



# CITY OF DETROIT

## Policies and Procedures Manual for Emergency Solutions Grants Coronavirus (ESG-CV) Homeless Programs Addendum

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Published March 2022

Updated July 2022

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# Section 1: General Information and Background

## Purpose of This Document

This document is intended to serve as a guide for subrecipients of the City of Detroit's Emergency Solutions Grants COVID-19 (ESG-CV) Program. The Coronavirus Aid, Relief, and Economic Security Act of 2020 (CARES Act) provided for supplemental appropriation of Homeless Assistance Grants under the Emergency Solutions Grant (ESG). The ESG-CV funds are to be used to prevent, prepare for and respond to the Coronavirus pandemic. The following definitions may be used:

- Prevent....coronavirus: means an activity designed to prevent the initial or further spread of the virus to people experiencing homelessness, people at-risk of homelessness, recipient or subrecipient staff, or other shelter or housing residents.
- Prepare for....coronavirus: means an activity carried out by a recipient or subrecipient prior to or during a coronavirus outbreak in their jurisdiction to plan to keep people healthy and reduce the risk of exposure to coronavirus and avoid or slow the spread of the disease.
- Respond to coronavirus: means an activity carried out once coronavirus has spread to people experiencing homelessness, provider staff, or once individuals and families lose or are at-risk of losing their housing as a result of the economic downturn caused by the coronavirus.

ESG-CV funds are subject to the following flexibilities and conditions provided by the CARES Act. These changes from general ESG guidelines apply only to ESG-CV grants:

- The funds may be used to cover or reimburse allowable costs incurred by a State or locality before the award of funding (including prior to the signing of the CARES Act) to prevent, prepare for, and respond to COVID-19;
- The funds are not subject to the spending cap on emergency shelter and outreach under 24 CFR 576.100(b)(1);
- The funds are exempt from the ESG match requirements, including 24 CFR 576.201;
- The funds are not subject to the consultation and citizen participation requirements that otherwise apply to the Emergency Solutions Grants, however each recipient must publish how its allocation has and will be used, at a minimum, on the Internet at the appropriate Government web site or through other electronic media;
- The funds may be used to provide homelessness prevention assistance (as authorized under 24 CFR 576.103 or subsequent HUD notices) to any individual or family who does not have income higher than HUD's Very Low-Income Limit for the area and meets the criteria in paragraphs (1)(ii) and (1)(iii) of the "at risk of homelessness" definition in 24 CFR 576.3;

The deadline to expend ESG-CV funds is September 30, 2023. See spending timeline requirements in HUD [ESG-CV Notice, CPD-22-06](#).

Projects funded with ESG-CV must be low barrier with a housing first orientation. Per HUD guidance, individuals and families assisted with these funds must not be required to receive treatment or perform any other prerequisite activities as a condition for receiving shelter, housing, or other services for which these funds are used, notwithstanding housing stability case management.

Program regulations are established in [24 CFR §576](#), the HUD ESG Interim Rule ([ESG Program and Consolidated Plan Conforming Amendment of 24 CFR Parts 91 and 576, Docket No. FR-5474-I-01, RIN 2506-AC29](#)) and the [ESG-CV Notice](#) issued September 1, 2020. It is important to note that this document summarizes various grant requirements and is not intended to replace the regulations listed above or any applicable federal, state, or local laws. The City of Detroit's Policies and Procedures define eligible activities and populations to be served which are subsets of what is listed in the ESG Interim Rule. HUD has a [quick reference guide](#) for use in determining eligible activities and costs under the ESG program. Finally, subrecipients are encouraged to also reference the program regulations and grant agreement to ensure compliance with the requirements of the ESG-CV program, in addition to this document.

These policies and procedures will be updated as necessary throughout the grant period.

## How to Use This Document

This document's purpose is to be an addendum to the City of Detroit's Homelessness Solutions Policies and Procedures Manual

Subrecipients can use this document as an ongoing reference guide throughout the implementation of their ESG-CV funded program(s). The document is organized into sections that can be easily referenced using the table of contents.

The applicable rules for any specific project depend on both the source of funds (Detroit Continuum of Care (CoC) funds or ESG funds through the City of Detroit Office of Housing and Revitalization) and the particular program component for which the funds are designated. As such, not every section of this manual is applicable to every program.

This manual has been organized into subsections that are most relevant to each program component type in order to provide easy access to applicable sections for any given provider. Readers who are unsure under which component their project is funded should refer to their grant agreement and the descriptions of ESG/ESG-CV program components. Please see the [City of Detroit Policies and Procedures Manual for Community Development Block Grant \(CDBG\) and Emergency Solutions Grants \(ESG\) Homeless Programs](#) for ESG and matching Community Development Block Grants (CDBG) for the full detail of policies and procedures. This document is meant to share the variances of the ESG-CV funding due to the unique use of funds. If additional questions arise, please contact the [City of Detroit](#) for additional information about program requirements and effective implementation strategies of the ESG-CV Program.

## Community Values and Priorities

To ensure continuity and consistency within City of Detroit's ESG-funded programs, ESG-CV subrecipients should follow the guiding principles outlined within the ESG program manual when implementing their programs. Additionally, the following goals and priorities incorporate those from Detroit's Joint Statement on Priorities: Responding to Homelessness During COVID-19 Pandemic, along with additional priorities developed in collaboration with the City, CoC lead Homeless Action Network of Detroit (HAND), and various other community

stakeholders. With this rare opportunity of new ESG funding, the community wishes to take bold steps towards significantly reducing homelessness in the City of Detroit.

#### Values

- **Flexibility:** Change is constant and we must adapt and consistently respond to emerging ideas and challenges, or try new and innovative ideas to meet client needs.
- **Promoting equity:** We demonstrate a commitment to equity through: inclusive, transparent and thorough decision-making processes and communication; regular examination of equitable outcomes, and diverse representation across the board and committees.
- **Data Driven:** Our community expects transparent and open decision making, rooted in data that is disaggregated by race, where possible.
- **Collaboration and partnerships:** We believe that homelessness does not exist in a vacuum. To be successful - inclusiveness, engagement, collaboration and cross-systems partnership are required.
- **Continuous improvement:** We commit to continuous learning and improving the access to and delivery of services to meet client needs.
- **Accessibility:** We believe that all persons should have access to housing regardless of race, age, gender, sexual identity, sexual orientation, mental health, substance use, or any other factor that people may use to discriminate. We also believe that all persons have the right to safe, affordable, and sustainable housing.

#### Priorities for this ESG-CV Funding

1. **Prevent, Prepare for and Respond to COVID-19:** People experiencing homelessness often have a higher risk for exposure to communicable diseases and have little access to health care systems and treatment in their communities. Detroit is committed to slowing the spread of the virus and protecting all individuals, especially those at increased risk for severe illness.
2. **Prevent and End Family Homelessness in Detroit:** Detroit is committed to preventing families with children from experiencing homelessness, and ensuring that when families experience homelessness they are able to quickly regain permanent housing. Ending family homelessness means that system outflow into permanent housing is greater than system inflow into the homeless system. To achieve this, we will need to:
  - Strengthen housing solutions specifically for families;
  - Prevent additional families from entering homelessness; and
  - Deepen partnerships with domestic violence service partners, educational systems, behavioral health systems of care and other community-based service partners to ensure families are able to remain safely and stably housed.
- **Enhance System Capacity:** Grow the network of agencies that are providing homeless services and receiving ESG-CV funding to increase the overall capacity of the system.
- **Lift Up Lived Experience:** Expand the inclusion of persons with lived expertise/experience in the design of, planning for and evaluation of projects, services, and programs.
- **Increase Housing Focus:** All programs should align with Housing First principles:
  - Shelters maintain low barriers with enhanced, housing-focused case management services.
  - Enhance outreach and engagement beyond meeting basic needs by getting clients “document ready” and providing housing navigation.
  - RRH programs act urgently to quickly house clients and have high quality, tenant-centered housing search and stabilization services.
- Improve Service Quality and Connections:

- Outreach, shelter and RRH programs should enhance connections to mainstream services, especially connections to mainstream benefits and health care (physical and behavioral).
- Flexible, participant-driven and strengths-based service delivery.
- **Target Homelessness Prevention:** Prevention programs are targeted to those most at risk of homelessness and build upon existing diversion and eviction prevention efforts.
- **Improve and Use Data:** Improve all program/project internal capacity to collect and enter quality data, including COVID-related data, and use that data to improve services.

## Written Standards Requirements

The City of Detroit has drafted and implemented street outreach, emergency shelter, and homeless prevention written standards outlined throughout this manual. This ESG Policies and Procedures Manual encompasses and expands upon the spirit of the [Detroit CoC Homeless System written standards](#) posted on the Homeless Action Network of Detroit (HAND) website.

## City of Detroit Contact Information

Staff working at the City of Detroit’s Housing and Revitalization Department maintain traditional business hours and can be contacted at:

Phone: 313.224.6380

Website: <http://www.detroitmi.gov/HRD>

# Section 2: Administrative Requirements of Lead Subrecipients

## Grants Management

### Changes to ESG-CV Manual

The City of Detroit may revise the ESG-CV manual at any time. All subrecipients will be notified of the updates to this manual and will receive the latest version via email. Subrecipients are responsible for sharing revisions with staff and any subgrantees in a timely manner.

### Monitoring

The City of Detroit will regularly monitor all ESG-CV grant activities. The City of Detroit will communicate with an agency at least 3 weeks in advance to give them time to make preparation for the visit. Please see [City of Detroit Policies and Procedures Manual for Community Development Block Grant \(CDBG\) and Emergency Solutions Grants \(ESG\) Homeless Programs](#) for additional detail.



## Subrecipients Requirements

All City of Detroit ESG-CV subrecipients must:

- Record all client-related data and activity using the Continuum of Care (CoC) established HMIS.
- Participate in the Continuum of Care as defined as participating in CoC General Membership meetings and/or CoC Committees or Work Groups.
- Participate actively in the community-wide Coordinated Assessment Model (CAM).
- Provide services consistent with a Housing First approach. (See Frequently Used Terms: Housing First for more information.)
- Comply with all requirements in their subrecipient agreements, federal requirements outlined in the ESG Interim Rule, HUD ESG-CV Notices and Waivers, and locally established written program standards.

## Financial Administration

### Budget Caps

ESG-CV Administration- up to 10 percent (ten percent) of the ESG-CV contracted budget may be allocated to administrative costs.

### Match

ESG-CV does not have any match requirements.

### Budget Categories

- Administration
- HMIS
- Street Outreach
- Shelter Case Management
- Shelter Operations
- Shelter Renovation
- Temporary Emergency Shelter
- Rapid Re-housing Case Management
- Rapid Re-housing Rental Assistance
- Rapid Re-housing Other Financial Assistance
- Prevention Case Management
- Prevention Rental Assistance
- Prevention Other Financial Assistance

### Reimbursements

Subrecipients must request payment from the City of Detroit using the invoicing process outlined in this manual, once their ESG contract is in place. Subrecipients requesting reimbursement must adhere to the following:

- Submit program reimbursement requests and supporting documentation by the 15<sup>th</sup> of each month for the previous month.

- Provide the Exhibit E reports from HMIS as part of the submission package.
- Submit the exhibits with financial reimbursement packages to the [hsbilling@detroitmi.gov](mailto:hsbilling@detroitmi.gov) by the 15th of month following the end of the quarter.

Failure to submit timely requests for reimbursement can result in reallocations, reductions in awards, or loss of future program funding.

After review and submission of payment documentation, subrecipients will be notified of any deficiencies and/or disallowed costs. Following City of Detroit approval, requested invoices should be uploaded to the iSupplier portal for reimbursement. The City of Detroit is committed to timely reimbursement of subrecipients and has created internal timeliness expectations to meet this requirement, however, the 30-day payment clock begins when a **complete** reimbursement package is submitted by the subrecipient.

Payments can be emailed to the Housing and Revitalization Department directly at [hsbilling@detroitmi.gov](mailto:hsbilling@detroitmi.gov).

For questions related to the ESG payment process, please contact the City of Detroit at (313) 224-9974.

## Budget Modifications

The subrecipient may, if the City approves in writing, modify the line item budget by requesting the modification in writing and specifying the need for the modification. Any modification of the line-item budget must be approved in writing by the City before the Subrecipient commits to the expenditure of funds outside the currently approved line-item budgeted. Further restrictions and requirements can be found in the subrecipient agreement.

## Spending Timeline Requirements

City of Detroit will monitor grant spending to ensure that subrecipients are on track to spend out funds. If subrecipients are not spending down in a timely manner, funds may be recaptured.

### Update to Spending Timelines Per Notice CPD-22-06:

Notice CPD-22-06, issued April 18, 2022, replaces the March 31, 2022, deadline for expending 80% of funds with a June 16, 2022, deadline drawing 50% of funds. HUD may recapture up to the difference between 50 percent of the total amount the recipient received through the first and second allocations of ESG-CV funds (adjusted by any already recaptured amounts, as applicable) and the amount of ESG-CV funds a recipient has drawn from IDIS by 6/16/2022.

The Notice extends the 9/30/2022 overall expenditure deadline to:

- 9/30/2023 for ESG-CV funds (except for Administration and HMIS)
- 12/31/2023 for ESG-CV Admin and HMIS costs needed for closeout
- 6/30/2024 for reallocated funds

The table below shows when all ESG-CV funding must be drawn and expended by.

ESG-CV Funds Description	Spending Requirement	Deadline
Rounds 1 + 2	50% Drawn	June 16, 2022
	100% Expended	September 30, 2023
	100% Expended	December 31, 2023
Reallocated Fund	100% Expended	June 30, 2024

**Note:** the spending deadlines do not extend the dates of a subrecipient agreement. Per the subrecipient agreement, all requests to extend the length of the agreement must be made in writing to HRD 90 days prior to the end of the agreement period.

## ESG-CV Program Components

ESG funds must be used for eligible activities that prevent, prepare for, and respond to the coronavirus as outlined below. The ESG-Program Interim Rule applies except for the waivers and additional activities established in the CARES Act and in Notice CPD-20-08 (ESG-CV Notice). These alternative requirements and flexibilities are also applicable to annual ESG funding when those funds are used to prevent, prepare for, and respond to coronavirus.

**Funded activities must be tied to the community response to COVID-19.**

### Street Outreach

Street Outreach meets the immediate needs of households experiencing unsheltered homelessness by connecting them with emergency shelter, housing, and/or critical health services.

ESG-CV funds may be used for the costs of providing essential services necessary to reach out to unsheltered homeless households and connect them with emergency shelter, housing, or critical services. For the purposes of this section, the term “unsheltered homeless” means individuals and families who qualify as homeless under paragraph (1)(i) of the “homeless” definition under [24 CFR 576.2](#): An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground.

Street Outreach activities funded with ESG-CV must be consistent with CDC guidance related to street outreach and engaging people at increased risk of severe illness when contracting coronavirus, as well as established best practices. ESG-CV funded outreach programs should encourage (but may not require) people experiencing homelessness to get tested if they are experiencing COVID-19 symptoms.

HUD has approved the following as eligible costs under street outreach:

- Engagement: Hand sanitizer, soap, tissue packets, masks, disposable gloves, other PPE.
- Case Management: Coordinating medical care, including accessing the COVID-19 vaccine.

- Transportation: Train or bus tokens, taxi or rideshare for program participants' travel to and from medical care.
- Expanded Staffing: Hiring additional staff to support infectious disease preparedness, providing hazard pay to staff with direct participant contact.
- Provision of handwashing stations and portable bathrooms.
- Maintaining social distancing requirements during engagement.
- Laundry

ESG-CV funding for street outreach to respond to COVID-19 may include providing masks, hand sanitizer, and soap to households experiencing unsheltered homelessness; outfitting staff with personal protective equipment; coordinating medical care and other support services; providing transportation for program participants to travel to and from medical care, and other needed services; hazard pay; and providing reasonable incentives to volunteers (e.g. cash or gift cards) who are helping to provide necessary services during the coronavirus outbreak.

In addition to eligible street outreach activities under 24 CFR 576.101, street outreach programs may use ESG-CV funds for the following eligible activities:

### **Handwashing Stations and Portable Bathrooms**

ESG-CV funds may be used for costs of providing urgent, non-facility-based care to unsheltered households who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility. To this end, funds may be used for portable hygiene services and the staffing, equipment, supplies and services to clean and maintain these facilities to support households experiencing unsheltered homelessness. Examples include handwashing stations and bathrooms (e.g., porta potties) and shower trucks with soap and shampoo.

### **Expanded Case Management**

ESG-CV has expanded eligible costs under case management to include Providing referrals to medical care, coordinating and arranging the delivery of needed services, hiring vaccine ambassadors to engage/educate peers about the vaccine. Additionally, programs may use funding in collecting vaccine-related data in Homeless Management Information System (HMIS) to assist program participants with following up on the second dose of the COVID-19 vaccination.

### **Laundry**

ESG-CV funds may be used for the costs of providing laundry services to prevent the spread of coronavirus among individuals and families experiencing unsheltered homelessness, including by paying for laundry trucks to outdoor locations where people are residing. Allowing ESG-CV funds to pay for the costs of laundry services will help prevent the spread of coronavirus by providing people living in unsheltered locations regular access to laundry which cleans and disinfects clothing.

### **Personal Protective Equipment (PPE)**

As part of engagement, street outreach teams may use ESG-CV funds to purchase personal protective equipment (e.g., hand sanitizer, soap, tissue packets, face masks and shields,

disposable gloves, sneeze guards) for those experiencing unsheltered homelessness in order to help reduce the spread of COVID-19.

## Emergency Shelter

Emergency shelter operations and services to households residing in emergency shelter are allowable activities. Households are eligible for emergency shelter assistance if they are unsheltered or residing in a temporary housing program.

Emergency shelter activities funded with ESG-CV should be in alignment with recommended guidance to [effectively manage infectious disease within the shelter](#) during coronavirus. ESG-CV funding for emergency shelter to respond to COVID-19 may include providing cleaning supplies; personal protective equipment for staff and program participants; portable hygiene services; volunteer incentives; hazard pay; furnishings such as room dividers and cots; and costs associated with providing transportation for program participants to travel to and from medical care, and other needed services. Shelters are encouraged to use funds provided through ESG-CV to purchase technology to access telehealth services provided through Advantage Health Centers (Healthcare for the Homeless) or other Federally Qualified Health Center (FQHC).

Emergency shelter renovation, rehabilitation, or conversion are eligible expenses. Subrecipients should work closely with the City to ensure adherence to HUD requirements.

If no appropriate emergency shelter is available, subrecipients may use ESG or ESG-CV funds to provide unsheltered homeless individuals with hotel/motel vouchers. Hotel/motel vouchers may be provided if shelter beds are available, but it is not safe for them to use because of the need for social distancing. Eligible costs include:

- A hotel or motel room directly or through a hotel or motel voucher
- Cleaning of hotel or motel rooms used by program participants
- Repairs for damage caused by program participants above normal wear and tear of the room.

**Agencies must have prior authorization from the City of Detroit staff prior to utilizing hotels with ESG-CV funding.**

No household shall be denied access to safe housing, which may include alternative housing or a hotel room, even if they have been exposed or are symptomatic with coronavirus. Health-related questions should not determine admission, access to programs and should not be asked in order to screen people out of shelter. If shelters utilize symptom screening as a part of intake procedures, it must be reviewed and approved by the Department Health Department or taken directly from the [CDC](#). The Detroit Health Department is available to conduct testing for people experiencing homelessness; please contact your program manager for more information. Testing is also available at [local federally qualified healthcare centers](#). ESG-CV funded shelter programs should encourage (but may not require) people experiencing homelessness to get tested if they are experiencing COVID-19 symptoms. Someone who presents at an ESG or ESG-CV-funded shelter with respiratory symptoms (e.g., cough) should not be turned away solely because of their health symptoms. Additionally, shelters cannot require participants to receive the COVID-19 vaccination to receive services. However, ESG-CV funds can be used to make direct cash payments as an incentive for receiving the COVID-19 vaccine. The incentive cannot exceed payments of \$50 per dose. These incentives are only eligible for people experiencing homelessness and only to the extent that other vaccine

incentives were inaccessible or unavailable to people experiencing homelessness within the community.

The purpose of ESG-CV funds is to prevent, prepare for, and respond to COVID-19 in order to prevent and mitigate the spread of COVID-19 among people experiencing homelessness and the staff that provide services to these individuals. This requires that existing shelters implement public health protocols such as enforcing social distancing, establishing an isolation space (especially for residents suspected of having COVID-19, those with confirmed cases, and high-risk residents such as elderly people and people with pre-existing health conditions), using personal protective equipment (PPE), and cleaning/disinfecting shared and living spaces. If existing shelter is not available or where current shelters are not able to implement these safety protocols, additional space may need to be identified to allow people to have shelter while staying as healthy as possible. This may be space within an existing shelter (e.g., an office not being used) that could be temporarily converted into a quarantine space for someone who has tested positive or is awaiting test results, or it could be an entirely separate building. Eligible shelter spaces may include public spaces, pop up or modular structures in compliance with [HUD Guidance](#).

Shelters funded by ESG-CV may not turn away eligible program participants and must establish referral pathways to other shelter or housing if the shelter is at maximum capacity. Shelters must establish referral pathways to isolation and quarantine if a client is in need of such services. Shelters funded by ESG-CV are strongly discouraged from implementing a maximum length of stay when a discharge will result in program participants returning to unsheltered settings or situations putting them at a higher risk of COVID-19 infection. In addition, the CARES Act incorporates the FY2020 Appropriation Act's conditions on ESG funding which provide that youth aged 24 and under seeking assistance shall not be required to provide third party documentation to establish their [homeless status] to receive services. Unaccompanied youth aged 24 and under or families headed by youth aged 24 and under who are living in unsafe situations may be served by youth-serving providers

Any ESG-CV funded shelter that is considering closing or not accepting new residents must immediately notify the City, HAND, the Detroit Health Department, and emergency management officials.

## Temporary Emergency Shelters

ESG-CV funds may be used to pay for temporary emergency shelters for individuals and families experiencing homelessness. Eligible costs include leasing, operations, services, property acquisition and renovation.

Temporary Emergency Shelter is defined as a structure or any portion of a structure, which is used for a limited period of time because of a crisis, such as a natural disaster or public health emergency, to provide shelter for individuals and families displaced from their normal place of residence or sheltered or unsheltered locations.

Temporary Emergency Shelters are exempt from:

- Minimum standards for emergency shelters at [24 CFR 403\(b\)](#)- (lead-based paint requirements still apply)
- Environmental Review

- Minimum period of use requirements [\(24 CFR 576.102\(a\)\(xi\)\(4\)\(c\)\)](#)

Subrecipients must retain documentation that the shelter met the definition of temporary emergency shelter. Acquisition and renovation costs are subject to Disposition requirements outlined in [2 CFR 200.311 - Real Property](#) which requires repayment to HUD. Subrecipients who are considering acquisition and renovation costs should work closely with City staff to ensure adherence to requirements.

Additionally, as needed, recipients may convert temporary emergency shelter acquired or improved with ESG-CV funds into emergency shelter as defined at 24 CFR 576.2 without triggering the disposition requirements in 2 CFR 200.311(c).

Emergency Shelter Activity	Temporary Emergency Shelter	Permanent Emergency Shelter
Renovations	Allowable, repayment required	Allowable, minimum period of use required
Acquisition	Allowable, repayment required	Not allowable

Program participants cannot be required to sign leases or occupancy agreements, receive treatment, or perform any other prerequisite activities as a condition for staying in any shelter or receiving services.

Subrecipients must document that the structure/portion of the structure met the definition of Temporary Emergency Shelter.

HUD has approved the following as eligible costs under Emergency Shelter and Temporary Emergency Shelter:

SHELTER OPERATIONS	
Supplies	<ul style="list-style-type: none"> <li>• Cleaning supplies such as bleach, disinfectant wipes, scrubbers, and mops.</li> <li>• Personal protective equipment (PPE): such as face masks and shields, disposable gloves, and sneeze guards for staff and program participants.</li> <li>• Bed linens, towels, hand sanitizer, soap, and tissue packets.</li> <li>• Individually boxed meals and bottled water.</li> </ul>
Furnishings	<ul style="list-style-type: none"> <li>• Cots and room dividers.</li> </ul>
Equipment	<ul style="list-style-type: none"> <li>• Washers, dryers, portable handwashing stations, portable showers, car or van purchase for transporting participants, and ventilation systems (e.g., high-efficiency particulate air [HEPA] filters and air purifiers).</li> </ul>
Outpatient Health services*	<ul style="list-style-type: none"> <li>• Medication, emergency medical services, medication and follow-up services, and coordinating or providing medical treatment.</li> </ul> <p>*Services must be provided by licensed medical professionals and otherwise inaccessible or unavailable within the community.</p>

**Cell Phones**	<ul style="list-style-type: none"> <li>• Owned by the recipient/subrecipient and loaned to individuals and families experiencing homelessness?</li> <li>• Needed to enable program participants to participate in activities necessary to obtain or maintain housing?</li> <li>• Returned to the recipient/subrecipient when no longer necessary (i.e., once stay-at-home or social distancing orders are no longer in effect in the community in which the program participant resides, or when the phone is no longer needed to participate in activities necessary to obtain and maintain housing because those activities are no longer conducted virtually).</li> </ul>
Transportation	<ul style="list-style-type: none"> <li>• Train or bus tokens, taxi or rideshare for program participant travel to and from medical care, and car or van purchase for transporting participants or staff serving program participants.</li> </ul>

## Homelessness Prevention and Rapid Re-Housing Assistance

Rapid Re-Housing and Homelessness Prevention Assistance includes rent assistance and housing relocation and stabilization services for households experiencing homelessness and households at-risk of homelessness based on the household’s housing status at the time of program entry.

Rapid Re-Housing assistance is available for persons who are literally homeless according to HUD’s definition in Household Eligibility.

The CARES Act provides that ESG-CV funds may be used to mitigate the economic impact of COVID-19. Programs are encouraged to consider the maximum number of rental assistance months be extended/adjusted to address unemployment, loss of income, or benefits due to COVID-19. Additionally, CARES Act ESG-CV funding does not require a rental payment for households receiving financial assistance and projects are expected to serve people with zero income. Additionally, providers cannot require participants to receive the COVID-19 testing or vaccination to receive rapid re-housing or homelessness prevention services, including prioritizing assistance.

ESG-CV funds may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance necessary to prevent an individual or family from moving into an emergency shelter or another place described in paragraph (1) of the “homeless” definition in [24 CFR 576.2](#). ESG-CV rent assistance and housing relocation and stabilization services should be prioritized for households with the longest history of homelessness and for households with the most severe service needs including COVID-19 related needs. Prioritization for homelessness prevention are households earning less than 50 percent of Area Median Income (AMI) who are determined to have no alternative resources and no other place to go. The costs of homelessness prevention are only eligible to the extent that the assistance is necessary to help the program participant regain stability in the program participant’s current permanent housing or move into other permanent housing and achieve stability in that housing. Homelessness prevention must be provided in accordance with the housing relocation and stabilization services requirements in [24 CFR 576.105](#), the



short-term and medium-term rental assistance requirements in [24 CFR 576.106](#), and the written standards and procedures established under [24 CFR 576.400](#).

When assessing use of funds, the following document from the National Alliance to End Homelessness may be helpful: [Use ESG-CV to Help Those Currently Experiencing Homelessness First.](#)

Rapid re-housing (RRH) subrecipients must use a progressive engagement model; this practice supports using the least intensive intervention to help resolve homelessness for the individual or family. Providers are to add more assistance only as necessary if the less intensive intervention is unsuccessful. RRH households receiving rental assistance subsidies are encouraged to contribute a minimum of 30 percent of their monthly adjusted income toward their monthly rent. This tenant rent contribution may be adjusted at any time based on changes to household income. There is no minimum rent requirement and tenant rent contribution may be zero for households with no income.

In addition to eligible activities under ESG RRH and prevention, subrecipients may use ESG-CV to fund the following eligible activities:

## Landlord Incentives

ESG-CV funds may be used to pay for landlord incentives that are reasonable and necessary to obtain housing for individuals and families experiencing homelessness and at risk of homelessness. Landlord incentives may not exceed three times the rent charged for the unit. Eligible landlord incentives include:

- Signing bonuses up to 2 months of rent.
- Security deposits equal to up to three months of rent, or the state statute.
- Costs to repair damages incurred by the program participant not covered by the security deposit or that are incurred while the program participant is still residing in the unit.
- Paying the cost of extra cleaning or maintenance of a program participant's unit or appliance.

Landlord incentives may be charged under Rapid Re-Housing and Homelessness Prevention budget categories.

Subrecipients must maintain program records that document that program costs are reasonable.

## Sponsor-based Rental Assistance

As an alternative to tenant-based rental assistance and project-based rental assistance, sponsor-based rental assistance may be funded as provided below when necessary to use rapid re-housing and homelessness prevention assistance to re-house program participants quickly in permanent housing where landlords might not otherwise be willing to rent to them. Adding this flexibility is critical to limiting the spread of coronavirus among individuals and

families experienced or at risk of homelessness and helping them obtain housing in tight rental markets during the economic downturn caused by coronavirus. Accordingly, the following waivers and alternative requirements are established for the provision of sponsor-based rental assistance with ESG-CV funds:

- The limitation of rental assistance to tenant-based rental assistance and project-based rental assistance in 24 CFR 576.106(a)(4) is waived, and 24 CFR 576.106(h) and (i) will not apply.
- The recipient or subrecipient must execute a sponsor-based rental assistance agreement with a separate government agency, instrumentality, or nonprofit organization (“sponsor”) to subsidize the rent of program participants who are referred to be housed in units owned or leased by the sponsor. The rental assistance agreement may cover one or more permanent housing units owned or leased by the sponsor. Each unit covered by the rental assistance agreement (“sponsored unit”) may only be occupied by program participants, except as provided under paragraph the below. Under no circumstances may the rental assistance agreement commit ESG funding to be expended or provide assistance beyond the applicable period of performance for the funding.
- The recipient or subrecipient may pay up to 100 percent of the rent for the first month that the sponsored unit becomes available for rent to a new program participant, provided that a program participant signs a lease and moves into the unit before the end of the month for which that first month's rent is paid. This payment must not exceed the rent to be charged under the new program participant's lease, and unless the program participant moves in during the last half of the month that is paid, this payment must be included when determining that program participant's total rental assistance. This payment may be at the beginning of the agreement or after the payment permitted under paragraph the below, as long as payments are made for different months.

## Renters Insurance

The limitations on eligible activities provided in 24 CFR 576.105(a) are waived to the extent necessary to authorize ESG-CV funds to pay for renters insurance for program participants receiving rapid re-housing or homelessness prevention assistance. In order to pay for renters insurance for program participants, the recipient or subrecipient must:

1. Demonstrate that the payment of renters insurance is necessary to obtain or maintain housing (e.g., the landlord requires renters to have renters insurance to reside in the unit); **AND**
2. Pay the renters insurance directly to the insurance company on behalf of the program participant.

Recipients and subrecipients report that some landlords require their renters to carry renters insurance and many program participants do not have the funds available to pay for renters assistance. Therefore, in these cases when renters insurance is required by a landlord, this waiver and alternative requirement is necessary to help program participants obtain and maintain housing, which is necessary to both prevent the spread of coronavirus and help program participants obtain and maintain housing in tight rental markets during the economic downturn caused by coronavirus.

## Furniture and Household Furnishings

The limitations on eligible activities provided in 24 CFR 576.105(b) are waived and alternative requirements are established to the extent necessary to authorize ESG-CV funds to be used to buy furniture and household furnishings for use by program participants while they are receiving homelessness prevention and rapid re-housing assistance. Furniture and other household furnishings can help establish program participants in housing, which can contribute to housing stability. Therefore, this waiver and alternative requirement are necessary to help program participants obtain and maintain housing, which is critical to preventing the spread of coronavirus during the period that stay-at-home and social distancing measures are required or recommended. This waiver and alternative requirement are also needed in order to respond to coronavirus by assuring program participants can still obtain and maintain housing during the economic downturn caused by coronavirus when their incomes and resources are not enough to obtain the furniture necessary to contribute to housing stability. Additionally, recipients are reminded that if ESG-CV funds are used to purchase household furnishings, they will be subject to the requirements for equipment at 2 CFR 200.313, including the disposition requirements included in paragraph (e) of that section.

### Please note:

- Agency must retain the furniture after termination of rapid rehousing or homeless prevention assistance
- Subject to requirements under 2 CFR 200.213

## Essential Services

Essential services have been expanded under Notice CPD-21-08 to include RRH and prevention.

## Waivers, Alternative Requirements and Statutory Flexibilities for Existing Eligible Activities Per CPD-21-08

### Eligibility for Homelessness Prevention Assistance

The requirements at [24 CFR 576.103](#) that provide that individuals or families who meet the criteria in paragraph (2), (3), or (4) of the “homeless” definition in [24 CFR 576.2](#) and have an annual income below 30 percent of median family income for the area, as determined by HUD, are eligible for homelessness prevention assistance is waived and an alternative requirement is established where individuals and families who meet the criteria in paragraph (2), (3), or (4) of the “homeless” definition and have an annual income that does not exceed the Very Low Income Limit for the area as established by HUD for HUD’s Section 8 and Public Housing Programs at [www.huduser.gov/portal/datasets/il.html](http://www.huduser.gov/portal/datasets/il.html), are eligible for homelessness

prevention assistance. This alternative requirement will ease administrative burden for recipients and subrecipients by establishing a single income limit for households qualifying for homelessness prevention assistance and assist more households maintain housing and prevent homelessness which is necessary to prevent the spread of coronavirus.

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

- Providing rental assistance in units with rents above Fair Market Rent (FMR). The requirement at 24 CFR 576.106(d) that prohibits rental assistance where the rent for the unit exceeds the FMR established by HUD, as provided under 24 CFR Part 888, is waived so long as the rent complies with HUD's standards of rent reasonableness, as established under 24 CFR 982.507. Waiving this requirement will allow recipients to help program participants move quickly into housing or retain their existing housing, which is especially critical to reducing the spread of coronavirus and responding to coronavirus. This waiver provides additional flexibility beyond the waiver made available to the ESG Program on March 31, 2020 and extended to ESGCV funds on May 22, 2020 by permitting ESG recipients to provide rental assistance for program participants, whose current rent exceeds the FMR and by allowing recipients to use this waiver as needed throughout the period they are providing rental assistance to prevent, prepare for, and respond to coronavirus.
- The limitations in section 415(a)(4) of the McKinney-Vento Act and [24 CFR 576.106\(i\)\(3\)](#) are waived to the extent necessary to establish the following alternative requirement for project based rental assistance provided under 24 CFR 576.106(i): The recipient or subrecipient may make monthly rental assistance payments only for each whole or partial month an assisted unit is leased to a program participant, except that if a program participant moves out of an assisted unit before expiration of the agreement, the recipient or subrecipient may use ESG-CV funds to cover up to 100 percent of the rent for the unit for up to 30 days from the end of the month in which the unit was vacated, while the recipient or subrecipient attempts to house another eligible program participant in that unit. This payment will not count toward the total rental assistance provided to the next program participant housed in the unit, unless the program participant moves in during the first half of the month that is paid using this flexibility. This payment will not prevent paying up to 100 percent of the first month's rent for the new program participant as provided under 24 CFR 576.106(i)(2), as long as the payments are made for different months. This flexibility is necessary to assure recipients and subrecipients can maintain the availability of assisted units in which individuals and families experiencing or at risk of homelessness can be quickly re-housed, which is critical to preventing the spread of coronavirus and helping individuals and families experiencing and at risk of homelessness obtain housing in tight rental markets during the economic downturn caused by coronavirus.

## ADDITIONAL ALLOWABLE ACTIVITIES FOR ALL PROGRAMS

### Training

ESG-CV funds may be used to train staff on infectious disease prevention and mitigation for staff working directly to prevent, prepare for, and respond to coronavirus among households

who are homeless or at-risk of homelessness. The costs are eligible as a standalone activity, not as an administrative cost, and do not need to be tied to a specific intervention.

Training costs are allowable under all ESG components and can be provided to both homelessness assistance providers and to those who do not receive funding through the CARES Act.

Subrecipients must maintain meeting agendas and notes to support eligibility of this expense.

## Hazard Pay

ESG-CV funds may be used to pay hazard pay for subrecipients staff who work directly to prevent, prepare for, and respond to coronavirus among households who are homeless or at-risk of homelessness.

Examples of staff working directly in support of coronavirus response include:

- Street outreach teams
- Emergency Shelter staff
- Staff providing essential services (e.g., outpatient health or mental health, housing navigators)
- Staff in proximity to persons with coronavirus or working in locations with a high likelihood of contracting coronavirus

Hazard pay may be billed under Homelessness Prevention, Rapid Re-Housing, Emergency Shelter, and Street Outreach program components. While subrecipients have the authority to establish their own hazard pay amounts and their cap, all subrecipients should ensure the following criteria are met:

- They are provided under the organization's established written [compensation policies](#)
- The costs are equity allocated to all related activities including Federal awards; and, Subrecipients must maintain records that include job descriptions, policies and procedures or other program records that detail positions receiving hazard pay.

## Volunteer Incentives

ESG-CV may be used to provide reasonable incentives (e.g., cash or gift cards) to volunteers who help to provide necessary street outreach, emergency shelter, essential services, and housing relocation and stabilization services during the coronavirus outbreak.

Volunteer incentives may be billed under Homelessness Prevention, Rapid Re-Housing, Emergency Shelter, or Street Outreach.

Program records should document that costs are reasonable.

## Vaccine Incentives

The limitations on eligible activities provided in Section 415(a) of the McKinney-Vento Homeless Assistance Act and 24 CFR Part 576, Subpart B are waived to the extent necessary to authorize recipients and subrecipients to make direct, cash payments of up to \$50 per dose to people experiencing homelessness as an incentive for receiving a coronavirus vaccine. ESG-CV funds may only be used for vaccine incentives to the extent that other vaccine incentives are inaccessible or unavailable to people experiencing homelessness within the community. Receiving the vaccine is critical to preventing the spread of coronavirus. However, getting vaccinated, including following up with the second dose required by some of the available vaccines, can be particularly challenging for people who do not have a stable place to call home. Research has demonstrated that providing incentives to people, including those experiencing homelessness, to receive vaccines increases the uptake of vaccination. Therefore, this waiver and alternative requirement is necessary to assure people experiencing homelessness receive vaccination and prevent the spread of coronavirus.

## **Cell Phones and Internet**

The limitations on eligible activities provided in section 415(a) of the McKinney-Vento Homeless Assistance Act and 24 CFR part 576, subpart B are waived and alternative requirements are established to the extent necessary to authorize ESG-CV funds to be used under 24 CFR 576.101(a), 24 CFR 576.102(a)(1), and 24 CFR 576.105(b) for the costs of providing temporary cell phones for individuals and families experiencing homelessness, receiving rapid re-housing assistance under the Continuum of Care (CoC) Program, Youth Homelessness Demonstration Program (YHDP), and ESG Program, receiving homelessness prevention assistance under the ESG Program, or residing in permanent supportive housing funded under the CoC and YHDP Programs.

To qualify as an eligible cost:

1. The cell phone must be owned by the subrecipient, AND
2. The wireless service plan must be the subrecipient's, but the phone may be loaned to program participants and the wireless service cost may be paid as needed to enable program participants to participate in activities necessary to obtain or maintain housing (e.g., to interview for jobs, to receive health and mental health services, or to continue education).

The phone and phone service may be loaned to the participant while stay-at-home or social distancing orders are in effect in the community in which the program participant resides, or while they continue to need it to participate in activities necessary to obtain and maintain housing that remain virtual even after social distancing measures are relaxed and must be returned to the recipient/subrecipient when no longer necessary for these purposes. Waiving the limitations on eligible costs under street outreach, emergency shelter, and housing relocation and stabilization services and allowing ESG-CV funds to pay for these costs will allow individuals and families experiencing homelessness, or receiving rapid re-housing or homelessness prevention assistance, or residing in permanent supportive housing to participate in important activities. Such activities include interviewing for jobs and receiving services necessary to obtain and maintain housing during the period that stay-at-home and social distancing measures are in effect to avoid exposure to and prevent the spread of coronavirus, as well as to continue participating in these activities to the extent that they remain virtual even after social distancing measures are relaxed (e.g., continued virtual

employment and education) in order to obtain and maintain housing during the economic downturn caused by coronavirus.

### Personal Protective Equipment (PPE)

Per CPD-21-08, PPE is now an eligible expense under RRH and prevention in addition to street outreach and emergency shelter programs.

The limitations on eligible activities provided in section 415(a) and 24 CFR 576.105(b) are waived and alternative requirements are established to the extent necessary to authorize ESG-CV funds to be used to buy PPE (such as masks, disposable gloves, and hand sanitizer) for program participants receiving homelessness prevention and rapid re-housing assistance to **the extent the program participant needs the PPE to avoid exposure to and prevent the spread of coronavirus** (e.g., to go out in public or enter common areas of housing).

## Rental Assistance Requirements

### Rental Assistance Agreement

Rent assistance agreements are required between the subrecipient and the property owner in order to provide rent assistance. The agreement must set forth the terms under which rental assistance will be provided, including the requirements that apply under 24 CFR §576.106 (e). The rental assistance agreement must provide that, during the term of the agreement, the landlord must give subrecipient a copy of any notice to the program participant to vacate the housing unit, or any complaint used under state or local law to commence an eviction action against the program participant.

Subrecipient must make timely payments to in accordance with the rental assistance agreement. The rental assistance agreement must contain the same payment due date, grace period, and late payment penalty requirements as the program participant's lease. The subrecipient is solely responsible for paying late payment penalties that it incurs with non ESG-CV funds.

### Lease

Households who are receiving rental assistance must have a legally binding, written lease between the owner and the program participant for the rental unit, unless the assistance is solely for rental arrears. Where the assistance is solely for rental arrears, an oral agreement may be accepted in place of a written lease, if the agreement gives the program participant an enforceable leasehold interest under state law and the agreement and rent owed are sufficiently documented by the landlord's financial records, rent ledgers, or canceled checks. For program participants living in housing with project-based rental assistance (described below) the lease must have an initial term of one year.

### Tenant-based Rental Assistance

A program participant who receives tenant-based rental assistance may select a housing unit in which to live and may move to another unit or building and continue to receive rental assistance, as long as the program participant continues to meet the program requirements.

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

## Project-based Rental Assistance

If the ESG-CV funded provider identifies a permanent housing unit that meets ESG-CV requirements and becomes available before a program participant is identified to lease the unit, the provider may enter into a rental assistance agreement with the owner to reserve the unit and subsidize its rent in accordance with the following requirements:

1. The rental assistance agreement may cover one or more permanent housing units in the same building. Each unit covered by the rental assistance agreement (“assisted unit”) may only be occupied by program participants, except as provided under paragraph (4) of this section.
2. The subrecipient may pay up to 100 percent (100%) of the first month's rent, provided that a program participant signs a lease and moves into the unit before the end of the month for which the first month's rent is paid. The rent paid before a program participant moves into the unit must not exceed the rent to be charged under the program participant's lease and must be included when determining that program participant's total rental assistance.
3. The subrecipient may make monthly rental assistance payments only for each whole or partial month an assisted unit is leased to a program participant. When a program participant moves out of an assisted unit, the subrecipient may pay the next month's rent, i.e., the first month's rent for a new program participant, as provided in paragraph (2) of this section.
4. The program participant's lease must not condition the term of occupancy to the provision of rental assistance payments. If the program participant is determined ineligible or reaches the maximum number of months over which rental assistance can be provided, the subrecipient must suspend or terminate the rental assistance payments for the unit. If the payments are suspended, the individual or family may remain in the assisted unit as permitted under the lease, and the subrecipients may resume payments if the individual or family again becomes eligible and needs further rental assistance. If the payments are terminated, the rental assistance may be transferred to another available unit in the same building, provided that the other unit meets all ESG-CV requirements.
5. The rental assistance agreement should have an initial term of one year. When a new program participant moves into an assisted unit, the term of the rental assistance agreement may be extended to cover the initial term of the program participant's lease. If the program participant's lease is renewed, the rental assistance agreement may be renewed or extended, as needed, up to the maximum number of months for which the program participant remains eligible. However, under no circumstances may the subrecipient commit ESG-CV funds to be expended beyond the expenditure deadline or commit funds for a future ESG-CV grant before the grant is awarded.



## Conflict of Interest

The payment of any type or amount of ESG-CV assistance may not be conditioned on a household's acceptance or occupancy of housing owned by the ESG-CV funded provider or a parent or subsidiary of the provider. No ESG-CV subrecipient may, with respect to households occupying housing owned by the subrecipient, or any parent or subsidiary of the subrecipient, carry out the initial consultation and eligibility determination or administer homelessness prevention assistance.

## Rent Limit and Duration

Subrecipients must use a rent limit policy that is used consistently for all units receiving a rent subsidy, including arrears, and must be completed before the rent subsidy is paid. The rent limit is the maximum rent subsidy that can be paid for a unit of a given size.

Subrecipients are encouraged to extend/adjust the rent limit to address unemployment, loss of income, or benefits due to coronavirus.

### *Fair Market Rent (FMR)*

The Fair Market Rent (FMR) requirement is waived for ESG-CV as long as the rent complies with HUD standards of rent reasonableness.

### *Rent Reasonableness*

The rental assistance paid cannot exceed the actual rental cost, which must be in compliance with HUD's standard of rent reasonableness.

- Rent reasonableness means that the total rent charged for a unit must be reasonable in relation to the rents being charged during the same time period for comparable units in the private unassisted market and must not be in excess of rents being charged by the owner during the same time period for comparable non-luxury unassisted units.
- To make this determination, the subrecipient should consider (a) the location, quality, size, type, and age of the unit; and (b) any amenities, housing services, maintenance and utilities to be provided by the owner. Comparable rents can be checked by using a market study, by reviewing comparable units advertised for rent, or with a note from the property owner verifying the comparability of charged rents to other units owned (for example, the landlord would document the rents paid in other units). For more information, see HUD's worksheet on rent reasonableness at: <https://www.hudexchange.info/resource/2098/home-rent-reasonableness-checklist-and-certification/>
- A subrecipients must determine and document rent reasonableness for all units for which ESG rental assistance (including arrears) and/or security deposit assistance is being provided. The requirement applies whether homelessness prevention assistance or rapid re-housing assistance is provided.

Program participants receiving homelessness prevention or rapid re-housing assistance should be provided housing stability case management as is safe and feasible. Housing case management cannot be a requirement for assistance, but subrecipients should make housing stability and other appropriate services available and accessible.

## Household Eligibility

Rapid Re-Housing assistance is available for persons who are homeless according to the HUD definition of homeless:

1. An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
  - i. An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground; OR
  - ii. An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); OR
  - iii. An individual who is exiting an institution where he or she resided for 120 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution as evidenced by:
    - a written referral by another housing or service provider;
    - a printed record from HMIS or a comparable database used by victim service or legal service providers;
    - a written observation by an outreach worker of the conditions where the individual or family was living; or
    - written certification by the individual or head of household seeking assistance?;

Prevention assistance is available to households who are at-imminent risk of homelessness or at-risk of homelessness according to HUD's definition:

At Imminent Risk of Homelessness is defined as households who:

1. have annual incomes below 50% AMI; AND
2. do not have sufficient resources or support networks immediately available to obtain permanent housing and prevent literal homelessness; AND
3. Either:
  - a. will imminently lose their primary nighttime residence within 14 days of the date of application for homeless assistance:
    - i. a court order resulting from an eviction action notifying the individual or family that they must leave within 14 days of the date of their application for homeless assistance, or the equivalent notice under

- state law; a Notice to Quit, or a Notice to Terminate issued under state law;
- ii. if the primary nighttime residence was a hotel or motel room not paid for by federal, state, or local government programs for low-income program participants or by charitable organizations, evidence that the individual or family lacked the resources necessary to reside there for more than 14 days from the date of application for homeless assistance; or
- iii. an oral statement by the individual or head of household seeking assistance that the owner or renter of the housing in which they currently reside will not allow them to stay for more than 14 days from the date of application for homeless assistance. The statement must be documented by the intake worker. Also, the oral statement was found credible by one of the following:
- iv. a written certification by the owner or renter of the housing or the intake worker's documentation of the owner or renter's oral statement, or
- v. if the owner or renter of the housing cannot be reached, a written description and certification of the intake worker's due diligence in contacting the owner or renter and a written certification by the head of household seeking the assistance that their statement is true and complete.; OR
- ii. are fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking or other dangerous or life-threatening conditions related to violence

At-Risk of Homelessness is defined as households who:

1. have annual incomes below 50% AMI; AND
2. do not have sufficient resources or support networks immediately available to obtain permanent housing and prevent literal homelessness; AND
3. meet at least one of the following seven conditions:
  - i. moved 2 or more times due to economic reasons in 60 days prior to application for assistance
  - ii. living in the home of another due to economic hardship
  - iii. losing housing within 21 days after application date
  - iv. living in a hotel/motel not paid for by charitable organizations or federal/state/local government programs
  - v. living in severely overcrowded unit as defined by the U.S. Census Bureau (single-room occupancy or efficiency apartment unit in which more than two persons, on average, reside or another type of housing in which there reside more than 1.5 persons per room)
  - vi. exiting publicly funded institution or system of care.
  - vii. Living in housing associated with instability and increased risk of homelessness, as defined in the jurisdiction's Consolidated Plan.

## Documentation of Housing Status

Subrecipients must verify, describe, and document eligible housing status prior to program entry.

See required ESG-CV Household Eligibility- Prevention and ESG-CV Household Eligibility- Rapid RE-housing forms for documentation requirements. All ESG forms can be found at <https://www.handetroit.org/>.

## Documentation of Income Eligibility

Documentation of income eligibility is not required until eligibility recertification for households served with Rapid Re-housing. Income eligibility is required at entry for Homelessness Prevention.

Income is money that is paid to, or on behalf of, the head of household or spouse (even if temporarily absent) or to any other household member 18 years or older. (Persons fleeing domestic violence do not have to report the abuser's income.) Income also includes all amounts which are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date. When determining the annual income of an individual or family, the subrecipient must use the standard for calculating annual income under [24 CFR §5.609](#).

Income inclusions and exclusions are listed in the Electronic Code of Federal Regulations, [www.ecfr.gov](http://www.ecfr.gov), Title 24 - Housing and Urban Development: Subtitle A 0-99: Part 5: Subpart F: Section [5.609 Annual Income](#). Questions pertaining to how to calculate CARES Act income can be found here: <https://www.hud.gov/sites/dfiles/PIH/documents/Round6FAQsfinal.pdf>

## Eligibility Recertification

Household eligibility and the types and amounts of assistance the household needs must be re-evaluated and documented not less than once every 6 months for households receiving homelessness prevention assistance, and not less than once annually for households receiving rapid re-housing assistance. At a minimum, each re-evaluation of eligibility must establish that:

1. The household does not have an annual income that exceeds 30% of Area Median Income for homeless households and 50% of Area Median Income for households at-risk of homelessness; AND
2. The household lacks sufficient resources and support networks necessary to retain housing without ESG-CV assistance.

See required ESG-CV Household Eligibility- [Re-Evaluation form for documentation requirements](#).

## Documentation Requirements for Rapid Re-Housing and Prevention

Households receiving Prevention or Rapid Re-Housing assistance, must have the following clearly noted and documented in the household's case file:

1. Initial Consultation & Eligibility Determination:
  - a. The household must receive an initial consultation and eligibility assessment to determine income and housing status eligibility and the appropriate type of assistance needed to regain stability in permanent housing
  - b. certification from the individual or head of household that no subsequent residence has been identified; and
  - c. certification or other written documentation that the individual or family lacks the resources or support networks to obtain other permanent housing
2. Assistance in obtaining mainstream and other resources:
  - a. The household must receive appropriate supportive services and referrals essential to achieving independent living through other federal, state, local, and private assistance.
3. Housing stability plan to include:
  - a. Needs assessment to include specific housing and self-sufficiency goals; and
  - b. Action steps to retain permanent housing after ESG-CV assistance ends;

Households receiving assistance from a victim service provider are exempted from the case management requirement.

## Detailed Documentation Options and Types

Specific information about documentation requirements for client files is provided in the sections below.

### Intake/Discharge Forms

Subrecipients are required to collect basic demographic data on persons served with ESG funds. This data includes but is not limited to the information outlined in HUD's Homeless Management Information System (HMIS) Data Standards. Subrecipients can review the HMIS Data Standards online at <https://www.hudexchange.info/resources/documents/HMIS-Data-Standards-Manual-2017.pdf>.

- Clients should be referred to ESG providers/services through Detroit CoC's coordinated entry system.
- Subrecipients should use the intake/discharge forms required by the Detroit CoC posted at <http://www.handetroit.org/assessments>
- CoC and ESG subrecipients are responsible for ensuring that required intake/discharge forms collect the information needed and are in compliance with HUD regulations/policies.
- Clients have the right to decline to answer any questions on an intake/discharge form or decline to have their data entered into HMIS and/or a comparable database.

### Verification of homelessness or at-risk of homelessness

Agencies are written intake procedures to obtain documentation at project intake of the evidence relied upon to establish and verify program participant eligibility status, including program participants' homeless or at-risk of homelessness statuses.

- Documentation of homelessness can be established using the order of priority for obtaining evidence of homelessness: (1) third-party documentation; (2) intake worker observations; and (3) self-certification
  - The ESG regulations at 24 CFR 576.500(b) require that a lack of third-party documentation must not prevent an individual or family from being immediately admitted to emergency shelter, receiving street outreach services, or being immediately admitted to shelter or receiving services provided by a victim service provider.
  - Records contained in an HMIS or comparable database used by victim service or legal service providers are acceptable evidence of third-party documentation and intake worker observations if the HMIS retains an auditable history of all entries, including the person who entered the data, the date of entry, and the change made; and if the HMIS prevents overrides or changes of the dates on which entries are made.
  - The CARES Act incorporates the FY2020 Appropriation Act's conditions on ESG funding which provide that youth aged 24 and under seeking assistance shall not be required to provide third party documentation to establish their [homeless status] to receive services.
- Victim Service Provider
  - Program participant qualified under paragraph (4) of the definition of homeless in 24 CFR 576.2 and was served by a victim service provider, do the records show that either the program participant or the intake worker certified in writing that the individual or head of household made an oral statement that the program participant was:
    - was fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life threatening conditions that relate to violence;
    - lacked the resources or support networks necessary to obtain other housing; and
    - had not identified a subsequent residence
  - The documentation of the program participant's oral statement must include:
    - a written certification by the head of household that the oral statement is true and complete; and
    - a written observation of the intake worker or a written referral by a housing or service provider, legal assistance provider, social worker, health-care provider, law enforcement agency, pastoral counselor, or any other organization from whom the program participant had sought assistance for domestic violence, dating violence, sexual assault, or stalking. (This written referral or observation need only include the minimum amount of information required to document that the individual or family is fleeing domestic violence, dating violence, sexual assault or stalking and is not required if obtaining or maintaining this information would have jeopardized the program participant's health or safety.)

The following charts summarize ESG HMIS data collection requirements. Subrecipients should reference the [FY2020 HMIS Data Standards](#) and [HMIS ESG Program Manual](#) for more information about HMIS requirements.

<b>HUD Universal Data Elements (as of December 2019)</b> <i>Required of All ESG-CV Programs</i>	
3.01 Name	3.10 Project Start Date
3.02 Social Security Number	3.11 Project Exit Date
3.03 Date of Birth	3.12 Destination
3.04 Race	3.15 Relationship to Head of Household
3.05 Ethnicity	3.16 Client Location
3.06 Gender	3.20 Housing Move-in Date
3.07 Veteran Status	3.917 Prior Living Situation
3.08 Disabling Condition	

Program Specific Data Elements (as of December 2019)						
#	Element	Street Outreach	Emergency Shelter	Prevention	Rapid Re-Housing	Coordinated Entry
4.02	Income and Sources	X	X	X	X	X
4.03	Non-Cash Benefits	X	X	X	X	X
4.04	Health Insurance	X	X	X	X	X
4.05	Physical Disability	X	X	X	X	X
4.06	Developmental Disability	X	X	X	X	X
4.07	Chronic Health Condition	X	X	X	X	X
4.08	HIV/AIDS	X	X	X	X	X
4.09	Mental Health Problem	X	X	X	X	X
4.10	Substance Abuse	X	X	X	X	X
4.11	Domestic Violence	X	X	X	X	X
4.12	Current Living Situation	X				X
4.13	Date of Engagement	X				
4.14	Bed Night					
4.19	Coordinated Entry Assessment					X
4.20	Coordinated Entry Event					X

X = Data collection is required

## Case/Service Notes

Subrecipients must document the services provided to program participants using case notes.

Case notes must:

- Be legible and securely stored in the client file (either electronically in HMIS or comparable database),
- Sufficiently detail the services provided, including the date, time, type of service, and staff member(s) assisting,



- Spell out the client’s housing plan (to leave or avoid shelter) and any goals they might have set for themselves, and
- Include any other relevant information
- Recorded in HMIS under the case plans module.

See [City of Detroit CDBG and ESG Policy and Procedures Manual](#), *Section 8 > Agency Recordkeeping and Reporting Requirements* for more information about documentation requirements.

## HMIS/Comparable Database Release

In compliance with [24 CFR 576.400](#) (f), all data on all persons served under ESG-CV must be entered into HMIS or a comparable database (if a subrecipient is a Domestic Violence services agency). If data is entered into an HMIS or comparable database where data is shared between providers (also known as an open system), there must be a signed consent to input information into the database. Subrecipients should use the [Detroit CoC HMIS release form](#).

## ESG-CV Requirements for All Subrecipients

### Coordinated Entry Systems

Coordinated Entry is a centralized and streamlined system for accessing housing and support services to end homelessness in a community. Coordinated Entry is required by the U.S. Department of Housing and Urban Development (HUD) for all Continuums of Care (CoCs) as stated in [24 CFR 578.7 \(a\)\(8\)](#) of the CoC Program Interim Rule. Detroit’s Coordinated Entry System, the Coordinated Assessment Model (CAM), aims to work with households to understand their strengths and needs, complete a common assessment, and connect households with housing and homeless assistance (based on information gathered and on availability). ESG-funded and Community Development Block Grant (CDBG) Homeless Public Service programs are required to use the CoC’s coordinated entry system, ESG-funded programs must work with the CoC to ensure that the CoC’s coordinated entry system procedures and prioritization policies are consistent with the programs’ written standards for providing ESG assistance (see Written Standards Requirements section below).

The details of these expectations are outlined within the City’s ESG Policies and Procedures.

### Low Barrier

Low-barrier is a term used to describe a service or provider that makes help as easily accessible and user friendly as possible. A low-barrier approach is one that tries to minimize barriers such as paperwork, waiting lists, eligibility requirements, as well as physical and staff related characteristics that can stand in the way of people getting their needs met. It is an entry point for a variety of services and approaches. A low-barrier approach is required for all ESG-CV funded projects. For additional information, please see the City’s ESG Policies and Procedures.

## HMIS

All projects funded with City of Detroit ESG-CV, except those that are specifically for survivors of domestic violence, must participate in the Homeless Management Information System (HMIS). An HMIS is a locally managed database covering all HUD-funded homeless-serving programs within the ESG/Continuum of Care geography. Often other programs use HMIS as well. In Detroit, HMIS is administered by the Homeless Action Network of Detroit (HAND). Data from the HMIS is necessary to meet several federal reporting requirements, including the production of the Consolidated Annual Performance and Evaluation Reports (CAPER) and Annual Performance Report (APR) for each program as well as system-wide reporting such as the Housing Inventory Count (HIC), Longitudinal Systems Analysis (LSA), the Point-in-Time (PIT) count, System Performance Measures (SPMs) and other reports. All programs are expected to abide by the Detroit CoC HMIS Policies and Procedures which are published on [HAND'S website](#).

For additional guidance on HMIS see the [HUD exchange](#) resource page.

Please note that domestic violence agencies are exempted and prohibited from entering data into HMIS. Domestic violence agencies must maintain a comparable database that collects similar information in order to provide aggregate data or reporting purposes. Additionally, some legal service providers may determine that entering client data into HMIS violates the attorney/client privilege of their clients. These providers may decide to use a comparable database for records to maintain attorney/client privilege.

## Eligible HMIS Activities

ESG-CV subrecipients may use ESG-CV funds to pay for costs related to contributing data to the HMIS system. Subrecipients using these funds must fully comply with HUD's HMIS standards on participation, data collection, and reporting.

The subrecipients may use ESG-CV funds to:

- Purchase or lease computer hardware
- Purchase software or software licenses
- Purchase or lease equipment, including telephones, fax machines, and furniture
- Obtain technical support
- Lease office space
- Pay charges for electricity, gas, water, phone service, and high-speed data transmission necessary to operate or contribute data to the HMIS
- Pay salaries for HMIS operating activities, including:
  - Completing data entry
  - Monitoring and reviewing data quality
  - Completing data analysis
  - Reporting to the HMIS Lead
  - Training staff on use of the HMIS or a comparable database
  - Implementing and complying with HMIS requirements

- Pay costs of staff to travel to and attend HUD-sponsored and HUD-approved training on HMIS and programs authorized by Title IV of the McKinney-Vento Homeless Assistance Act
- Pay staff travel costs to conduct intake
- Pay participation fees charged by the HMIS Lead, if the recipient or subrecipient is not the HMIS Lead.

## Habitability Standards

The City does not exempt units or shelters from having to be compliant with local housing codes. Therefore, if there are requirements that are in both the local housing code and the Habitability Standards, the subrecipient must comply with the more stringent of the two.

## Minimum Standards for Emergency Shelter

If ESG-CV funds are used for renovation or shelter operations, the building must meet the minimum standards for safety, sanitation, and privacy provided in [City of Detroit CDBG and ESG Policy and Procedures Manual](#).

The subrecipient must maintain documentation of compliance with the minimum standards for Emergency Shelter activities.

Habitability and environmental reviews are not required for temporary emergency shelters.

## Minimum Standards for Permanent Housing

ESG-CV funds may not be used to assist a household in remaining in or moving into housing that does not meet the minimum habitability standards provided in [City of Detroit CDBG and ESG Policy and Procedures Manual](#). This restriction applies to all activities under Homelessness Prevention and Rapid Re-housing components, including rental assistance and housing relocation and stabilization services.

If a household is provided homelessness prevention assistance to stay in current housing, the housing must be inspected and found to meet the minimum habitability standards before the subrecipient incurs ESG-CV costs for any of the following:

- Providing any service to the household;
- Entering into a rental assistance agreement; or
- Making any payment on behalf of the program participant (e.g., rental or utility arrears, rental or utility payments, etc.)

## Housing Inspection Requirements

Subrecipients cannot use ESG-CV funds to help a program participant remain in or move into housing that does not meet certain standards. Depending on the situation, the City of Detroit has determined that subrecipients must use either the Housing Quality Standards (HQS) form or the Habitability Standards form. Housing inspections may be done through video in order to adhere to COVID-19 safety recommendations.

## Lead-based Paint Visual Assessments

The lead-based paint visual assessment requirement exists to protect vulnerable families from potential health hazards. To prevent lead poisoning in young children, subrecipients must comply with the Lead-based Paint Hazard Reduction Act of 1992 and its applicable regulations found at 25 CFR 34, subparts A, B, H, J, K, M, and R.

A lead-based paint visual assessment must be completed for all units and shelters that meet the three following conditions:

1. The household moving into or remaining in their current unit is receiving ESG-CV financial assistance. **AND**
2. The unit was constructed prior to 1978. **AND**
3. A child under the age of six or a pregnant woman is, or will be, living in the unit.

A visual assessment must be conducted prior to providing ESG-CV financial assistance to the unit and on an annual basis thereafter (as long as assistance is provided). Visual assessments must be conducted by a HUD-Certified Visual Assessor and must be documented on the HQS or HSS and maintained in the client file.

### Exceptions to the Lead-based Paint Visual Assessment Requirement

Visual assessments are not required under the following circumstances:

- ✓ Zero-bedroom or SRO-sized units;
- ✓ X-ray or laboratory testing of all painted surfaces by certified personnel has been conducted in accordance with HUD regulations and the unit is officially certified to not contain lead-based paint;
- ✓ The property has had all lead-based paint identified and removed in accordance with HUD regulations;
- ✓ The unit has already undergone a visual assessment within the past 12 months - obtained documentation that a visual assessment has been conducted; or
- ✓ It meets any of the other exemptions described in [24 CFR §35.115\(a\)](#).

If any of the circumstance outlined above are met, the subrecipient must include the information in the client file.

## Duplication of Benefits

“Duplication of benefits” occurs when an individual or household receives financial assistance for the same service from multiple funding sources. Subrecipients must determine and document if the household is receiving assistance from other sources (e.g. philanthropy, faith-based, CDBG CV, CHG, etc.) to avoid duplication of benefits as well as verify that the other form of assistance does not disqualify the eligibility of the individual or household. ([Section 312 \(42 U.S.C. 5155\)](#)).

# Recordkeeping Requirements for Subrecipients Providing Rental Assistance

See [City of Detroit CDBG and ESG Policy and Procedures Manual](#) for recordkeeping requirements.

## Data Collection

Federal rules require each subrecipient to enter client data into a Homeless Management Information System (HMIS) per and the Agency Partner HMIS Agreement.

Each subrecipient must follow all state and federal laws governing HMIS, including collecting informed written consent from program participants, not denying service based solely on program participant refusal to provide data to an HMIS, protecting program participant confidentiality, not collecting personally identifying information from program participants that are victims of domestic violence, and other requirements defined in VAWA Reauthorization Section 605.

## Termination of Participation, Denial, and Grievance Procedures

Subrecipients must have written termination, denial, and grievance policies and/or procedures. The policies and/or procedures should be readily available to households either in written information or by posting the policy in a public place. It is important to effectively communicate these policies and/or procedures to households and ensure that they are fully understood.

Causes for termination may include, but are not limited to, failure to abide by any agreed upon requirements and fraud. A grievance procedure must include:

1. Written notice to the household containing a clear statement of the reasons for termination;
2. A review of the decision, in which the household is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision. This may include the household's right to question or confront staff involved; and
3. Prompt written notice of the final decision.

## Denial and Grievance

Causes of denial of assistance include, but are not limited to, the household's ineligibility or failure to provide verifiable evidence of eligibility, etc. Established procedures should describe:

1. Circumstance in which a household may not qualify or would be denied;
2. Notification of denial; and

3. A household's right to review a subrecipient's decision.

## Confidentiality of Client Records

Subrecipients must have policies and procedures established in writing to ensure that the privacy and confidentiality of all ESG-funded program participants is protected. The ESG interim rule specifically requires that the written procedures ensure the following:

- All records containing personally identifying information (as defined in HUD's standards for participation, data collection, and reporting in a local HMIS) of any individual or family who applies for and/or receives ESG assistance will be kept secure and confidential.
- The address or general location of a domestic violence, dating violence, sexual assault, or stalking shelter funded through ESG will not be made public, except with written authorization of the person responsible for the operation of the shelter.
- The address and location of any housing of a program participant will not be made public, except as provided under a pre-existing privacy policy of the recipient or subrecipient and consistent with state and local laws regarding privacy and obligations of confidentiality.

Subrecipients must also ensure that confidentiality and privacy policies meet the specific confidentiality and security requirements for HMIS data which are described in the [HMIS Data and Technical Standards](#).