, to ensure proper payment requests are being made.

In summary, the monitoring should include a review of agency policies, program policies, fiscal policies, financial documentation, and client files. A summary of each subrecipient monitoring must be made available to DEHCR for review during its monitoring of the lead applicant as well as upon request.

## **4.2 Reporting**

### **A. ESG Annual CAPER**

Each year, DEHCR is required to submit a Consolidated Annual Performance and Evaluation Report (CAPER) to HUD. This report requires all ESG-funded agencies to submit an ESG CAPER CSV report for the time period of April 1<sup>st</sup> to March 31<sup>st</sup> into the Sage HMIS Reporting Repository (Sage). Instructions detailing how to run the report and how to submit the report will be made available by DEHCR in the months preceding the due date.

### **B. Homeless Management Information System (HMIS)**

All lead agencies and subrecipients must participate in HMIS and comply with participation requirements.

Victim service providers cannot participate in HMIS and Legal Services Organizations may choose to not participate in HMIS. Providers which do not participate in HMIS must use a comparable database that produces unduplicated, aggregate reports. The comparable database must be capable of producing all EHH-required reports.

All HMIS participating agencies must comply with the State of Wisconsin HMIS Governance Charter, Policies & Procedures, and the HUD-recognized Continuum of Care Governance Charter. All agencies must adhere to the current HUD Data Standards Manual set forth by HUD.

### **C. Housing Inventory Chart (HIC)**

Each COC must complete a census for the fourth Wednesday of the month for all emergency shelters (including motel voucher programs), rapid re-housing programs, permanent housing, safe haven, and transitional housing programs. This information is reported on the Housing Inventory Chart (HIC) maintained by the HUD COCs. The data is required of all agencies with the above-referenced program types regardless of whether they participate in HMIS or a comparable system.

### **D. Lead Agency Quarterly Performance Report**

All lead agencies with subrecipients must complete a Lead Agency Performance Report each quarter. The report is due on the 20th of the month following the end of each quarter (January 20<sup>th</sup>, April 20<sup>th</sup>, July 20<sup>th</sup>, and October 20<sup>th</sup>). Lead agencies must be able to provide backup documentation upon request by DEHCR.

### **E. Point-in-Time (PIT)**

All lead agencies and subrecipients receiving EHH funds must actively participate in the overnight Point-in-Time (PIT) street count conducted statewide during the last ten days of January.

# Chapter 5: Project Types

## 5.1 Rapid Re-housing

Rapid re-housing assistance aims to help homeless households move as quickly as possible into permanent housing and achieve stability in that housing through a combination of rental assistance and supportive services. Funds used to provide rapid re-housing assistance must be used to provide assistance for permanent housing. Living in a motel or hotel is not considered to be permanent housing and therefore is not an eligible expense under this program.

### Overview of Eligible Activities

#### A. Financial Assistance

- i. *Rental application fees* which are charged by the owner to all applicants
- ii. *Security deposits* which are equal to no more than two months' rent
- iii. *Last month's rent* may be paid along with security deposit and first month's rent, if necessary to obtain housing
- iv. *Utility deposits* (gas, electric, water, sewage) which are charged by the utility company to all customers
- v. *Utility payments* (gas, electric, water, sewage)
  - a. Can be provided for up to 24 months per service, including up to 6 months of arrears per service (partial payments count as one month)
  - b. May only be provided if the participant household has an account in their name with a utility company or proof of responsibility to make utility payments
- vi. *Moving costs* (e.g. truck rental, moving company, up to 3 months of storage)
  - a. The payment of temporary storage fees in arrears is an ineligible expense

#### B. Rental Assistance

- i. *Rent payments*: Short- (up to 3 months) and medium-term (4-24 months) rental assistance. The total length of assistance may not exceed 24 months during any 3-year period, including any payment of arrearages
- ii. *Rent arrearages*: A one-time payment of up to 6 months of rent in arrears, including any late fees on those arrears, provided this assistance will allow the client to retain their current permanent housing or to obtain new permanent housing

#### C. Housing Services

- i. *Housing search and placement* necessary to assist program participants in locating, obtaining, and retaining suitable permanent housing.
- ii. *Housing stability case management* to pay the cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing. Component services and activities consist of:
  - a. Using the centralized or coordinated assessment system to evaluate individuals and families applying for or receiving rapid rehousing assistance
  - b. Conducting an initial evaluation, including verifying and documenting eligibility
  - c. Housing counseling

- d. Developing, securing, and coordinating services and obtaining Federal, State, and local benefits
- e. Monitoring and evaluating program participant progress
- f. Providing information and referrals to other providers
- g. Developing an individualized housing and service plan, including planning a path to permanent housing stability
- h. Conducting re-evaluations
- i. *Note for ESG funds:* 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 client is living in permanent housing. If it takes longer than 30 days to locate permanent housing, continued case management must be charged to street outreach or emergency shelter case management, depending upon where the client is residing
- iii. *Mediation* between the program participant and the owner or persons(s) with whom the participant is living, providing that the mediation is necessary to prevent the participant from losing permanent housing in which they currently reside.
- iv. *Legal services* as set forth in subsection 576.102 (a) (1) (vi), except that the eligible subject matters also include landlord/tenant matters, and the services must be necessary to resolve a legal problem which prohibits the program participant from obtaining or maintaining permanent housing.
  - a. Retainer fee arrangements and contingency fee arrangements, as well as legal services for immigration and citizenship matters and issues relating to mortgages, are ineligible costs.

*Note: the combination of rent payments and arrearages assistance may not exceed 24 months in a three-year period. No rental assistance may be provided to a household for a purpose and time period supported by another public source.*

Agencies may tailor their rapid re-housing rental assistance by specifying in their written standards:

- The maximum amount of rental assistance that a program participant may receive
- The maximum number of months that a program participant may receive rental assistance (not to exceed 24 months in a three-year period)
- The maximum number of times that a program participant may receive rental assistance
- The extent to which a program participant must share the cost of rent

## 5.2 Homelessness Prevention

Homelessness prevention programs include housing relocation and stabilization services and rental assistance as necessary to prevent households from moving to an emergency shelter, a place not meant for human habitation, or another place described in paragraph (1) of the homeless definition.

The costs of homelessness prevention are only eligible to the extent that the assistance is necessary to help the program participant regain stability in their current housing or move into other permanent housing and achieve stability in that housing.

Funds used to provide homelessness prevention assistance must be used to provide assistance for permanent housing. Living in a motel or hotel is not considered to be permanent housing and therefore is not an eligible expense under this program.

## **Overview of Eligible Activities**

### **A. Financial Assistance**

- i. Rental *application fees* which are charged by the owner to all applicants
- ii. *Security deposits* which are equal to no more than two months' rent
- iii. *Last month's rent* may be paid along with security deposit and first month's rent, if necessary to obtain housing
- iv. *Utility deposits* (gas, electric, water, sewage) which are charged by the utility company to all customers
- v. *Utility payments* (gas, electric, water, sewage)
  - a. Can be provided for up to 24 months per service, including up to 6 months of arrears per service (partial payments count as one month)
  - b. May only be provided if the participant household has an account in their name with a utility company or proof of responsibility to make utility payments
- vi. *Moving costs* (e.g. truck rental, moving company, up to 3 months of storage)
  - a. The payment of temporary storage fees in arrears is an ineligible expense

### **B. Rental Assistance**

- i. *Rent payments*: Short- (up to 3 months) and medium-term (4-24 months) rental assistance. The total length of assistance may not exceed 24 months during any 3-year period, including any payment of arrearages
- ii. *Rent arrearages*: A one-time payment of up to 6 months of rent in arrears, including any late fees on those arrears, provided this assistance will allow the client to retain their current permanent housing or to obtain new permanent housing

### **C. Housing Services**

- i. *Housing search and placement* necessary to assist program participants in locating, obtaining, and retaining suitable permanent housing.
- ii. *Housing stability case management* to pay the cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing. Component services and activities consist of:
  - a. Using the centralized or coordinated assessment system to evaluate individuals and families applying for or receiving homelessness prevention assistance
  - b. Conducting an initial evaluation, including verifying and documenting eligibility
  - c. Housing counseling
  - d. Developing, securing, and coordinating services and obtaining Federal, State, and local benefits
  - e. Monitoring and evaluating program participant progress
  - f. Providing information and referrals to other providers
  - g. Developing an individualized housing and service plan, including planning a path to permanent housing stability
  - h. Conducting re-evaluations

- i. Note for ESG funds: 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 client is living in permanent housing. If it takes longer than 30 days to locate permanent housing, continued case management must be charged to street outreach or emergency shelter case management, depending upon where the client is residing.
- iii. *Mediation* between the program participant and the owner or persons(s) with whom the participant is living, providing that the mediation is necessary to prevent the participant from losing permanent housing in which they currently reside.
- iv. *Legal services* as set forth in subsection 576.102 (a) (1) (vi), except that the eligible subject matters also include landlord/tenant matters, and the services must be necessary to resolve a legal problem which prohibits the program participant from obtaining or maintaining permanent housing.
  - a. Retainer fee arrangements and contingency fee arrangements, as well as legal services for immigration and citizenship matters and issues relating to mortgages, are ineligible costs.

*Note: the combination of rent payments and arrearages assistance may not exceed 24 months in a three-year period. No ESG rental assistance may be provided to a household for a purpose and time period supported by another public source.*

## 5.3 Street Outreach

*Eligible with ESG funds only.*

ESG funds may be used for costs of providing essential services necessary to reach out to unsheltered homeless households; connecting them with emergency shelter, housing, or critical services; and providing urgent non-facility-based care to unsheltered homeless households who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility.

### Overview of Eligible Activities

- A. *Engagement*: The costs to locate, identify, and build relationships with unsheltered homeless people and engage them for the purposes of providing immediate support, intervention, and connections with homeless assistance programs and/or mainstream social services and housing programs.
- B. *Case Management*: Includes the costs of assessing housing and service needs; arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participants.
- C. *Emergency Health Services*: Includes costs for direct outpatient treatment of medical conditions provided by licensed medical professionals operating in community-based settings. Funds may be used only for these services to the extent that other appropriate health services are inaccessible or unavailable within the area.
- D. *Emergency Mental Health Services*: Includes costs for direct outpatient treatment by licensed professionals of mental health conditions operating in community-based settings. Funds may be used only for these services to the extent that other appropriate mental health services are inaccessible or unavailable within the community.

- E. *Transportation*: Includes transportation costs of outreach workers, social workers, medical professionals, or other service providers provided that this travel takes place during the provision of services eligible under this section. The costs of transporting unsheltered people to emergency shelters or other service facilities are also eligible.

## 5.4 Emergency Shelter

*Eligible with ESG funds only.*

Emergency shelter is defined as any appropriate facility that has the primary use of providing temporary or transitional shelter for the homeless in general or for specific populations of the homeless and the use of which does not require occupants to sign leases or occupancy agreements. ESG funds may be used to provide essential services to persons in emergency shelters, renovating buildings to be used as emergency shelters, and operating emergency shelters. Staff costs related to carrying out emergency shelter activities are also eligible.

### Overview of Eligible Activities

#### A. Shelter Services:

- i. *Case Management*: The cost of assessing, arranging, coordinating and monitoring the delivery of individualized services to meet the needs of the program participant.
- ii. *Child Care*: The cost of childcare for program participants is eligible. Children must be under the age of 13 unless they have a disability. Children with a disability must be under the age of 18. The child-care center must be licensed by the jurisdiction in which it operates.
- iii. *Education Services*: When necessary for program participants to obtain and maintain housing, the costs of improving knowledge and basic educational skills are eligible.
- iv. *Employment Assistance and Job Training*: The costs of employment assistance and job training programs are eligible.
- v. *Outpatient Health Services*: Costs for direct outpatient treatment of medical conditions provided by licensed medical professionals. Funds may be used for these services only to the extent that other appropriate health services are unavailable within a community.
- vi. *Legal services* as set forth in subsection 576.102 (a) (1) (vi), except that the eligible subject matters also include landlord/tenant matters, and the services must be necessary to resolve a legal problem which prohibits the program participant from obtaining or maintaining permanent housing.
- vii. *Life Skills Training*: Costs of teaching critical life management skills that may never have been learned or have been lost during the course of physical or mental illness, domestic violence, substance abuse, and homelessness are eligible costs. These services must be necessary to assist the program participant to function independently in the community.
- viii. *Mental Health Services*: Costs include direct outpatient treatment provided by licensed professionals of mental health conditions. Funds may only be used for these services to the extent that other appropriate mental health services are unavailable or inaccessible within the community.
- ix. *Substance Abuse Treatment Service*: Eligible substance abuse treatment services are designed to prevent, reduce, eliminate, or deter relapse of substance abuse or addictive behaviors and are provided by licensed or certified professionals. Funds may only be used for these services to the extent that other appropriate substance abuse treatment



services are unavailable or inaccessible within a community. Note: Inpatient detoxification and other inpatient drug or alcohol treatments are ineligible.

- x. *Transportation*: Costs consist of the transportation costs of a program participant’s travel to and from medical care, employment, childcare, or other eligible essential services facilities.

**B. Shelter Operations**

- i. *Rent*
- ii. *Security*
- iii. *Insurance*
- iv. *Utilities*
- v. *Food*
- vi. *Furnishings & Supplies*
- vii. *Maintenance*, including minor or routine repairs

**C. Motel Vouchers**

- i. Where no appropriate emergency shelter is available for a homeless individual or family, eligible costs may include a hotel or motel voucher.

**D. Renovation/Rehabilitation/Conversion**

- i. *Eligible costs* include labor; materials; tools; and other costs for renovation, including major rehabilitation of an emergency shelter or conversion of a building into an emergency shelter.
- ii. For costs of rehabilitation, conversion, or renovation to be eligible for payment with ESG funds, the building must be used for an emergency shelter for homeless families/individuals.
- iii. A government entity or private non-profit organization must own the emergency shelter building before and after the renovation/rehabilitation/conversion.
- iv. An agency may not rehabilitate, convert, or renovate a shelter or prospective shelter until HUD has performed an environmental review under 24 CFR part 50 and the agency has received HUD approval to continue. Contact the EHH Program Manager if your agency is considering this option.
- v. Shelters renovated with ESG funds are required to function as a shelter for a minimum period of time, depending on the type of renovation and the value of the building. See the table below.

<b>Rehabilitation / Renovation / Conversion Minimum Period of Use</b>		
	<b>Use Requirement</b>	<b>Determining Criteria</b>
Major Rehabilitation	10 years*	Rehab costs exceed 75% of the value of the building before rehabilitation.
Conversion	10 years*	Conversion costs exceed 75% of the value of the building after conversion.

Renovation, including rehab and conversion costs that do not meet 10 Year criteria.	3 years	Renovation costs are 75% or less of the value of the building before renovation.
<b>*Recorded deed or use restriction required.</b>		

## 5.5 Homelessness Management Information System (HMIS)

*Eligible with ESG funds only.*

The HEARTH Act makes HMIS participation a statutory requirement for ESG-funded service providers. If the agency is a Victim Services Provider or Legal Services Provider, ESG funds may be used to establish and operate a comparable database that collects client-level data over time and generates unduplicated aggregate reports based on the data. Information entered into a comparable database must not be entered directly into or provided to an HMIS.

### **Overview of Eligible Activities:**

- A. Equipment & software
- B. Training & overhead
- C. HMIS participation fees
- D. Staffing

Activities funded under this section must comply with HUD's standards on participation, data collection, and reporting under HMIS.

## 5.6 Administration

All grantees have a 3% cap on ESG administrative expenses and a 10% cap on HPP administrative expenses.

### **Overview of Eligible Activities:**

- A. General management, oversight, and coordination
- B. Reporting on the program as required by HUD and/or DEHCR
- C. Program administration costs
- D. Travel costs incurred for monitoring of subrecipients
- E. Costs of providing training on ESG requirements and attending HUD-sponsored ESG training

# Chapter 6: Client File Requirements

## 6.1 Client Eligibility

Each client file must contain documentation that the household provided with assistance meets the eligibility requirements for the project type for which they are applying. For Rapid Re-Housing and Homelessness Prevention programs, verifications of homelessness and income verifications should be accompanied by third-party documentation. Self-certification of homelessness is sufficient for Street Outreach and Emergency Shelter services.

Component	Eligible Categories
Street Outreach	<ul style="list-style-type: none"> <li>• Category 1 homeless – Literally Homeless</li> <li>• Must be living on the streets (or other places not meant for human habitation) and be unwilling or unable to access services in emergency shelter</li> </ul>
Emergency Shelter	<ul style="list-style-type: none"> <li>• Category 1 homeless – Literally Homeless</li> <li>• Category 2 homeless – Imminent Risk of Homeless</li> <li>• Category 3 homeless – Homeless Under Other Federal Statues</li> <li>• Category 4 homeless – Fleeing/Attempting to Flee Domestic Violence</li> </ul>
Homelessness Prevention	<ul style="list-style-type: none"> <li>• Category 2 homeless – Imminent Risk of Homeless</li> <li>• Category 3 homeless – Homeless Under Other Federal Statues</li> <li>• Category 4 homeless – Fleeing/Attempting to Flee Domestic Violence</li> <li>• At-Risk of Homelessness</li> <li>• Must have an annual income below 30% (ESG) or 80% (HPP) of county median income for the area at program entry</li> </ul>
Rapid Re-Housing	<ul style="list-style-type: none"> <li>• Category 1 homeless – Literally Homeless</li> <li>• Must have an annual income below 80% of county median income for the area at program entry (HPP only)</li> </ul>

### ***Additional Requirements***

- Funds cannot be targeted to clients from a specific agency; agencies must follow the applicable coordinated entry procedures.
- Assistance is limited to clients who meet the appropriate part of the homeless definition **at program entry** and where there is documentation of their homelessness.
- In the absence of source documentation or third-party documentation for rapid re-housing and homelessness prevention programs, the agency must certify that efforts were made to obtain the documentation.

<b>A. Homeless Definitions</b>	
<b>Category 1: Literally Homeless</b>	<p>Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:</p> <ol style="list-style-type: none"> <li>1) Has a primary nighttime residence that is a public or private place not meant for human habitation; OR</li> <li>2) Is living in a shelter designated to provide temporary living arrangements (including transitional housing and hotels/motels paid for by charitable or government organizations); OR</li> <li>3) Is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.</li> </ol>
<b>Category 2: Imminent Risk of Homelessness</b>	<p>Individual or family who will imminently lose their primary nighttime residence, provided that:</p> <ol style="list-style-type: none"> <li>1) Primary residence will be lost within 14 days of the date of application for assistance;</li> <li>2) No subsequent residence has been identified; AND</li> <li>3) Household lacks the resources or support networks needed to obtain other permanent housing.</li> </ol>
<b>Category 3: Homeless under other Federal Statutes</b>	<p>Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:</p> <ol style="list-style-type: none"> <li>1) Are defined as homeless under one of the following: <ol style="list-style-type: none"> <li>i. Section 387 of the Runaway and Homeless Youth Act;</li> <li>ii. Section 637 of the Head Start Act;</li> <li>iii. Section 41403 of the Violence Against Women Act of 1994;</li> <li>iv. Section 330(h) of the Public Health Service Act;</li> <li>v. Section 3 of the Food and Nutrition Act of 2008;</li> <li>vi. Section 17(b) of the Child Nutrition Act of 1966;</li> <li>vii. Section 725 of the McKinney-Vento Homeless Assistance Act;</li> </ol> </li> <li>2) Have not had a lease, ownership interest, or occupancy agreement in permanent housing during the 60 days prior to the assistance application;</li> <li>3) Have experienced persistent instability as measured by two moves or more during in the preceding 60 days; AND</li> <li>4) Can be expected to continue in such status for an extended period of time due to special needs or barriers</li> </ol>
<b>Category 4: Fleeing/Attempting to Flee Domestic Violence</b>	<p>Any individual or family who:</p> <ol style="list-style-type: none"> <li>1) is experiencing trauma or a lack of safety related to, or fleeing or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous, traumatic, or life-threatening conditions related to the violence against the individual or a family member in the individual's or family's current housing situation, including where the health and safety of children are jeopardized.</li> <li>2) has no other safe residence; AND</li> <li>3) lacks the resources to obtain other safe permanent housing.</li> </ol>

## B. At-Risk of Homelessness Definition

<p><b>Category 1: Individuals and Families</b></p>	<p>An individual or family who:</p> <ol style="list-style-type: none"> <li>1) Has an annual income below 30% of median family income for the area; AND</li> <li>2) Does not have sufficient resources or support networks immediately available to prevent them from becoming homeless; AND</li> <li>3) Meets one of the following conditions:               <ol style="list-style-type: none"> <li>a. Has moved due to economic reasons 2 or more times during the 60 days immediately preceding the application for assistance;</li> <li>b. Is living in the home of another because of economic hardship;</li> <li>c. Has been notified that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;</li> <li>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;</li> <li>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</li> <li>f. Is exiting a publicly funded institution or system of care (such as a health-care facility, foster care, or correction institution).</li> </ol> </li> </ol>
<p><b>Category 2: Unaccompanied Children and Youth</b></p>	<p>A child or youth who does not qualify as homeless under the homeless definition, but qualifies as homeless under another Federal statute, such as:</p> <ol style="list-style-type: none"> <li>1) Section 387(3) of the Runaway and Homeless Youth Act</li> <li>2) Section 637(11) of the Head Start Act</li> <li>3) Section 41403(6) of the Violence Against Women Act of 1994</li> <li>4) Section 330(h)(5)(A) of the Public Health Service Act</li> <li>5) Section 3(m) of the Food and Nutrition Act of 2008</li> <li>6) Section 17(b)(15) of the Child Nutrition Act of 1966</li> </ol>
<p><b>Category 3: Families with Children and Youth</b></p>	<p>A child or youth who does not qualify as homeless under the homeless definition but qualifies as homeless under the McKinney-Vento Homeless Assistance Act, and the parent(s) or guardian(s) living with them.</p> <ol style="list-style-type: none"> <li>1) Sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason;</li> <li>2) Living in motels, hotels, trailer parks, or camping grounds due to the lack of alternative adequate accommodations;</li> <li>3) Living in an emergency or transitional shelter;</li> <li>4) Having a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings; OR</li> <li>5) Living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings.</li> </ol>

### C. Homelessness Documentation Requirements

<p><b>Category 1: Literally Homeless</b></p>	<ul style="list-style-type: none"> <li>• Written observation by outreach worker or written referral by another service provider; <u>OR</u></li> <li>• Self-certification by individual or head of household seeking assistance; <u>OR</u></li> <li>• For individuals exiting an institution – one of the above <u>AND</u>:             <ul style="list-style-type: none"> <li>○ Discharge paperwork <u>or</u> written/oral referral <u>OR</u></li> <li>○ Written record of intake worker’s due diligence to obtain above evidence <u>and</u> certification by individual that they exited institution.</li> </ul> </li> </ul>
<p><b>Category 2: Imminent Risk of Homelessness</b></p>	<ul style="list-style-type: none"> <li>• A court order resulting from an eviction notice notifying the individual or family that they must leave; <u>OR</u></li> <li>• For individuals and families leaving a hotel/motel – evidence they lack the financial resources to stay; <u>OR</u></li> <li>• A documented and verified oral statement. <u>AND</u></li> <li>• Certification that no subsequent residence has been identified and self-certification that the individual lacks the financial resources and support necessary to obtain permanent housing</li> </ul>
<p><b>Category 3: Homeless under other Federal Statutes</b></p>	<ul style="list-style-type: none"> <li>• Certification by a nonprofit or state/local government that the individual or head of household seeking assistance met the criteria of homelessness under another federal statute <u>AND</u></li> <li>• Certification of no permanent housing in last 60 days <u>AND</u></li> <li>• Certification by the individual or head of household and any available supporting documentation that (s)he has moved two or more times in the past 60 days <u>AND</u></li> <li>• Documentation of special needs <u>or</u> 2+ barriers</li> </ul>
<p><b>Category 4: Fleeing/Attempting to Flee Domestic Violence</b></p>	<ul style="list-style-type: none"> <li>• Statement by the individual or head of household seeking assistance stating:             <ul style="list-style-type: none"> <li>○ They are experiencing trauma or a lack of safety and/or are fleeing/attempting to flee;</li> <li>○ No subsequent residence has been identified; <u>AND</u></li> <li>○ They lack the financial resources and support networks to obtain other permanent housing.</li> </ul> </li> <li>• Statement must be documented by a self-certification or a certification by an intake worker.</li> </ul>
<p><b>At-Risk of Homelessness</b></p>	<ul style="list-style-type: none"> <li>• Self-certification or other written documentation that the individual lacks the financial resources and support necessary to obtain permanent housing <u>AND</u></li> <li>• Documentation of one of the eligibility conditions <u>OR</u></li> <li>• Certification by a nonprofit or state/local government that the individual or head of household seeking assistance met the criteria of homelessness under another federal statute</li> </ul>

## 6.2 Agency-Owned Housing Units

Lead agencies and subrecipients may provide rapid re-housing tenant-based assistance to program participants that choose a housing unit owned by the granting agency. There must be documentation that the program participant had a choice of units and were not specifically directed to an agency-owned unit.

### ***A. Waiver of the Rental Assistance Agreement Requirement***

If an agency wishes to offer agency-owned units as a housing option to rapid re-housing program participants, the agency must request a waiver of the rental assistance agreement requirement. Rapid re-housing programs require a rental assistance agreement between the granting agency and the housing owner. In the case of an agency-owned unit, the granting agency cannot have a rental agreement with itself and so a waiver must be requested.

To request a waiver, an agency must submit to DEHCR a written request via email. The request should include a brief description of the housing units owned by the agency as well as an explanation of why offering the agency-owned units would be beneficial to participants. If approved by DEHCR, the request will be sent to the local HUD field office for final approval.

An approved waiver is specific to a single agency, covers a single grant cycle, and lasts the length of that cycle. A waiver must be requested for every grant cycle in which an agency wishes to offer agency-owned units.

### ***B. Participants Currently Housed in Agency-Owned Units***

If a program participant seeking rapid re-housing assistance is currently housed in an agency-owned unit, that agency cannot conduct the intake assessment/initial evaluation to determine EHH eligibility and household need. For example, if an individual is residing in a transitional housing unit of an agency, that agency cannot do the initial assessment of the client for enrollment into an EHH rapid re-housing program. In such a situation, the agency could use another independent agency, who is also an EHH recipient, to perform the initial assessment. Once eligibility is confirmed and the need for assistance is identified, the initial agency can then provide the rapid re-housing assistance. Client files must clearly document the assessment done by the third-party agency.

### ***C. Homelessness Prevention Assistance***

Lead agencies and subrecipients may not provide homelessness prevention assistance to households residing in units owned by the agency.

## 6.3 Coordination with Homeless Services and Mainstream Resources

Lead agencies and subrecipients must assist homeless individuals in obtaining permanent housing, appropriate supportive services, and other Federal, state, local, and private assistance available for such persons. Documentation of referrals to services, provided while enrolled in EHH programs, must be retained in client files.

Lead agencies and subrecipients should coordinate EHH-funded activities with other programs targeted to serving homeless households.

## 6.4 Evaluation of Need and Case Management

### ***A. Initial Evaluation***

All households receiving EHH assistance must have at least an initial consultation with a case manager or other representative who can determine eligibility for EHH assistance and the amount and type of assistance necessary for the household to regain stability in permanent housing.

### ***B. Case Management***

All households provided with housing assistance (Homelessness Prevention or Rapid Re-Housing) must have contact with a case manager at least once a month. ESG-funded case management must comply with the applicable written standards and the coordinated entry system.

## 6.5 Fair Market Rent

*Required for ESG funds only.*

Lead agencies and subrecipients providing rental assistance must have policies and procedures to ensure that all units assisted with ESG funds are at or below fair market rent standards.

To calculate rent under this section, the unit's rent shall equal the sum of the total monthly rent for the unit, any fees required for occupancy under the lease (other than late fees and pet fees), and, if the tenant pays separately for utilities, the monthly allowance for utilities established by the public housing authority for the area in which the housing is located.

To establish whether a client's unit meets fair market rent standards, its rent and utility allowance must be compared to the fair market rent value for the unit's size and location. The combined value must be at or below the fair market rent value for the area.

[Fair market rent values](#) are published by HUD and updated annually. Fair market rent requirements do **not** apply to clients only receiving assistance for rental arrears.

## 6.6 Government Issued Identification

Lead agencies and subrecipients administering EHH programs cannot retain unredacted copies of government issued identification in EHH client files. Examples include social security cards, birth certificates, and driver's licenses. Such documentation is not required for EHH programs and presents a high security risk. As such, this documentation cannot be kept in any EHH client file, either hardcopy or electronic, unless fully redacted.

## 6.7 Habitability Standards

The ESG Program establishes different habitability standards for emergency shelters and for permanent housing (rapid re-housing and homelessness prevention components). Lead agencies and subrecipients must document compliance with the applicable standards.

### **A. Emergency Shelter Standards**

- i. Emergency shelters which receive ESG funds for renovation or shelter operations must meet the minimum standards for safety, sanitation, and privacy provided in §576.403(b)



- ii. In addition, emergency shelters which receive ESG funds for renovation (conversion, major rehabilitation, or other renovation) also must meet state or local government safety and sanitation standards, as applicable

## **B. Permanent Housing Standards**

- i. The lead agency or subrecipient cannot use EHH funds to help a program participant remain in or move into housing which does not meet the minimum habitability standards under §576.403(c); this restriction applies to all activities under the Homelessness Prevention and Rapid Re-housing components
- ii. For HPP-funded programs, a Housing Quality Standards (HQS) inspection may be completed instead of a habitability inspection (as long as HPP is not used as ESG match)

## **6.8 Housing Stability Plan**

Lead agencies and subrecipients administering rapid re-housing or prevention services must provide each household with a plan to either help them find and secure or maintain safe and stable housing. Program participants must be assisted in creating a plan which will help them obtain and retain permanent housing after the EHH assistance ends, taking into account all relevant considerations.

## **6.9 Income at Program Entry**

Depending on program type, there may be a maximum annual income of which all clients must be below to be eligible for program enrollment. Client income must be calculated according to HUD's Part 5 income definition. Income limits are established by household size and revised annually by HUD.

For ESG rapid re-housing there is no income limit at program entry. For HPP rapid re-housing, the Household Gross Annual Income must be at or below 80% of the median family income for the area, as determined by HUD.

For homelessness prevention, the Household Gross Annual Income must be at or below 30% (ESG) or 80% (HPP) of the median family income for the area, as determined by HUD.

There are no income requirements at any time for emergency shelter or street outreach programs.

## **6.10 Lead Safety**

**Renovation:** Any renovation carried out with ESG assistance shall be sufficient to ensure the building involved is lead-safe and sanitary. The requirements of rehabilitation differ according to the level of federal support.

**Emergency Shelter:** The facility must be free from lead-based paint contamination wherein clients may potentially stay for more than 100 days unless the facility is such that it is statutorily exempted.

**Homelessness Prevention and Rapid Re-Housing:** Every EHH-assisted unit must be free from lead-based paint contamination. A visual inspection is necessary if the unit was built before

1978 and a child less than 6 years of age and/or a pregnant woman is expected to reside there. The inspection must take place prior to providing any EHH rental assistance on the unit.

## 6.11 Lease Agreement

The following rules apply whenever a client receives rental assistance under any project type.

- A. Clients must have a legally binding, written lease for the rental unit unless the assistance is solely for rental arrears. The lease must be between the unit owner and the client.
- B. Where the assistance is solely for rental arrears, an oral agreement may be accepted in place of a written lease, if the agreement gives the client 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.
- C. Leases must include a provision or incorporate a lease addendum that includes all requirements that apply to tenants, landlords, and leases under 24 CFR Part 5, subpart L (Protection for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking) and 24 CFR § 576.409.
- D. Leases are encouraged to have an initial term of one year. Leases may be renewed or extended as needed for as long as a client remains eligible. However, leases may never commit EHH funds beyond the current EHH contract's expenditure deadline or for EHH funds under a contract that has not yet been awarded.

## 6.12 Re-Evaluations

Any household receiving rapid re-housing or homelessness prevention assistance must comply with re-evaluation requirements. For rapid re-housing, re-evaluations must take place not less than once every 12 months. For homelessness prevention, they must take place not less than once every 3 months.

Re-evaluations are required to determine the following:

- A. Program participants do not have an annual income above the maximum limit; AND
- B. The amount and type of assistance needed by a household to retain stability in permanent housing.

To continue to be eligible for Rapid Re-Housing or Homelessness Prevention assistance, a household must:

- A. Have an annual income at or below 30% of CMI (ESG) or 80% of CMI (HPP); AND
- B. Lack sufficient resources and support networks to retain housing without EHH assistance.

Assistance must be terminated if a household's gross annual income exceeds 30% (ESG) or 80% (HPP) of the median family income for the area at income recertification. The participant should receive thirty (30) days' written notice of termination of assistance.

## 6.13 Rent Reasonableness

Lead agencies and subrecipients providing rental assistance must have policies and procedures to ensure that all units meet rent reasonableness standards.

To calculate rent under this section, the unit's rent shall equal the sum of the total monthly rent for the unit, any fees required for occupancy under the lease (other than late fees and pet fees), and, if the tenant pays separately for utilities, the monthly allowance for utilities established by the public housing authority for the area in which the housing is located.

Agencies must determine whether a unit's rent is reasonable in comparison to rent for other comparable unassisted units. To make this determination, the agency must consider:

- A. The location, quality, size, unit type, and age of the contract unit; and
- B. Any amenities, housing services, maintenance, and utilities to be provided by the owner per the lease.

To establish whether a unit meets rent reasonableness standards, it must be compared to at least two comparable units. Documentation of comparable units for a city or region must be updated at least annually. A sample "[Rent Reasonableness Checklist and Certification](#)" form is available for use.

[WIHousingSearch.org](#) is a potential resource for finding comparable units. It is a state-wide resource of affordable rental housing in a searchable database that is free to anyone seeking affordable rental housing. The website lists the number of bedrooms and other features for units.

Agencies must establish their own written policies and procedures for documenting comparable rents and ensure that they are followed when documenting rent reasonableness in case files. Policies must include a process for exceptional circumstances in the event the rent reasonableness standard cannot be met (accessibility, unit size, etc.).

Additional guidance can be found on the [HUD Exchange](#). Rent reasonableness requirements do **not** apply to clients only receiving assistance for rental arrears.

## 6.14 Rental Assistance Agreement Requirements

For any program providing rental assistance, there must be a written rental assistance agreement between the granting agency and the landlord/property owner. The agreement must abide by the following requirements:

- A. Must state what financial assistance is being provided by the granting agency (security deposit, pro-rated rent, rental payments, rental arrears, etc.)
- B. Must outline the terms under which rental assistance will be provided
- C. Must require the owner to provide the agency with a copy of any notice to the program participant to vacate the housing unit
- D. Must contain the same payment due date, grace period, and late payment penalty requirements as the program participant's lease
- E. Must be signed by both the granting agency and the landlord
- F. Must contain VAWA protection requirements as follows:
  - i. Requirement to include the VAWA lease addendum information in all leases for EHH-assisted units
  - ii. Requirement for coordination on emergency transfers
  - iii. Obligation for the owner to notify the recipient before a lease is bifurcated and/or a notice of eviction is provided

## 6.15 Rent Assistance Standard Operating Procedure

When providing EHH rental assistance, the following requirements apply.

- A. Compliance with Rent Reasonableness (ESG/HPP) and Fair Market Rent (ESG).
- B. Compliance with Habitability Standards (ESG/HPP) or Housing Quality Standards (HPP).
- C. Compliance with Lead-Based Paint standards: a visual assessment is required for all units receiving assistance if the unit was constructed before 1978 and a child under 6 or a pregnant woman will live there.
- D. A legally binding written lease agreement between tenant and landlord.
  - i. Note that “master-leasing” is not allowed in ESG-funded programs, meaning that lead agencies/subrecipients may not sign a lease and sublet the unit to a program participant.
- E. A rental assistance agreement between grantee agency and landlord/property manager/owner.
- F. No EHH rental assistance can be provided to households receiving the same type of rental assistance from another public source for the same time period. *Example: Persons living in public housing units, using housing choice vouchers, or residing in project-based assisted units cannot receive monthly EHH rental assistance.*
- G. Late Payments
  - i. The lead agency or subrecipient must make timely payments to owners per the rental assistance agreement. The lead agency/subrecipient is solely responsible for paying with non-EHH funds any late payment penalties that it incurs.
- H. The total period for which any program participant may receive ESG services cannot exceed 24 months during any 3-year period, including arrearages.
- I. Lead agencies and subrecipients may set a maximum dollar amount and maximum period for which a program participant may receive any of the types of assistance or services described within the regulatory maximums.

## 6.16 Terminating Assistance

To terminate assistance to a program participant, lead agencies and subrecipients must establish and follow a formal process that recognizes individual rights and meets all statutory requirements. Lead agencies and subrecipients may terminate EHH assistance if a participant violates the rules of the program. Program termination is allowed in only the most severe cases.

The termination procedure for Rapid Re-Housing and Homelessness Prevention programs must include:

- A. Written notice to the program participant with a clear statement of the reasons for termination.
- B. Review of the decision to terminate with an opportunity for the program participant to present written or oral objections to a third-party.
- C. Prompt written notice to the program participant of the final decision.

Assistance to a program participant who has been terminated from a program may resume at a later date.

## 6.17 Documentation Requirements

Lead agencies and subrecipients will be responsible for demonstrating how each requirement for documentation is met, maintained, and monitored. Regardless of how the documentation is maintained, it must be consistent for each client within the project.

- A. **Demonstration of intake** and basic assessment of needs and program eligibility.
- B. Documentation of **homeless or at-risk-of-homelessness status** which demonstrates program eligibility
- C. **Annual income** for homelessness prevention or HPP rapid re-housing assistance wherein there must be an income evaluation form and source documentation. In the absence of source documentation, there may be third-party verification and in the absence of third-party verification, there must be at least certification from the client.
- D. **Re-evaluation** of income, other resources, and support networks for homelessness prevention or rapid re-housing assistance. There must be documentation showing whether annual income is still at an eligible level and whether the participant still lacks other resources or support networks to sustain housing without assistance.
- E. **Type of service** refers to the amount and type of assistance provided to that program participant, including, as applicable, the security deposit, rental assistance, and utility payments made on behalf of the program participant.
- F. **Termination procedure** documentation that demonstrates clients have been informed of their rights and of the procedure, and any correspondence related to a termination proceeding, if applicable.
- G. Documentation of **referrals and connections** to homeless and mainstream services made during enrollment in the EHH program.
- H. **Case management** for prevention and re-housing participants which includes both demonstration of a monthly meeting and a housing stability plan.
- I. **Rental assistance agreements and payments** which must include copies of all leases and rental assistance agreements for the provision of rental assistance, documentation of payments made to owners for the provision of rental assistance, and supporting documentation for these payments, including dates of occupancy by program participants and/or lease.
- J. Documentation of compliance with **Fair Market Rent** (ESG only) and **Rent Reasonableness**.
- K. **Housing standards** for homelessness prevention or rapid re-housing assistance must include documentation of compliance with housing standards in §576.403, including inspection reports. This requirement is met by the completed and signed Habitability Standards Checklist (or HQS for HPP-only programs).

# Chapter 7: Financial Management

## 7.1 Financial Management

All Grantees and Subrecipients must ensure compliance with regulations and requirements pertaining to the following key areas of financial management: allowable costs, source documentation, internal controls, budget controls, cost allocation plans, cash management, accounting records, procurement, property asset controls, and audits. Furthermore, the Grantee and Subrecipients must use EHH program funds only for eligible activities and in accordance with the Bureau of Housing approved program budget. Any changes from the planned expenditures must be approved in advance by the Bureau of Housing. EHH funds may not be used for activities other than those authorized in the regulations and approved by the Bureau of Housing. Furthermore, all expenditures must be in accordance with conditions such as funding ceilings and other limitations on EHH eligible costs.

## 7.2 Tracking of Funds

All funding sources from DEHCR must be tracked separately. Each expenditure billed to the EHH grant must have backup documentation that can be produced upon request. Payroll expenses should include documentation from timesheet to paycheck and should show allocation of hours by funding source. Grantees are required to provide access to financial statements, charts of accounts, and expenditure records upon request by representatives of Department of Administration (DOA, DEHCR), US Department of Housing and Urban Development (HUD), or the Legislative Audit Bureau (LAB).

## 7.3 Indirect Cost Allocation

Indirect costs billed to the EHH grant should follow standard accounting practices. Backup documentation supporting these costs should be able to be produced upon request.

## 7.4 Audit

The grantee shall have a certified annual audit performed utilizing generally accepted accounting principles and generally accepted auditing standards. Please note that any grantee who is a non-Federal entity “that expends \$750,000 or more during the non-Federal entity’s fiscal year in Federal awards must have a single or program-specific audit conducted for that year...” per 2 CFR §200.501. The EHH grant award by itself may not trigger this requirement, however when combined with all other Federal awards the grantee receives it may in combination trigger this requirement, if the combined Federal awards are equal or greater than \$750,000.

If an audit is required by federal law and if the grantee is also the recipient of state funds under the same or a separate contract program, then the state funded programs shall also be included in the scope of the federally required audit.

Governmental and non-profit grantees, or their assignees, which received state funds during their fiscal year, shall comply with the requirements set forth in the State Single Audit Guidelines

issued by the Department of Administration. Audit reports are due to the Department of Administration within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period.

For information on submission of the audit reporting package please see the [Department of Administration's Single Audit Compliance Supplement](#).

## Chapter 8: Method of Payment

### 8.1 EHH Payment Request Forms

Grantees may draw on Department funds as reimbursement of actual reported expenditures. To initiate each payment, grantees must complete and submit a monthly EHH payment request form on or before the twentieth (20<sup>th</sup>) of the following month for a month's expenses. Before submitting a payment request, lead agencies should review the payment request to ensure no budgets are overdrawn and columns add up as expected. If any errors are identified, contact the EHH Program Manager.

If corrections need to be made to expenses reported in past months, do not edit the expenses which have already been submitted and reimbursed. Past omissions in reimbursable expenses or match can be added to the current month's column on the payment request. If previously reported expenses or match funds were reported incorrectly and need to be removed from the request, this correction can be made in the current month's column on the payment request. Those funds should be subtracted from any requested funds in the current month so all totals update accordingly. Also, if lead agencies identify unallowable costs that have been previously reimbursed, they must indicate in their next reimbursement request the extent to which the new payment request has been reduced to account for the error. If a budget category would turn negative if the correction were to be entered in a single month's column, spread the negative funds across multiple payment requests.

#### A. Category Minimum

Each payment request must abide by a \$100 minimum per category. To request reimbursement under a category (RRH, Emergency Shelter, etc.), the amount must be a minimum of \$100. If there is less than \$100 of expenses in a given month in a specific category, hold those expenses and report them on a later request when the combined expenses are at least \$100.

There are a few exceptions:

- i. When submitting the final expenses for a category (i.e. expensing the remainder of a category's budget, which may be less than \$100)
- ii. When submitting ESG expenses for March (March is the last month in the CAPER reporting period; at that time all ESG expenses must be reported, regardless of amount)

#### B. Email/Naming Convention

Each payment request should be submitted in its own email to the EHH Program Manager as well as [DOADEHCRFiscal@wisconsin.gov](mailto:DOADEHCRFiscal@wisconsin.gov). The following naming convention should be used in your email subject line when submitting your monthly requests for reimbursement:

- i. Contract Number, Grantee Name, Month of Request (example: EHH 23-01 ADVOCAP October 2023)

## 8.2 Match Reporting

When entering match expenses on the payment request form, ensure all expenses fall into the proper category. The remaining match requirement is displayed and will update as match is entered into the payment request form. Lead agencies should track this number to ensure they will meet their match requirement by the end of the grant year. The remaining match requirement shown on the payment request makes its calculation based on the assumption that all ESG funds will be drawn. If this will not be the case, be sure to recalculate the match requirement with this in mind.

## 8.3 Budget Adjustments

If an agency's needs are different than anticipated and more funds need to be allocated to a different budget category, the lead agency will need to request a budget adjustment. Changes to the approved cost categories must be requested in writing using the Budget Adjustment form included in the EHH Payment Request Workbook. Subrecipients requesting an adjustment should submit their request to the lead agency, which will submit the adjustment request on their behalf. When completing the form, the lead agency name, date, and requested adjustment(s) must all be entered. The total being transferred should equal the total being received in other categories. Adjustments cannot put an agency over its cap for administrative, outreach, or emergency shelter spending or below its minimum for rapid re-housing spending. Budget adjustments must be approved by the EHH Program Manager. Once an adjustment is approved, DEHCR will send a revised payment request form to the lead agency.

## 8.4 Budget Constraints

EHH lead agencies must abide by the following budget constraints:

- A. The budget for ESG Rapid Re-Housing must be at least 30% of the total ESG award.
- B. The combined budget for ESG Emergency Shelter and ESG Street Outreach cannot exceed 60% of the total ESG award.
- C. The budget for ESG Administration cannot exceed 3% of the total ESG award.
- D. The budget for HPP Administration cannot exceed 10% of the total HPP award.
- E. The budget for HAP Administration cannot exceed 10% of the total HAP award.

These constraints apply to the overall budget of an EHH contract with DEHCR. They do not apply to individual agencies, programs, or subrecipients. DEHCR may grant exceptions on a case-by-case basis.

## 8.5 ESG Program Income

Program income includes any amount of a security or utility deposit returned to a lead agency or subrecipient. No other program income is allowed to be derived from ESG. Lead agencies and subrecipients are prohibited from requiring or suggesting repayment of any service or financial assistance except for security and utility deposits.

Program income must be used as ESG match and must be documented on the EHH Payment Request form. This means that the program income must be used for ESG-eligible expenses (e.g. expenses the agency may request reimbursement for on the EHH Payment Request



Form). To report program income match expenditures, report the amount expended in the “Program Income” row of the Match table at the bottom of the EHH Payment Request form (see example below).

**Example: Program Income Reporting on the EHH Payment Request Form**

MATCH	Previous	Current	Total to Date	Total Match Required	Remaining Match Required
Other Non-ESG HUD Funds	\$0.00	\$0.00	\$0.00		
Other Federal Funds	\$0.00	\$0.00	\$0.00		
State Government (including HPP/HAP, if match)	\$0.00	\$0.00	\$0.00		
Local Government	\$0.00	\$0.00	\$0.00		
Private Funds	\$0.00	\$0.00	\$0.00		
Other	\$0.00	\$0.00	\$0.00		
Fees	\$0.00	\$0.00	\$0.00		
Program Income	\$0.00	\$0.00	\$0.00		
<b>Match Grand Total</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>		

There must be an auditable trail that details how the program income was spent. Documentation of program income expenditures may be requested during monitoring visits.

## 8.6 Reallocation

DEHCR will review grant balances throughout each grant cycle and reserves the right to reallocate funding as needed among EHH Lead Agencies. EHH Lead Agencies have the right to reallocate funding as needed among their subrecipients.

## 8.7 Final Payment Request & Close Out:

Grantees must submit a final payment request and a financial closeout report within 60 days of the contract’s performance period end date.

# Chapter 9: Resources

Information on the following topics can be found at the resources listed below:

- DEHCR website:
  - <https://energyandhousing.wi.gov/Pages/AgencyResources/ehh-program.aspx>
  - Includes required forms
- Continuum of Care Contact Information:
  - <https://www.hud.gov/states/wisconsin/working/cpd/cocontacts>
- Balance of State Local Homeless Coalitions:
  - <https://www.wiboscoc.org/find-services.html>
- Affirmative Action
  - <https://doa.wi.gov/Documents/DEO/WIAffirmativeActionRequirements.pdf>
- At-Risk of Homelessness Criteria:
  - <https://www.hudexchange.info/resource/1975/criteria-for-definition-of-at-risk-of-homelessness/>
- County Median Income (CMI):
  - [https://www.huduser.gov/portal/datasets/il.html#2022\\_data](https://www.huduser.gov/portal/datasets/il.html#2022_data)
  - *For ESG limits, select "Tables for HUD 30% Income Limits"*
- Fair Market Rent (FMR):
  - <https://www.huduser.gov/portal/datasets/fmr.html>
- Homelessness Criteria & Documentation Requirements:
  - <https://www.hudexchange.info/resource/1974/criteria-and-recordkeeping-requirements-for-definition-of-homeless/>
- HUD Exchange/ESG:
  - [https://www.hudexchange.info/programs/esg/?utm\\_source=HUD+Exchange+Mailing+List&utm\\_campaign=b0590262b8-SNAPS Redesign Pages 11 1 23&utm\\_medium=email&utm\\_term=0\\_b0590262b8-%5B%5D](https://www.hudexchange.info/programs/esg/?utm_source=HUD+Exchange+Mailing+List&utm_campaign=b0590262b8-SNAPS+Redesign+Pages+11+1+23&utm_medium=email&utm_term=0_b0590262b8-%5B%5D)
- HUD's Equal Access Agency Assessment Tool
  - [https://www.hudexchange.info/resource/4952/equal-access-rule-project-self-assessment-tool/?utm\\_source=HUD+Exchange+Mailing+List&utm\\_campaign=ef72d86245-Equal-Access-Rule-Assessment 11.4.21&utm\\_medium=email&utm\\_term=0\\_f32b935a5f-ef72d86245-19521985](https://www.hudexchange.info/resource/4952/equal-access-rule-project-self-assessment-tool/?utm_source=HUD+Exchange+Mailing+List&utm_campaign=ef72d86245-Equal-Access-Rule-Assessment+11.4.21&utm_medium=email&utm_term=0_f32b935a5f-ef72d86245-19521985)
- Rent Reasonableness
  - <https://www.hudexchange.info/resource/3070/esg-rent-reasonableness-and-fmr/>
  - <https://www.hudexchange.info/resource/2098/home-rent-reasonableness-checklist-and-certification/>
- SAM.gov
  - <https://sam.gov/content/home>
- State Single Audit Guidelines
  - <https://doa.wi.gov/Pages/StateFinances/State-Single-Audit-Guidelines.aspx>