

# Arkansas

DHS / DCO

## Office of Community Services

### Emergency Solutions Grant Policy and Procedures Manual

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## Arkansas Department of Human Services Division of County Operations

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Subj: Revision to Section 2.5.2, *Monthly Invoices*

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Section to be Removed	Date:	Section to be Added:	Date:
Section 2.5.2, p. 10	07/17/2017	Section 2.5.2, p. 10	12/01/2017

### Summary of Changes:

The Policy Manual requires ESG sub-grant recipients to provide a printed statistical report from HMIS with each monthly invoice. It also requires an emailed CSV file that DHS-DCO-OCS staff can upload into eCART.

HUD has replaced eCART with SAGE, and sub-grant recipients can now upload CSV files from HMIS to SAGE. As a result of HUD's actions, we no longer require printed HMIS reports or emailed CSV files, and Section 2.5.2 of the Arkansas Emergency Solutions Grant Policy and Procedures Manual has been revised accordingly. We are also removing the Budget Reconciliation Form requirement.

Please remove the indicated page(s) from your manual and replace with the page(s) provided with this Manual Transmittal.

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## Arkansas Department of Human Services Division of County Operations

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Section to be Removed	Date:	Section to be Added:	Date:
Section 4.2.2.4, pp. 37-38	07/17/2017	Section 4.2.2.4, pp. 37-38	11/01/2017

### Summary of Changes:

After clarification from HUD, the Utilities portion of Section 4.2.2.4 of the Arkansas Emergency Solutions Grant Policy and Procedures Manual has been revised.

Please remove the indicated page(s) from your manual and replace with the page(s) provided with this Manual Transmittal.

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## Section 1 The Emergency Solutions Grant Program in Arkansas

### 1.1 Purpose

The Emergency Solutions Grant (ESG) Program is designed to end homelessness. Towards that end, it has four main components:

- **Street Outreach**, which funds engagement with unsheltered homeless individuals and families
- **Emergency Shelter**, which funds increased access to emergency shelters and improves shelter quality,
- **Rapid Re-Housing**, which funds the rapid rehousing of homeless individuals and families and provides financial stabilization, and
- **Homelessness Prevention**, which prevents at-risk individuals and families from becoming homeless.

Two other components, **Homeless Management Information System (HMIS)** and **Administration**, facilitate data collection and program management.

Each component of ESG contains specific activities that may be paid for using ESG funds as long as certain requirements are met. This Policy and Procedures Manual outlines the Federal and State requirements of the ESG program and, where allowed by law, prioritizes specific ways to address homelessness in Arkansas. It is the primary resource for implementing projects funded by Arkansas ESG sub-grants, but it is not the only resource needed to successfully administer such projects.

## 1.2 Controlling Statutes, Regulations and Authority

The U.S. Department of Housing and Urban Development (HUD) awards ESG grants to the State of Arkansas (the State) through the Department of Human Services' Division of County Operations/Office of Community Services (OCS), and OCS distributes those funds to areas of need throughout the State by awarding ESG sub-grants in accordance with Federal regulations as described in Section 2 of this manual.

The ESG Program in Arkansas is administered by OCS under the provisions of

- Arkansas statutory authority;
- All applicable local, state, and federal laws;
- The Stewart B. McKinney Homeless Assistance Act of 1987, Title IV, Subtitle B, as amended (42 U.S.C. 11371 *et seq.*);
- The HUD regulations found at 24CFR Part 576;
- The Uniform Administrative Requirements 2 CFR 200;
- The requirements of this Policy and Procedures Manual;
- The terms and conditions of ESG sub-grant agreements; and
- Any subsequent HUD and/or OCS Policy Memos, Regulations, Communications, and guidance.

### **1.3 Compliance with the State ESG Policy and Procedures Manual and Federal Regulations**

ESG sub-grant recipients are required to comply with the most current version of this Policy and Procedures Manual and Federal regulations as a condition of each sub-grant award.

The State has flexibility in certain areas of administering the ESG Program and may impose more rigorous standards than those required by HUD. For example, HUD regulations allow multiple activities under the HMIS and Administration components of ESG, but the State of Arkansas limits the budgets to these components and intends for them to be used primarily for annual licensing fees and travel to Little Rock for mandatory ESG trainings. In any instances where the Arkansas ESG Policy and Procedures Manual differs from the HUD Regulations found at 24CFR 576, sub-grant recipients must both minimally meet HUD standards and follow the Arkansas ESG Policy and Procedures Manual where more rigorous requirements have been introduced. Sub-grant recipients are encouraged to contact OCS with questions or for assistance navigating this Policy and Procedures Manual.

## Section 2 The ESG Sub-Grant

### 2.1 Eligible Applicants

Any Arkansas unit of general purpose, local government or private, secular or faith-based nonprofit organization (NPO) may apply for an ESG sub-grant through the DHS DCO/OCS application process. However, in order to be eligible for consideration of a grant, all requirements discussed in Section 2 of this policy manual must be met.

All applicants must consult with, and be a member in good standing of, the OCS-recognized Continuum(s) of Care operating within the applicant's area of service. Continuums of Care recognized by OCS for this Policy and Procedures Manual are listed in [Appendix 1](#).

All NPOs receiving an ESG sub-grant must be governed by a Board of Directors with a minimum of three members that either includes a formerly homeless person or else actively solicits input on issues before the Board from homeless individuals, formerly homeless individuals or persons at risk of homelessness. The Board of Directors must meet at least once quarterly. Quarters for the ESG Program are October – December, January – March, April – June, and July – September, regardless of the fiscal year of the sub-grant recipient. NPOs receiving an ESG sub-grant must operate under the day-to-day supervision of an Executive Director and have at least one paid employee.

In addition to the requirements for a secular NPO, faith-based NPOs receiving an ESG sub-grant must agree to provide assistance that is free of religious instruction, not discriminate against or give preference to any employee or applicant for employment on the basis of religion, and not discriminate against or give preference to any person applying for assistance on the basis of religion.

If the faith-based NPO engages in explicitly religious activities, including activities that involve overt religious content such as worship, religious instruction, or proselytization, they must be performed outside of any part of the ESG activities.

## **2.2 The Application Process**

ESG sub-grants are available annually, subject to funding availability, at dates and times announced by OCS through the Public Notification process of the State.

### **2.2.1 Application Screening**

All correctly completed applications submitted by eligible applicants in accordance with the published requirements for the applicable grant cycle will be screened against application criteria provided with the application form by an *ad hoc* Application Committee appointed by the OCS Assistant Director.

### **2.2.2 Evaluation of Applications**

Applications deemed administratively complete by the *ad hoc* Application Committee will be evaluated against ESG Program requirements by the OCS ESG staff. The ESG staff will make funding recommendations to the OCS Assistant Director based upon the activities proposed in the application, the regional needs in the applicants' service areas, past OCS sub-grant performance history (if previously funded through any OCS Program) and funding availability.

### **2.2.3 Sub-Grant Funding Decisions**

After consideration of staff recommendations, the OCS Assistant Director will make final ESG sub-grant funding decisions and notify all applicants of the decisions.

### **2.2.4 Training Workshop**

Prior to the start of the sub-grant performance period, OCS will hold a mandatory training workshop to discuss sub-grant requirements. Failure to attend this workshop will be considered noncompliance and may prevent issuance of the sub-grant.

### **2.2.5 Effective Date of Award**

ESG sub-grants require signature by a representative of DHS/DCO and the Executive Director of the sub-grant recipient to become fully executed. When fully executed, the sub-grant awards are effective as of the date indicated with the DHS/DCO signature. Funds are available for use:

- After a budget has been approved by OCS;
- After the sub-grant award agreement has been fully executed;
- After the start of the sub-grant's performance period; and
- After the Environmental Review referenced in [Section 3](#) has been completed.

Expenses incurred prior to the completion of any of the above four milestones will not be reimbursed and may result in cancellation of the sub-grant, unless approved in writing by OCS.

### **2.2.6 Award Performance Period**

Unless otherwise stated in the sub-grant agreement, the performance period for each ESG sub-grant is October 01 of the year that the sub-grant is issued through September 30 of the following year.

Sub-grant recipients must provide services to homeless individuals and families for at least the period during which ESG funds are provided. If there are changes in occupancy or services provided during the grant period from what was outlined in the sub-grant agreement, the sub-grant recipients must notify OCS within 30 days of the change.

## 2.3 ESG Match Requirement

Sub-grant recipients must match ESG funding with a one to one, or 100%, match from other sources. The match may originate from private sources or from local, state or non-ESG federal sources, as long as the laws governing the public monies do not prohibit such a use and as long as the ESG sub-grant was not used as match for the other public funds.

Matching funds may be used only once. Funds used to match a previous ESG grant may not be re-used to match a subsequent ESG sub-grant. Funds that have been used as match for any other grant cannot also be used as the ESG match.

Matching funds can be cash or in-kind contributions and must be provided after the date that HUD signs the grant agreement. Whether cash or in-kind, the match must meet all ESG requirements and must be certified by the sub-grant recipient's Executive Director on the approved OCS ESG Match Certification Form.

Match may be calculated in the following ways:

1. *Cash contributions*: Calculate the cash expended for allowable costs under the ESG program from a source that meets the match requirements listed above;
2. *Non-cash contributions*: Calculate the value of any real property, equipment, goods, or services contributed to the sub-grant recipient's ESG program, provided that if the sub-grant recipient had to pay for them with grant funds, the costs would have been allowable. Noncash contributions may also include the fair market value of any real property donated to the sub-grant recipient after the date that HUD signs the grant agreement with the State.
  - a. To determine the value of any donated material or building, or of any lease, the sub-grant recipient must use a method reasonably calculated to establish the fair market value.
  - b. To determine the value of any donated services, the sub-grant recipient must value the donated time at the prevailing minimum wage except when volunteers perform duties that are professional in nature. Examples of professional services would include donated legal services, medical or mental health services, engineering services, etc...

For volunteered professional services, the sub-grant recipient may use the hourly rate that the volunteer charges as a professional. If an attorney provides

pro bono legal services to the sub-grant recipient, and that attorney's customary billable rate is \$150/hour, then each hour of the attorney's pro bone service may be valued at \$150. Use this approach only for professional services. If that same attorney volunteered time to paint the shelter or mow the lawn, then the value of those volunteered hours would be calculated at the prevailing minimum wage.

- c. Some noncash contributions are real property, equipment, goods or services that, if the sub-grant recipient had to pay for them with grant funds, the payments would have been indirect costs. Matching credit for these contributions may be given only if the sub-grant recipient has established, along with its regular indirect cost rate, a special rate for allocating to individual projects or programs the value of those contributions.
3. *Costs paid by program income:* Costs paid by program income may be counted as match only if they are eligible ESG costs that supplement the sub-grant recipient's current ESG program.

### **2.3.1 Unmatched Sub-Grant Funds**

Failure to provide properly documented match will require repayment of all unmatched reimbursements.

## 2.4 ESG Sub-Grant Budget

After selection in accordance with Section 2.2.2, each ESG sub-grant recipient must propose a budget based on the actual amount awarded, and that budget must be approved by OCS prior to any reimbursable expenditure. Reimbursement will not be made for activities that are not specified in an approved budget even though such activities may be classified as eligible activities under the ESG program and this Policy and Procedures Manual.

Requests for funding adjustments between eligible activities under the same ESG component may be made to OCS in writing, either through a formal letter or e-mail to the Assistant Director of OCS. Budget adjustment approval will be provided in a formal letter or email from the OCS Assistant Director.

Requests for funding adjustments between eligible activities under different ESG components (which are described more fully in Sections [4.2.1](#), [4.2.2](#), [4.2.3](#), [4.2.4](#), [4.2.5](#) and [4.2.6](#)) are prohibited.

## 2.5 Invoices and Reimbursement

The ESG sub-grant is a reimbursement grant. Funds must be expended on eligible activities for eligible program participants in accordance with Federal regulations and the policies in this manual and then invoiced to OCS for reimbursement.

### 2.5.1 Advances

The Director of the Division of County Operations may, at the request of the Assistant Director of OCS, approve advance payments in extraordinary situations. Sub-grant recipients may contact OCS for more information.

### 2.5.2 Monthly Invoices

Monthly submission of an invoice is a mandatory requirement of the ESG sub-grant. If no reimbursement is requested for a month, the sub-grant recipient must submit an invoice for zero dollars. This practice facilitates invoice tracking by OCS and helps to flag invoices that are not delivered or not processed. Failure to submit a monthly invoice is considered noncompliance and will result in sanctions as specified in [Section 2.9](#).

Unless otherwise instructed by OCS, invoices are due by the 10<sup>th</sup> day of the month following the monthly billing period noted on the invoice and must be submitted on approved OCS forms. Each invoice must include the following five elements:

1. An original Expenditures and Funds Request Form signed by the Executive Director of the sub-grant recipient in blue ink;
2. A Match Certification Form signed by the Executive Director of the sub-grant recipient;
3. A Monthly Progress and Statistical Information Report reviewed and signed by the DHS County Administrator;
4. Upload of the monthly Consolidated Annual Performance and Evaluation Report (CAPER) as a CSV file to SAGE; and
5. Documentation of the charges and payments for which reimbursement is being requested.

Acceptable forms of documentation vary by service or expense activity and are discussed in detail under the ESG component and eligible services and activities in [Section 4.2](#) of this manual.

### 2.5.3 Required Signatories

Invoices requesting reimbursement must be signed by the Executive Director of the sub-grant recipient and counter-signed by a sub-grant recipient representative who is not authorized to cash checks.

#### **2.5.4 Invoice Billing Periods**

Invoices may request reimbursement for expenses outside of the billing period on the Invoice Form with the following exceptions:

- Expenditures must have occurred within the performance period of the sub-grant
- Expenditures must have occurred within 100 calendar days of the invoice submission date.

## 2.6 Records

All records pertaining to each fiscal year of the ESG sub-grant must be retained for a minimum of five years after OCS's closeout with HUD. This closeout date is NOT the date of the sub-grant recipient's closeout with OCS.

OCS's closeout with HUD may be delayed by an open audit, an investigation by the Office of the Investigator General, or by slow ESG fund spending. It is not uncommon for the OCS closeout with HUD to take 3-5 years, so sub-grant recipients should minimally plan to maintain records for at least 10 years.

Certain uses of ESG funds require longer record retention periods.

When ESG funds are used for the renovation of an emergency shelter and the costs charged to ESG exceed 75% of the value of the building before renovation, then the records must be retained until 10 years after the date that ESG funds are first obligated for the renovation.

When ESG funds are used to convert a building into an emergency shelter and the costs charged to ESG exceed 75% of the value of the building after conversion, then the records must be retained until 10 years after the date that ESG funds are first obligated for the conversion.

Copies made by microfilming, photocopying, or similar method may be substituted for the original records.

Records must be available for review during normal business hours by any authorized representative of HUD, the HUD Office of the Inspector General, the Comptroller General of the United States, or OCS. These representatives have the right to inspect any ESG records for as long as the records are maintained, even if they are maintained longer than required.

To ensure that records are retained for the required length of time, sub-grant recipients should contact OCS before destroying any ESG records.

## **2.7 Standard Policies and Procedures**

ESG sub-grant recipients are required to have and use certain policies and procedures. Some, like the coordinated entry system, are the same for all agencies. Others, like written standards for providing ESG assistance, are unique to each agency but must contain similar elements.

### **2.7.1 The Coordinated Entry System**

Arkansas Continuums of Care have developed a coordinated entry system in accordance with requirements established by HUD, and each non-victim services provider ESG sub-grant recipient within the Continuum of Care's service area must use that assessment system to ensure consistent screening, assessment and referral of program participants. Victim services providers may choose not to use the Continuum of Care's coordinated assessment system.

### **2.7.2 Written ESG Standards**

Sub-grant recipients must establish and consistently apply written standards for providing ESG assistance. Standards must be established for each area covered by the sub-grant recipient, including the area over which the services are coordinated and provided to program participants. Sub-grant recipients are required to submit copies of these standards in their annual funding application.

The requirements for minimum written program standards for CoCs and ESG service providers are detailed in the following charts.

Program	Requirements
<p data-bbox="256 659 391 688"><b>CoC-Wide</b></p> <p data-bbox="219 726 427 825"><i>All ESG providers MUST abide by them.</i></p>	<ul style="list-style-type: none"> <li data-bbox="462 302 1268 569">• How are services and referrals coordinated between: <ul style="list-style-type: none"> <li data-bbox="509 338 899 367">○ Emergency shelter providers,</li> <li data-bbox="509 371 889 401">○ Essential services providers,</li> <li data-bbox="509 405 971 434">○ Homelessness prevention providers</li> <li data-bbox="509 438 873 468">○ Rapid rehousing providers,</li> <li data-bbox="509 472 878 501">○ Homeless service providers</li> <li data-bbox="509 506 1268 535">○ Other service providers (including mainstream resources), &amp;</li> <li data-bbox="509 539 786 569">○ Housing providers?</li> </ul> </li> <li data-bbox="462 604 1377 703">• What policies exist to ensure that the needs of special populations are met (i.e. youth, victims of domestic violence, chronically homeless, high barrier clients, etc)?</li> <li data-bbox="462 739 1365 800">• What procedures exist for determining and evaluating eligibility for ESG assistance?</li> <li data-bbox="462 846 1382 978">• What formal termination and grievance policies exist? They must reflect HUD’s requirement that only the most severe cases be terminated, and allowing clients to return to the program once issues that caused the termination are resolved.</li> <li data-bbox="462 1024 1386 1184">• What policies exist that ensure that ALL ESG providers are screening ALL clients for potential eligibility in not only ESG-funded assistance, but also other housing programs and services offered within the agency or the community (including mainstream resources like TANF and SNAP benefits).</li> </ul>

Program	Requirements
<p data-bbox="250 1524 396 1623"><b>Emergency Shelter Programs</b></p>	<ul style="list-style-type: none"> <li data-bbox="462 1398 1279 1696">• In emergency shelters, what policies exist for: <ul style="list-style-type: none"> <li data-bbox="509 1434 1170 1463">○ Admission of clients (requirements for entry, if any),</li> <li data-bbox="509 1467 678 1497">○ Diversion,</li> <li data-bbox="509 1501 1052 1530">○ Referral to services/mainstream resources,</li> <li data-bbox="509 1535 737 1564">○ Length of stay,</li> <li data-bbox="509 1568 1279 1598">○ Operation of the shelter (hours, staffing, administration, etc.),</li> <li data-bbox="509 1602 808 1631">○ Safety/Disasters, and</li> <li data-bbox="509 1635 1328 1696">○ Discharge policies for emergency shelters assisted under the ESG program,</li> </ul> </li> <li data-bbox="462 1701 1386 1761">• What safeguards exist to meet the safety and shelter needs of victims of domestic violence, stalking, and other related crimes?</li> </ul>

Program	Requirements
<p><b>Essential Service Programs &amp; Street Outreach</b></p>	<ul style="list-style-type: none"> <li>• What standards exist for assessing, prioritizing, and reassessing individuals' and families' needs for services?</li> <li>• What targeting and outreach strategies exist for unsheltered persons?</li> </ul>

Program	Requirements
<p><b>Rapid Rehousing and/or Homelessness Prevention Programs</b></p>	<ul style="list-style-type: none"> <li>• What standards exist for determining and prioritizing which eligible families /individuals will receive assistance?</li> <li>• What standards exist for determining the type, amount, and duration of housing stabilization and/or relocation services?</li> <li>• Are there any limits on the assistance that each program participant may receive, such as a maximum amount, months, and/or number times of assistance?</li> <li>• What percentage or amount of rent and utilities costs must each program participant pay when receiving assistance?</li> <li>• How long can a program participant be provided with rental assistance?</li> <li>• Is the amount of assistance adjusted over time? How so?</li> </ul>

### 2.7.3 Participation in HMIS

Sub-grant recipients must enter data on all persons served and all activities assisted under ESG into HMIS or, in the case of victim service providers, a comparable database in accordance with HUD's standards on participation, data collection, and reporting under a local HMIS.

Comparable systems must be able to export data suitable for Consolidated Annual Performance and Evaluation Report (CAPER) submission through the ESG-CAPER Annual Reporting Tool (eCart).

## **2.8 Compliance Monitoring**

Compliance with regulatory and programmatic requirements of the ESG sub-grant is generally determined through on-site monitoring by OCS. Monitoring will be conducted annually at a minimum but may be conducted more frequently at the discretion of OCS.

Monitoring will generally be conducted after advance notice and at a date and time convenient to both OCS and sub-grant recipients, but may be conducted without notice and at any normal hour of business operation at the discretion of OCS.

## **2.9 Sanctions for Non-Compliance**

Failure to comply with HUD regulations, this Policy and Procedures Manual, HUD and/or OCS Policy memos/directives, or the terms and conditions of the ESG sub-grant may result in denial of reimbursement requests, demand for repayment, reallocation of portions of funding, termination of the sub-grant, or even referral for fraud investigation. The specific sanctions imposed will depend upon the severity of the non-compliance and the degree of the sub-grant recipient's cooperation with OCS. Sub-grant recipients will be notified of sanctions by certified mail.

### **2.9.1 Repayment of ESG Funds**

When improper expenditure of ESG funds is found to have occurred, regardless of the cause, a demand for repayment will be made. The Assistant Director of OCS will provide details of the repayment mechanism at that time.

If errors in invoice reimbursement result in overpayment, the overpayment may require repayment by check or may be repaid through an offset of future reimbursement requests. The Assistant Director of OCS will provide details of overpayment resolution on a case by case basis.

### **2.9.2 Non-Compliance Sanctions Appeal**

Sanctions imposed under the provisions of Section 2.9 are subject to appeal by ESG sub-grant recipients.

Appeals must be made in writing to the Director of the Division of County Operations within 15 calendar days of the certified delivery date of formal written notice of sanctions being imposed. The appeal must provide all documentation that is to be considered in determining facts in dispute and may present extenuating circumstances in lieu of dispute of facts.

Enforcement actions under appeal are stayed while the Director of the Division of County Operations considers the appeal. The Director will issue a Final Decision in writing within 30 calendar days after receipt of written appeals. The Final Decision of the Director on the appeal of any ESG sanction is subject to normal litigation procedures in the appropriate Court of Law.

## Section 3 Environmental Review

ESG sub-grant recipients may not expend any funds, regardless of source, on any project funded in whole or in part with an ESG sub-grant until the environmental review for the ESG sub-grant has been completed. Failure to comply with this requirement may result in cancellation of the sub-grant.

The environmental review is an examination of the potential environmental impacts of a project to ensure compliance with the National Environmental Policy Act (NEPA) and all related laws and authorities. ESG sub-grant funds originate with HUD, and all HUD-assisted projects are required to undergo an environmental review to evaluate potential environmental impacts in how the project may affect the environment and how the environment may affect the project, site, and end users.

HUD, in the regulations found at 24 CFR 58, gives ESG grant recipients the authority to perform the environmental review and assume legal responsibilities for compliance with NEPA. As the HUD grantee, OCS performs environmental reviews for all ESG sub-grants and assumes legal responsibility for NEPA compliance.

Each sub-grant recipient must supply all available, relevant information necessary for OCS to perform for each property any environmental review required by 24 CFR Part 50 and must carry out mitigating measures required or select alternate eligible property, if deemed necessary.

## Section 4 ESG Grant Management

ESG sub-grants may be used to pay for eligible services or activities that were proposed in the sub-grant application, for which funding has been approved and budgeted, and that are provided to eligible program participants within the sub-grant recipient’s service area.

### 4.1 Eligible Program Participants

Generally, there are five eligible populations identified for Emergency Solution Grant programs:

1. Literally Homeless (Living on the Street or in Emergency Shelter)
2. Imminently Homeless (within 14 days)
3. Unaccompanied youth/families who meet other Federal homeless definitions and additional criteria required by HUD.<sup>1</sup>
4. Fleeing/attempting to flee Domestic Violence
5. At Risk of Homelessness as defined by HUD

The following chart illustrates which population may be served by which component of ESG:

Component	Homelessness Definitions				“At Risk” Definition
	Category 1: Literally Homeless	Category 2: Imminent Risk of Homelessness	Category 3: Homeless Under Other Fed. Statutes <sup>2</sup>	Category 4: Fleeing Domestic Violence	
Street Outreach	Yes	No	No	Yes	No
Emergency Shelter	Yes	Yes	Yes	Yes	No
Rapid Rehousing	Yes	No	No	Yes	No
Homelessness Prevention	No	Yes	Yes	Yes	Yes

<sup>1,2</sup> In order to use this definition the sub-grant recipient’s Continuum of Care must seek HUD approval. **Please check with OCS before attempting to use this definition.**

Within each component of ESG, however, some services are targeted toward specific subsets of eligible populations.

The most basic question that an ESG sub-grant recipient should ask an applicant is “***Where did you sleep last night?***” The answer to that question is a good guide to services for which applicants are eligible. The chart on the following page shows eligibility based on the answer to that most basic of questions.

<b>Eligibility for ESG Components by Prior Residence</b>									
<b>Component</b>	<b>Residence on Night Prior to Program Entry</b> (or in case of services only, client's current residence)								
	<b>Street / Car / Park</b>	<b>Emergency Shelter</b>	<b>Institution<sup>3</sup> (≤ 90 days)</b>	<b>Motel (Paid for by charity or Government)</b>	<b>Motel (Paid for by client)</b>	<b>Doubled Up / Couch Surfing</b>	<b>At Risk<sup>4</sup></b>	<b>A Domestic Violence Shelter</b>	<b>Fleeing Domestic Violence</b>
<b>Street Outreach</b>	Yes	No	No	No	No	No	No	No	No
<b>Emergency Shelter (Operations)</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Emergency Shelter (Services)</b>	Yes	Yes	See Section 4.2.2.2 <sup>5</sup>	Yes	No	No	No	Yes	No
<b>Rapid Re-Housing</b>	Yes	Yes	Yes	Yes	No	No	No	Yes	No
<b>Homelessness Prevention</b>	No	No	No	No	Yes	Yes	Yes	No	Yes

<sup>3</sup> Eligible participants must have been in the institution for less than 90 days **AND** must have been living in a shelter or on the street immediately before entering the institution.

<sup>4</sup> Eligible Participants must be at risk of entering a shelter or living on street if assistance is not provided.

<sup>5</sup> Refer to Section 4.2.2.2, Essential Services under the Emergency Shelter Component, for more information.

#### 4.1.1 Documenting Homelessness or Risk

**Literally Homeless** individuals or families lack a fixed, regular, and adequate nighttime residence. Participants who spend nights in a public or private place not meant for human habitation, such as a car, a laundromat, a parking garage or a wooded area, are literally homeless. Anyone living in an emergency shelter, transitional housing, or a hotel or motel paid for by a charitable organization or by a government program is literally homeless. Any individual exiting an institution after 90 days or less who was literally homeless prior to entering the institution is also classified as literally homeless.

Documenting an applicant as literally homeless requires

- Written observation of an outreach worker,
- A written referral from another service provider, or
- Certification by the individual or head of household seeking assistance.
- In addition to written observation, referral or self-certification, individuals exiting an institution must also be documented by discharge paperwork from the institution or a written or oral referral from the institution. If these additional documents cannot be obtained, self-certification and a written record of the case worker's due diligence are required.

Literally homeless populations are eligible for assistance only through ESG's Street Outreach, Emergency Shelter or Rapid Re-Housing components.

Individuals or families who will lose their primary nighttime residence within 14 days of their application for assistance, who have no place to move into after losing that primary nighttime residence, and who lack the resources or support networks needed to obtain other permanent housing, are considered to be at **Imminent Risk of Homelessness**.

Documenting an applicant as being in imminent risk of homelessness requires an eviction notice or a documented and verified statement from the applicant. Applicants must also certify that they have no place to go if evicted and that they lack the financial resources and support networks necessary to obtain permanent housing.

Populations at imminent risk of homelessness may be eligible for assistance through ESG's Emergency Shelter or Homelessness Prevention components.

Populations who are defined as **Homeless under Other Federal Statutes** may be eligible for assistance through ESG's Emergency Shelter or Homelessness Prevention components. In order to use this definition, however, the sub-grant recipient's Continuum of Care must seek HUD approval. *Please check with OCS before attempting to use this definition.*

Individuals or families who are **Fleeing, or Attempting to Flee, Domestic Violence** are eligible for assistance as long as they have no other residence and lack the resources or support networks to obtain other permanent housing.

Documentation requirements for this category differ slightly between victim services providers<sup>6</sup> and non-victim services providers.

- Victim services providers must document that the applicant is fleeing with no subsequent residence and lacks resources. These statements must be certified by either the applicant or the victim service provider.
- Non-victim services providers must provide the same documentation and must also, where the safety of the applicant is not jeopardized, verify the applicant's statements.

Participants in this population may be eligible for assistance through ESG's Street Outreach, Emergency Shelter, Rapid Re-Housing or Homelessness Prevention components. Note on the preceding chart that eligibility differs for populations who have fled domestic violence and are living in a shelter or on the street and populations who are attempting to flee domestic violence and are not in a shelter or on the street.

For individuals and families who do not meet the definition of "homeless" under any of the categories established in the Homeless Definition final rule, the McKinney-Vento Act was amended to allow homeless prevention assistance to be provided to persons who are **at Risk of Homelessness**.

These individual or families must have an annual income below 30% of median family income for the area, must not have sufficient resources or support networks to prevent them from moving to an emergency shelter, and must meet at least one of the following conditions:

- (A) has moved because of economic reasons 2 or more times during the 60 days immediately preceding the application for assistance,
- (B) is living in the home of another because of economic hardship,
- (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,
- (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,

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<sup>6</sup> HUD defines a victim service provider to mean a private non-profit organization whose primary mission is to provide direct services to victims of domestic violence.

- (E) lives in a single room occupancy (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,
- (F) is exiting a publicly funded institution or system of care,
- (G) otherwise, lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the State's approved Consolidated Plan.

Documentation requirements for this definition include verified household incomes with comparison to the appropriate income threshold for the applicant's county and a documentation of one of items (A) through (G).

## 4.2 Eligible Program Services and Activities

ESG has four components under which services and activities are provided to program participants and two components for program management. The four components that fund services and activities to participants are Street Outreach, Emergency Shelter, Rapid Re-Housing, and Homelessness Prevention. The remaining components are HMIS and Administration.

### 4.2.1 Street Outreach (SO)

The Street Outreach component of ESG is intended to facilitate trusting relationships between unsheltered homeless people and sub-grant recipients. A key criterion for this component is *unsheltered* homeless. Individuals and families assisted through Street Outreach must be living on the streets or in places not intended for human habitation and be unwilling or unable to access services in an emergency shelter.

Participants must be literally homeless (Category 1) because they spend nights in a public or private place not meant for human habitation and are unwilling or unable to enter an emergency shelter, or fleeing/attempting to flee domestic violence (Category 4) to be assisted under ESG's Street Outreach component.

If included in the sub-grant budget, eligible activities under Street Outreach include Essential Services (engagement, case management, emergency medical services, emergency mental health services and transportation services to unsheltered homeless people on the street).

#### 4.2.1.1 Street Outreach: Essential Services

If they have been included in an approved budget, engagement, case management, emergency medical services, emergency mental health services and transportation services to unsheltered homeless people on the street are eligible for reimbursement under the Street Outreach component.

#### Engagement

Engagement is an activity designed to locate, identify, and build relationships with unsheltered homeless people for the purpose of providing immediate support, intervention, and connections with homeless assistance programs. **The engagement must take place in the street as opposed to a facility or office.**

Reimbursement for engagement activities requires documentation of costs and associated payments.

### Case Management

Case Management under the Street Outreach component means the assessment of the housing and service needs of unsheltered homeless persons, and the arrangement for, coordination of, and monitoring of delivery of services to those persons. **It must be provided in the street as opposed to a permanent fixed location.**

Reimbursement for case management under the Street Outreach component requires the following documentation:

- a. Timesheets for the person(s) performing the case management; and
- b. Payroll documents for the person(s) performing the case management.

On-site files must also include:

- c. Case notes
- d. Documentation of unsheltered homeless status
- e. Documentation that the service was provided in the street

### Emergency Medical Services

Emergency Medical Services are the direct outpatient treatment of medical conditions by licensed professionals **in community-based settings where unsheltered homeless people are living.**

Reimbursement for emergency medical services under the Street Outreach component requires the following documentation:

- a. Documentation of costs and associated payments.

On-site files must also include:

- b. Documentation of unsheltered homeless status
- c. Documentation that the service was provided in the street

### Emergency Mental Health Services

Emergency Mental Health Services are the direct outpatient treatment of mental health conditions by licensed professionals **in community-based settings where unsheltered homeless people are living.**

Reimbursement for emergency mental health services under the Street Outreach component requires the following documentation:

- a. Documentation of costs and associated payments.

On-site files must also include:

- b. Documentation of unsheltered homeless status
- c. Documentation that the service was provided in the street

### Transportation Services

Transportation is travel by service providers during the provision of eligible services and the costs of transporting unsheltered people to emergency shelters or other service facilities.

Reimbursement for transportation services under the Street Outreach component requires the following documentation:

- a. Documentation of costs and associated payments.

On-site files must also include:

- b. Documentation of unsheltered homeless status;
- c. Documentation that the expenses were incurred during the provision of eligible services; and
- d. Documentation that the service was provided in the street.

### Services for Special Populations

Services for Special Populations are any of the essential services listed above that have been tailored to address the special needs of homeless youth, victims of domestic violence and related crimes/threats, and/or people living with HIV/AIDS who are literally homeless.

Reimbursement for services for special populations under the Street Outreach component requires all documentation associated with the base service with additional narrative explaining how the service has been tailored to the specific needs of the special population.

#### **4.2.2 Emergency Shelters (ES)**

The Emergency Shelter component of ESG is intended to make emergency shelters safe, available, and viable so that homeless people can have a safe place to sleep at night. Shelters may go beyond that goal and offer safe, temporary, all-day residences to homeless individuals or families who need a base of operations from which to find employment, connect with mainstream services, and obtain permanent housing. Shelters may also opt to be day shelters that are open only during daylight hours to provide meals, essential services and refuge from the weather.

Emergency shelters must meet minimum safety, sanitation, and privacy standards to receive ESG funding. Those standards are detailed in 4.2.2.1.

Participants who are literally homeless (Category 1), at Imminent Risk of Homelessness (Category 2), Homeless Under Other Federal Statutes (Category 3), or fleeing / attempting to flee domestic violence (Category 4) may be assisted under ESG's Street Outreach component.

If included in the sub-grant budget, eligible activities under Emergency Shelter include Essential Services (Case Management, Child Care, Education Services, Employment Assistance/Job Training, Outpatient Health, Legal Services, Life Skills, Mental Health Services, Substance Abuse Treatment Services, Transportation, and Services for Special Populations), Shelter Rehabilitation, and Shelter Operations (Maintenance, Rent, Security, Fuel, Insurance, Utilities, Food, Furnishings, Equipment, Supplies, and Hotel/Motel Vouchers).

#### **4.2.2.1 *Minimum Standards for Emergency Shelters***

Any emergency shelter funded in whole or in part through an ESG sub-grant must meet the habitability standards for emergency shelters established by the Emergency Solutions Grants (ESG) Program Interim Rule.

A checklist for meeting these minimum requirements is provided in [Appendix 2](#). Applicants must submit this completed checklist as part of the application and, if funded, the condition of the shelter will be verified during on-site monitoring visits.

Shelters not meeting the Habitability Standards will be subject to the sanctions found in [Section 2.9](#).

#### **4.2.2.2 *Essential Services***

Essential services can only be provided to participants who are literally homeless. If they have been included in an approved budget, the following essential services are eligible for reimbursement under ESG's Emergency Shelter component:

- Case Management
- Child Care
- Education Services
- Employment Assistance/Job Training
- Outpatient Health
- Legal Services
- Life Skills
- Mental Health Services
- Substance Abuse Treatment Services
- Transportation
- Services for Special Populations

#### **Case Management**

Under the Emergency Shelter component, case management is the process of assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant. Included activities and services are:

- Using the required coordinated assessment system;
- Conducting the required initial evaluation that must verify and document eligibility;

- Counseling;
- Developing, securing, and coordinating services and obtaining any Federal, State, or local benefits to which the participant is entitled;
- Monitoring and evaluating program participant progress;
- Providing information and referrals to other providers;
- Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking; and
- Developing an individualized housing and service plan, including planning a path to permanent housing stability.

Reimbursement for case management under the Emergency Shelter component requires the following documentation:

- a.** Timesheets for the person(s) performing the case management; and
- b.** Payroll documents for the person(s) performing the case management.

On-site files must also include:

- c.** Initial Intake Assessment Form documenting eligibility;
- d.** Case notes;
- e.** Documentation of efforts to connect participants to other resources for supportive services; and
- f.** Housing plans for stability in permanent housing (if applicable).

#### Child Care

Under the Emergency Shelter component, the costs of child care for program participants, including providing meals and snacks, and comprehensive and coordinated sets of appropriate developmental activities, are eligible. The children must be under the age of 13, unless they are disabled. Disabled children must be under the age of 18. The child-care center must be licensed by the jurisdiction in which it operates in order for its costs to be eligible.

Reimbursement for child care under the Emergency Shelter component requires the following documentation:

- a.** Documentation of costs and associated payments.

On-site files must also include:

- b.** Initial Intake Assessment Form documenting eligibility; and
- c.** License number of the child care provider.

#### Education Services

When necessary for the program participant to obtain and maintain housing, the costs of education services to improve knowledge and basic skills are eligible. Services include instruction or training in consumer education, health education, substance abuse prevention, literacy, English as a Second Language, and General Educational Development (GED).

Component services or activities are screening, assessment and testing; individual or group instruction; tutoring; provision of books, supplies and instructional material; counseling; and referral to community resources.

Reimbursement for educational services under the Emergency Shelter component requires the following documentation:

- a.** Documentation of costs and associated payments

On-site files must also include:

- b.** Initial Intake Assessment Form documenting eligibility.

#### Employment Assistance / Job Training

The costs of Employment Assistance/Job Training programs are eligible, including classroom, online, and/or computer instruction; on-the-job instruction; and services that assist individuals in securing employment, acquiring learning skills, and/or increasing earning potential. Learning skills include those skills that can be used to secure and retain a job.

Services that assist individuals in securing employment consist of employment screening, assessment, or testing; structured job skills and job-seeking skills; special training and tutoring, including literacy training and prevocational training; books and instructional material; counseling or job coaching; and referral to community resources.

Reimbursement for employment assistance / job training programs under the Emergency Shelter component requires the following documentation:

- a.** Documentation of costs and associated payments.

On-site files must also include:

- b.** Initial Intake Assessment Form documenting eligibility.

#### Outpatient Health Services

Eligible Outpatient Health costs are for the direct outpatient treatment of medical conditions and are provided by licensed medical professionals. ESG funds may be used only for these services to the extent that other appropriate health services are unavailable within the community.

Eligible treatment consists of assessing a program participant's health problems and developing a treatment plan; assisting program participants to understand their health needs; providing directly or assisting program participants to obtain appropriate medical treatment, preventive medical care, and health maintenance services, including emergency medical services; providing medication and follow-up services; and providing preventive and non-cosmetic dental care.

Reimbursement for outpatient health services under the Emergency Shelter component requires the following documentation:

- a.** Documentation of costs and associated payments.

On-site files must also include:

- b.** Initial Intake Assessment Form documenting eligibility.

## Legal Services

Eligible Legal Services costs are the hourly fees for legal advice and representation by attorneys licensed and in good standing with the Arkansas Bar Association, and by person(s) under the supervision of the licensed attorney, regarding matters that interfere with the program participant's ability to obtain and retain housing.

ESG funds may be used only for these services to the extent that other appropriate legal services are unavailable or inaccessible within the community.

Eligible subject matters are child support, guardianship, paternity, emancipation, and legal separation, orders of protection and other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking, and appeal of veterans and public benefit claim denials.

Component services or activities may include client intake, preparation of cases for trial, provision of legal advice, representation at hearings, and counseling.

Fees based on the actual service performed (i.e., fee for service) are also eligible, but only if the cost would be less than the cost of hourly fees. Filing fees and other necessary court costs are also eligible. If the grantee is a legal services provider and performs the services itself, the eligible costs are the grantee's employees' salaries and other costs necessary to perform the services.

Legal services for immigration and citizenship matters and issues relating to mortgages, retainer fees and contingency fees are ineligible costs.

Reimbursement for legal services under the Emergency Shelter component requires the following documentation:

- a.** Documentation of costs and associated payments.

On-site files must also include:

- b.** Initial Intake Assessment Form documenting eligibility.
- c.** Documentation that the attorney is licensed with the Arkansas Bar Association; and
- d.** Narrative relating the legal services to matters that interfere with the program participant's ability to obtain and retain housing.

## Life Skills Training

The costs of life skills training, such as teaching critical life management skills that may never have been learned or have been lost during the course of physical or mental illness, domestic violence, substance use, and homelessness are eligible costs. These services must be necessary to assist the program participant to function independently in the community.

Component life skills training are budgeting resources, managing money, managing a household, resolving conflict, shopping for food and needed items, improving nutrition, using public transportation, and parenting.

Reimbursement for life skills training under the Emergency Shelter component requires the following documentation:

**a.** Documentation of costs and associated payments; and

On-site files must also include:

**b.** Initial Intake Assessment Form documenting eligibility;

**c.** Narrative relating the training to skills necessary for the program participant to function independently in the community.

### Mental Health Services

Eligible Mental Health Services costs are the direct outpatient treatment by licensed professionals of mental health conditions.

ESG funds may only be used for these services to the extent that other appropriate mental health services are unavailable or inaccessible within the community.

Mental health services are the application of therapeutic processes to personal, family, situational, or occupational problems in order to bring about positive resolution of the problem or improved individual or family functioning or circumstances. Problem areas may include family and marital relationships, parent-child problems, or symptom management.

Eligible treatment consists of crisis interventions; individual, family, or group therapy sessions; the prescription of psychotropic medications or explanations about the use and management of medications; and combinations of therapeutic approaches to address multiple problems.

Reimbursement for mental health services under the Emergency Shelter component requires the following documentation:

**a.** Documentation of costs and associated payments.

On-site files must also include:

**b.** Initial Intake Assessment Form documenting eligibility.

### Substance Abuse Treatment Services

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.

ESG funds may only be used for these services to the extent that other appropriate substance abuse treatment services are unavailable or inaccessible within the community.

Eligible treatment consists of client intake and assessment, and outpatient treatment for up to 30 days. Group and individual counseling and drug testing are eligible costs. Inpatient detoxification and other inpatient drug or alcohol treatment are not eligible costs.

Reimbursement for substance abuse treatment under the Emergency Shelter component requires the following documentation:

- a.** Documentation of costs and associated payments.

On-site files must also include:

- b.** Initial Intake Assessment Form documenting eligibility; and
- c.** Narrative explaining that other appropriate substance abuse treatment services are unavailable or inaccessible within the community.

### Transportation Services

Eligible Transportation costs consist of the transportation costs of a program participant's travel to and from medical care, employment, child care, or other eligible essential services facilities. These costs include the following:

- The cost of a program participant's travel on public transportation;
- If service workers use their own vehicles, mileage allowance for service workers to visit program participants;
- The cost of purchasing or leasing a vehicle for the sub-grant recipient in which staff transports program participants and/or staff serving program participants, and the cost of gas, insurance, taxes, and maintenance for the vehicle; and
- The travel costs of sub-grant recipient to accompany or assist program participants to use public transportation.

Reimbursement for transportation services under the Emergency Shelter component requires the following documentation:

- a.** Documentation of costs and associated payments.

On-site files must also include:

- b.** Initial Intake Assessment Form documenting eligibility.

### Services for Special Populations

Services for Special Populations are the Essential Services of this Section that have been tailored to address the special needs of homeless youth, the victims of domestic violence and related crimes or threats, and/or people living with HIV/AIDS in emergency shelters.

Reimbursement for services for special populations under the Emergency Shelter component requires all documentation associated with the base service with additional narrative explaining how the service has been tailored to the specific needs of the special population.

#### 4.2.2.3 *Renovation, Rehabilitation or Conversion*

If they have been included in an approved budget, renovation, rehabilitation and conversion activities are eligible for reimbursement under ESG's Emergency Shelter component.

Buildings renovated, rehabilitated or converted with ESG funds must be maintained as emergency shelters for a minimum of three to 10 years, depending upon the value of the building and the level of improvement. Renovated shelters must remain homeless shelters for a minimum of three years. Rehabilitated or converted shelters must remain shelters for a minimum of 10 years, and this minimum period of use must be enforced by a recorded deed or use restriction.

##### Renovation

For the purposes of the ESG Program in Arkansas, renovation is "any structural rehabilitation where the associated cost does not exceed 75% of the value of the building before the rehabilitation." The value of the building is the monetary value assigned to the structure by an independent real estate appraiser or reasonably established by the sub-grant recipient or the State.

Renovation costs include:

- Labor, materials, tools and other costs of improving buildings, including repair directed toward an accumulation of deferred maintenance;
- Replacement of principal fixtures and components of existing buildings;
- Installation of security devices; and
- Improvement through alterations or incidental additions to, or enhancement of, existing buildings, including improvements to make the structure more energy-efficient.

Renovations assisted with ESG funding must meet all applicable State and local fire and building codes, electrical codes, plumbing codes, mechanical (HVAC) codes, and energy codes. Shelters renovated with ESG funds must be used as a homeless shelter for a minimum of three years.

##### Rehabilitation

For the purposes of the ESG Program in Arkansas, rehabilitation is any structural rehabilitation where the associated cost exceeds 75% of the value of the building before rehabilitation. The value of the building is the monetary value assigned to the structure by an independent real estate appraiser or reasonably established by the sub-grant recipient or the State.

Rehabilitations assisted with ESG funding must meet all applicable State and local fire and building codes, electrical codes, plumbing codes, mechanical (HVAC) codes, and energy codes. The State codes in effect for this Policy and Procedures Manual are listed in Appendix 2. Shelters rehabilitated with ESG funds must be used as a homeless shelter for a minimum of 10 years, and this minimum period of use must be enforced by a recorded deed or use restriction.

## Conversion

For the purposes of the ESG Program in Arkansas, conversion is a change in the use of a building to an emergency shelter for the homeless with an associated cost that exceeds 75% of the value of the building after conversion. The value of the building is the monetary value assigned to the structure by an independent real estate appraiser or reasonably established by the sub-grant recipient or the State. Shelters converted with ESG funds must be used as a homeless shelter for a minimum of 10 years, and this minimum period of use must be enforced by a recorded deed or use restriction.

Reimbursement for renovation, rehabilitation and conversion activities under the Emergency Shelter component requires:

- a. Documentation of costs and associated payments.

On-site files must also include:

- b. Identification of the procurement method followed.

### 4.2.2.4 *Shelter Operations*

If they have been included in an approved budget, the following shelter operations are eligible for reimbursement under ESG's Emergency Shelter component:

- Maintenance
- Rent
- Security
- Fuel
- Insurance
- Utilities
- Food
- Furnishings
- Equipment
- Supplies
- Hotel/Motel Vouchers

Eligible shelter operations costs must be necessary for the continued operation of the shelter. Sub-grant recipients should consult with OCS before incurring expenses that do not clearly meet that criterion.

## Maintenance

For the purposes of the ESG Program in Arkansas, emergency shelter maintenance is the cost associated with minor or routine repairs under \$1,000.00. It may also be used to pay insurance deductibles under \$1,000.00 for repairs covered by insurance.

Reimbursement for shelter maintenance requires the following documentation:

- a. Documentation of costs and associated payments.

On-site files must also include:

- b. A narrative explaining the maintenance performed.

## Rent

For the purposes of the ESG Program in Arkansas, emergency shelter rent is the cost of renting a facility for use as an emergency shelter. It does not include the cost of renting storage space or equipment.

Reimbursement for shelter rent requires the following documentation:

- a. Payment documentation.

On-site files must also include:

- b. A lease in the name of the sub-grant recipient.

## Security

For the purposes of the ESG Program in Arkansas, shelter security includes the cost of security systems and monthly monitored system fees, smoke alarms and monthly monitored system fees, and basic security equipment such as locks, deadbolts, and video surveillance equipment.

Reimbursement for shelter security costs requires documentation of the costs and associated payments.

## Fuel<sup>7</sup>

For the purposes of the ESG Program in Arkansas, shelter fuel is winter heating fuel such as propane, oil or wood.

Reimbursement for shelter fuel requires documentation of the cost and associated payment.

## Insurance

For the purposes of the ESG Program in Arkansas, shelter insurance is the monthly premium for liability insurance, property insurance, auto insurance for vehicles owned by the shelter and used solely for shelter business, and fidelity bonding for board directors and officers.

Monthly premiums, quarterly payments and annual payments are all eligible for reimbursement as long as the period of coverage does not extend outside of the sub-grant performance period. If the insurance coverage period does extend outside of the sub-grant's performance period, sub-grant recipients may invoice for reimbursement of the premium for the coverage within the performance period on a pro rata basis.

Reimbursement for a shelter insurance cost requires:

- a. Documentation of the premium and associated payment.

On-site files must also include:

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<sup>7</sup> Fuel refers to heating fuel for the shelter. It does not mean fuel used for vehicles, which is a Transportation cost.

- b. A certificate of coverage that shows the shelter address, the vehicle(s) covered, or the positions bonded.

#### Utilities

For the purposes of the ESG Program in Arkansas, the monthly costs of water, electricity, natural gas, trash disposal, pest control and telecom utilities associated with phone service, wireless service, internet access and the delivery of television programming should be submitted on monthly invoices as Emergency Shelter Operating and Maintenance expenses.

The monthly fees for utilities are eligible costs, but late fees and reconnection charges are not eligible for reimbursement.

Reimbursement for a shelter utility cost requires:

- a. A utility bill showing the shelter address as the service address; and
- b. Documentation of the associated payment.

#### Food

For the purposes of the ESG Program in Arkansas, food for an emergency shelter is any food intended for human consumption that is served to shelter residents within the shelter. Meals purchased and served to shelter residents in a restaurant are not eligible for reimbursement under shelter operation. Food served to low income area residents who are not shelter residents, as part of a food pantry or similar operation, is not eligible for reimbursement under shelter operation. Food for pets is not an allowable expense.

While this Policy and Procedures Manual does not specifically disallow any particular food intended for human consumption, sub-grant recipients should strive to provide nutritious meals while avoiding unnecessary expenses.

Reimbursement for shelter food requires documentation of the cost and associated payment. The cost documentation must show the items purchased.

#### Furnishings

For the purposes of the ESG Program in Arkansas, shelter furnishings include any non-disposable item needed to make the shelter fit to live in. The following list of eligible furnishings is a guide only. It is not exclusive, and additional items may be eligible.

- Reasonable clothing and shoes for shelter residents;
- Beds, mattresses and box springs, pillows, sheets, blankets, alarm clocks and storage units for clothing;
- Towels and washcloths, shower curtains and floor rugs;
- Tables and chairs, pots and pans, dishes, glasses, cutlery and small kitchen appliances;
- Curtains and window blinds;
- Couches and living room seating;
- When placed in a common area for use by all shelter residents, a television would be an eligible item;

- When placed in a common area for use by all shelter residents, a computer, computer peripherals and computer desk would be eligible items;
- For shelters that accept families with children and have indoor or outdoor play areas, reasonable toys and play sets are eligible furnishings.

Reimbursement for shelter furnishings requires:

- a. A brief narrative of the need; and
- b. Documentation of the cost and associated payment.

#### Equipment

For the purposes of the ESG Program in Arkansas, shelter equipment includes heating and air conditioning equipment, laundry appliances and large kitchen appliances. The purchase of outdoor lawn equipment is not an eligible expense.

Reimbursement for shelter equipment requires:

- a. A brief narrative of the need; and
- b. Documentation of the cost and associated payment.

#### Supplies

For the purposes of the ESG Program in Arkansas, shelter supplies include any disposable item that is not food. Cleaning supplies, diapers, toilet paper and personal hygiene products are examples of shelter supplies.

Reimbursement for shelter supplies requires documentation of the cost and associated payment. The cost documentation must show the items purchased.

#### Hotel/Motel Vouchers

For the purposes of the ESG Program in Arkansas, hotel/motel vouchers are eligible costs only when no appropriate emergency shelter is available for a homeless family or individual. Vouchers may be issued for a maximum of three days and may be issued only once per individual or family.

Reimbursement for hotel/motel vouchers requires:

- a. A brief narrative of the steps taken to find appropriate shelter for the homeless family or individual;
- b. Documentation of the cost and associated payment.

On-site files must also include:

- c. Initial Intake Assessment Form documenting eligibility.

#### **4.2.3 Rapid Re-Housing (RR) and Homelessness Prevention (HP)**

The Rapid Re-Housing component is intended to move literally homeless individuals and families out of emergency shelters and into permanent housing by providing housing

relocation and stabilization services and rental assistance. The Homelessness Prevention component is intended to assist individuals or families at risk of homelessness with housing stability and prevent them from becoming homeless.

**The eligible services and activities lists for Rapid Re-Housing and Homelessness Prevention are identical**, but the documentation requirements are slightly different. Unlike Rapid Re-Housing, Homelessness Prevention requires an initial income evaluation for all households, and households must have an income level below 30% of the Area Median Income (AMI) (see [Appendix 3](#)) and must demonstrate that they lack sufficient resources or support networks to prevent themselves from becoming homeless without assistance.

The rent for the housing must not exceed the HUD Fair Market Rent, and it must meet the area standard of rent reasonableness. The Fair Market Rent is a value determined by HUD, and the Fair Market Rent (FMR) values for each Arkansas county are published at <https://www.huduser.gov/portal/datasets/fmr.html>. It is important to note that FMRs contain utility allowances.

The Rent Reasonableness Standard is determined by each sub-grant recipient through discussions with local realtors and consideration of the location, quality, size, type, and age of local housing stock. Amenities, maintenance, and utilities to be provided by the owner should also be considered. The Rent Reasonableness Standard should be a written document that is included with each Rapid Re-Housing or Homelessness Prevention file. It should state the maximum reasonable rent for 1BR, 2BR, 3BR and 4BR housing in the area, and it should describe the steps that were taken to arrive at those rents.

If included in the sub-grant budget, eligible activities under Rapid Re-Housing include Rental Assistance (short-term rental assistance, medium-term rental assistance, and/or assistance with rent in arrears), Housing Relocation and Stabilization Financial Assistance (application fees, moving costs, security deposits, last month rents, utility deposits and utility payments), and Housing Relocation and Stabilization Services (housing search and placement costs, case management, mediation, credit repair and legal services).

Reimbursement for Rental Assistance (short-term rental assistance, medium-term rental assistance, and/or assistance with rent in arrears) requires:

- a. Documentation of compliance with the HUD Fair Market Rent Standard (submission required only for the initial month of assistance);
- b. Documentation of compliance with the Sub-Grant recipient's Rent Reasonableness Standard (submission required only for the initial month of assistance);
- c. Documentation of compliance with the ESG Minimum Habitability Standards for Permanent Housing (submission required only for the initial month of assistance);

- d. Documentation that lead-based paint notification requirements have been met (submission required only for the initial month of assistance and only for housing constructed prior to 1978);
- e. A lease between the program participant<sup>8</sup> and the landlord (submission required only for the initial month of assistance);
- f. A Rental Assistance Agreement between the landlord and the sub-grant recipient (submission required only for the initial month of assistance); and
- g. Documentation of the cost and associated payment.
- h. Reimbursement under Homelessness Prevention also includes documentation of compliance with the 30% AMI income limit.

On-site files must also include:

- i. Initial Intake Assessment Form documenting eligibility; and
- j. Case notes.

Reimbursement for Housing Relocation and Stabilization Financial Assistance (application fees, moving costs, security deposits, last month rents, utility deposits and utility payments) requires:

- a. Documentation of compliance with the ESG Minimum Habitability Standards for Permanent Housing (submission required only for the initial month of assistance);
- b. Documentation of the cost and associated payment.
- c. Reimbursement under Homelessness Prevention also includes documentation of compliance with the 30% AMI income limit.

On-site files must also include:

- d. Initial Intake Assessment Form documenting eligibility; and
- e. Case notes.

Reimbursement for Housing Relocation and Stabilization Services (housing search and placement costs, case management, mediation, credit repair and legal services) requires:

- a. Documentation of compliance with the ESG Minimum Habitability Standards for Permanent Housing (submission required only for the initial month of assistance);
- b. Documentation of the cost and associated payment.
- c. Reimbursement under Homelessness Prevention also includes documentation of compliance with the 30% AMI income limit.

On-site files must also include:

- d. Initial Intake Assessment Form documenting eligibility; and
- e. Case notes.

#### ***4.2.3.1 Rapid Re-Housing and Homelessness Prevention Eligibility.***

Literally Homeless populations (Category 1) and participants who are fleeing domestic violence (Category 4) are eligible for assistance with Rapid Re-Housing.

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<sup>8</sup> In consideration of client privacy concerns and of the potential danger to the health and safety of their clients, Domestic Violence Services providers may redact the names of program participants from leases and substitute identifying database record numbers that correspond to the HMIS-comparable database used by the provider.

Populations in imminent risk of homelessness, homeless under other federal statutes, fleeing domestic violence, or meeting the definition of “at risk of homelessness” are eligible for assistance with Homelessness Prevention.

#### ***4.2.3.2 RR and HP Housing Relocation and Stabilization Financial Assistance***

Housing Relocation and Stabilization Services are comprised of Financial Assistance and Services. If they have been included in an approved budget, the following housing relocation and stabilization Financial Assistance activities are eligible for reimbursement under the RR or HP components:

- Application Fee
- Security Deposit
- Last Month’s Rent
- Utility Deposit
- Utility Payment
- Moving Costs

If they have been included in an approved budget, the following housing relocation and stabilization Service costs are eligible for reimbursement under the RR or HP components:

- Housing Search and Placement
- Housing Stability Case Management
- Mediation
- Legal Services
- Credit Repair

#### **Financial Assistance Activities**

##### ***Application Fees***

For the purposes of the ESG Program in Arkansas, application fees are the fees charged by the owner to all applicants seeking housing.

##### ***Security Deposits***

For the purposes of the ESG Program in Arkansas, security deposits may not exceed the equivalent of two months' rent.

##### ***Last Month's Rent***

If it is necessary to obtain housing for a program participant, ESG funds may be used to pay the last month's rent to the housing owner. For the purposes of the ESG Program in Arkansas, the last month’s rent must be paid at the time the security deposit and first month's rent are paid and may not exceed one month's rent. If paid, the last month’s rent must be included in calculating the program participant's total rental assistance. Total rental assistance cannot exceed 24 months during any 3-year period.

### Utility Deposits

For the purposes of the ESG Program in Arkansas, utility deposits are fees that all customers are required to pay to be connected to gas, electric, water and sewer services. The fees must be paid in the name of the program participant so that, when refunded or credited to the account, the benefit is to the program participant and not to the sub-grant recipient.

### Utility Payments

For the purposes of the ESG Program in Arkansas, utility payments for gas, electric, water, and sewer may be made for up to 24 months within any 3-year period. These payments may include up to six months of utility payments in arrears per service. Utility payment assistance may only be provided if the service is in the name of the program participant or in the name of a member of the same household and if the lease clearly indicates that the utilities are the tenant's responsibility.

Electricity payments are not available when the Low Income Home Energy Assistance Program (LIHEAP) Crisis program is open, and gas payments are not available when the regular LIHEAP program is in operation.

### Moving Costs

For the purposes of the ESG Program in Arkansas, the cost of moving a participant to permanent housing is an eligible expense. These costs can include truck rental, payment to movers, and payment of up to three months of temporary storage fees if the fees are accrued after the date the program participant begins receiving assistance and before the program participant moves into permanent housing. Payment of storage fees in arrears is not eligible.

## Service Costs

### Housing Search and Placement

For the purposes of the ESG Program in Arkansas, housing search and placement under this component encompasses the steps necessary to help program participants locate and obtain suitable permanent housing. This includes assessing the barriers to housing that the participant faces, developing an action plan for locating housing that meets the participant's needs and preferences, negotiating with owners, ensuring that identified housing meets habitability, lead-based paint and rent reasonableness standards, explaining the lease to the participant, assisting with moving arrangements, and helping the participant get utility services connected.

### Housing Stability Case Management

For the purposes of the ESG Program in Arkansas, ESG funds may be used 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. This assistance is limited to 30 days during the period the program participant is seeking permanent housing and 24 months during the period the program participant is living in permanent housing.

Component services and activities consist of:

- Using the coordinated assessment system to evaluate individuals and families applying for or receiving Rapid Re-housing assistance;
- Conducting the initial evaluation to verify and document eligibility for individuals and families applying for Rapid Re-housing assistance;
- Counseling;
- Developing, securing, and coordinating services and obtaining Federal, State, and local benefits;
- Monitoring and evaluating program participant progress;
- Providing information and referrals to other providers;
- Developing an individualized housing and service plan, including planning a path to permanent housing stability; and
- Conducting re-evaluations

#### Mediation

For the purposes of the ESG Program in Arkansas, mediation between the program participant and the owner of the housing, or between the program participant and the person(s) with whom the program participant is living, must be necessary to prevent the program participant from losing the permanent housing in which the program participant currently resides in order to be a reimbursable expense.

#### Legal Services

Eligible Legal Services costs are the hourly fees for legal advice and representation by attorneys licensed and in good standing with the Arkansas Bar Association, and by person(s) under the supervision of the licensed attorney, regarding matters that interfere with the program participant's ability to obtain and retain housing or that will likely result in the program participant losing the permanent housing in which the program participant currently resides.

ESG funds may be used only to the extent that other appropriate legal services are unavailable or inaccessible within the community.

Eligible subject matters are child support, guardianship, paternity, emancipation, and legal separation, orders of protection and other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking, appeal of veterans and public benefit claim denials, and landlord/tenant matters.

Component services or activities may include client intake, preparation of cases for trial, provision of legal advice, representation at hearings, and counseling.

Fees based on the actual service performed (i.e., fee for service) are also eligible, but only if the cost would be less than the cost of hourly fees. Filing fees and other necessary court costs are also eligible. If the grantee is a legal services provider and performs the services itself, the eligible costs are the grantee's employees' salaries and other costs necessary to perform the services.

Legal services for immigration and citizenship matters and issues relating to mortgages, retainer fees and contingency fees are ineligible costs.

#### **4.2.3.3 RR and HP Rental Assistance**

If they have been included in an approved budget, short-term rental assistance, medium-term rental assistance, and payment of rent in arrears are eligible for reimbursement under the RR and HP components. The assistance may be for any combination of the three types of rental assistance.

- Short-term rental assistance may be provided for up to three months.
- Assistance for more than three months is classified as medium-term rental assistance and may be provided for up to 24 months.
- Payment of rental arrears consists of a one-time payment for up to six months' rent in arrears and may include late fees.

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

The State has the legal authority, under §576.105(5c), to cap the dollar amount of rental assistance that a program participant may receive, to limit the number of months that a program participant may receive rental assistance, or to specify maximum number of times that a program participant may receive rental assistance under the ESG Program. The State may also require program participants to share in the costs of rent.

For the purposes of the ESG Program in Arkansas, rent is defined as 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 gas, electric, water and sewer as established by the public housing authority for the area in which the housing is located. Late fees are not eligible rental assistance expenses unless they are late fees included under payment of rent in arrears.

This assistance cannot be provided to program participants who are receiving tenant-based rental assistance, or living in a housing unit receiving project-based rental assistance or operating assistance, from other public monies (i.e. subsidized housing).

This assistance cannot be provided if the rent exceeds the Fair Market Rent for the county where the residence is located. Fair Market Rent is a value determined by HUD and published at <https://www.huduser.gov/portal/datasets/fmr.html>. The rent must also comply with the rent reasonableness standard as determined by the sub-grant recipient through consideration of the location, quality, size, type, and age of the housing, as well as any amenities, maintenance, and utilities to be provided by the owner.

Short-term rental assistance is the payment of rent for eligible program participants for up to three months. Medium-term rental assistance is the payment of rent for eligible program participants for more than three months but less than 24 months. Both forms of assistance are limited to a total of 24 months in any 3-year period, and income re-evaluation must take place at least once every year. At the time of re-evaluation, the participant's household income must be less than 30 percent of the HUD-published area median household income (see [Appendix 3](#)) to continue receiving assistance.

#### Assistance with Rental Arrears

Assistance with rental arrears consists of a one-time payment of up to six months' rent in arrears.

Unlike short- and medium-term rental assistance, rental arrears may include late fees and may be provided to program participants who receive tenant-based rental assistance paid for with public monies or live in housing that receives project-based rental assistance or operating assistance from public monies.

As authorized under the provisions of under §576.105(5c), OCS has imposed an additional restriction in service on this activity. Rental arrears may not be paid for program participants more than one time in any five year period.

#### **4.2.3.4 Homelessness Prevention Income Limits**

ESG regulations are very specific about the income threshold for assistance with Homelessness Prevention funds. Income limits from other HUD programs – for example the “Extremely Low Income limits for families” found in the HUD Section 8 program – cannot be used.

Clarification on this issue was published in the HUD ESG Income Limits resource in March of 2016. That document may be found in [Appendix 3](#).

#### **4.2.4 HMIS**

##### ***Eligible Costs:***

The HMIS component is intended to help ESG sub-grant recipients defray certain costs associated with contributing data to the HMIS or data collection system. ESG sub-grant applications are permitted to request up to \$1,000 in this component by OCS policy, and it is expected that this line will be used for annual licensing fees. Allowances may be made for equipment and for training staff in the use of HMIS.

If the sub-grant recipient 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.

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

Reimbursement for HMIS requires documentation of costs and associated payments.

#### **4.2.5 Administration**

##### ***Eligible Costs:***

The Administration component is intended to help ESG sub-grant recipients defray certain Program Administration Costs (PACs) incurred as a result of OCS requirements. ESG sub-grant applications are permitted to request up to \$500 in this component by OCS policy, and it is expected that this line will be used only for travel to attend the mandatory training workshop or other approved ESG related training.

Reimbursement for Administrative expenses requires documentation of costs and associated payments.

#### 4.4 Ineligible Activities

Certain activities are ineligible for reimbursement with ESG funds under federal regulations, state statute, or OCS policy. The following tables list activities that are ineligible under any component of ESG, as well as activities that are ineligible under some components but eligible under others.

##### 1. Ineligible Under All ESG Components

- Depreciation, bad debts and late fees (except under arrears for RR/HP rental assistance)
- Recruitment, non HUD staff training, entertainment, non HUD conferences, and retreats
- Public relations or fundraising
- Any activities not explicitly detailed in the regulations
- Payment of client credit card or other consumer debt;
- Payment of client mortgage costs and mortgage arrears;
- Acquisition of real property
- New construction
- Property clearance or demolition
- Costs associated with the organization rather than the project (advertisements, pamphlets about organization, surveys, etc.)
- Salary of case management supervisor when not working directly on participant issues (unless charged to administration)
- Advocacy, planning, and organizational capacity building
- Transportation costs not directly associated with service delivery (see eligible activities for specific details on eligible transportation costs)
- Legal Services for immigration and citizenship matters
- Substance abuse treatment services for inpatient detoxification and other inpatient drug or alcohol treatment
- Cash assistance to participants
- Financial assistance to a household for a purpose and time period supported by another public source (unless it is 6 months or less of arrears under RR/HP)
- Payment or modification of a client credit card and other debts (excluding arrears, when supported under RR/HP)

## 2. Ineligible Under The Street Outreach Component

- Services performed in a building or not on the street.
- Motel/Hotel Vouchers
- Any activities not explicitly detailed in the regulations
- Any other ineligible expenses listed above or in ESG regulations/manuals/program notices.

## 3. Ineligible Under The Emergency Shelter Component

- Services performed on the street (those should be offered under Street Outreach).
- Any activities not explicitly detailed in the regulations
- Any other ineligible expenses listed above or in ESG regulations/manuals/program notices.

## 4. Ineligible Under The Rapid Rehousing Component

- Services to program participants who are not literally homeless under HUDs definition.
- Motel/Hotel Vouchers
- Travel costs, Car repair or transportation costs for Clients
- Medical or dental care and medicines
- Clothing, grooming, or Pet care
- Home furnishings
- Work or education related materials
- Payment of temporary storage fees in arrears
- Any activities not explicitly detailed in the regulations
- Any other ineligible expenses listed above or in ESG regulations/manuals/program notices.

### **5. Ineligible Under The Homelessness Prevention Component**

- Services to program participants who are not at imminent risk or at risk of homelessness under HUDs definition.
- Motel/Hotel Vouchers
- Travel costs, Car repair or transportation costs for Clients
- Medical or dental care and medicines
- Clothing, grooming, or Pet care
- Home furnishings
- Work or education related materials
- Payment of temporary storage fees in arrears
- Any activities not explicitly detailed in the regulations
- Any other ineligible expenses listed above or in ESG regulations/manuals/program notices.

### **6. Ineligible Under The Homeless Management Information System (HMIS) Component**

- Any activities not explicitly detailed in the regulations
- Any other ineligible expenses listed above or in ESG regulations/manuals/program notices.

### **7. Ineligible Under The Administration Component**

- Any activities not explicitly detailed in the regulations
- Any other ineligible expenses listed above or in ESG regulations/manuals/program notices.

## Appendix 1 – Continuums of Care in Arkansas

Continuum of Care	Contact	e-mail	Phone	Mailing Address
Central Arkansas Team Care for the Homeless (CATCH)	Ben Goodwin	ben@ourhouseshelter.org	(501) 374-7383 ext. 209	CATCH PO Box34155 Little Rock, AR 72203
Fayetteville/Northwest Arkansas CoC	Angela Belford	angela@nwacoc.com	(479) 443-9945	Office of Human Concern PO Box 3643 Fayetteville, AR 72702
Delta Hills CoC	Charlie Morris	cmorris@nadcinc.org	870-793-5765 ext.227	Delta Hills Continuum of Care, Inc. 550 9 <sup>th</sup> Street Batesville, AR 72501
Southeast Arkansas CoC	Norma Payne	Normap@cityofpinebluff.com	870-543-1820	SOAR PO Box 6057 Pine Bluff, AR 71611
Old Fort Homeless Coalition	Marshall Sharpe	mlsharpe@cox.net	(479) 461-0761	Old Fort Homeless Coalition 2100 North 31 <sup>st</sup> Street Fort Smith, AR 72904
Boone, Baxter, Marion, Newton Counties CoC	Toby Atkinson	rtatkinson@ozarkopp.org	(870) 741-9406 ext.235	NW AR RC&D Council, Inc. PO Box 455 Harrison, AR 72602
Arkansas Balance of State	Audra Butler	abutler@arvacinc.org	(479) 229-4861	Arkansas Balance of State 613 North Fifth Street Dardanelle, AR 72834

## **Appendix 2 – Minimum Habitability Standards for Emergency Shelters**

### ***Structure and Materials***

The shelter building must be structurally sound to protect program participants in the shelter from the elements without posing any threat to health and safety.

### **Access**

The shelter must be accessible in accordance with Section 504 of the Rehabilitation Act (29 U. S. C. 794) and implementing regulations at 24 CFR part 8; the Fair Housing Act (42 U. S. C. 3601 *et seq.*) and implementing regulations at 24 CFR part 100; and Title II of the Americans With Disabilities Act (42 U. S. C. 12131 *et seq.*) and 28 CFR 35.

### **Space and Security**

Except where the shelter is intended for day use only, the shelter must provide each program participant in the shelter with an acceptable place to sleep and adequate space and security for the participant(s) and personal belongings.

### **Interior Air Quality**

Each room or space within the shelter must have a natural or mechanical means of ventilation. The interior air must be free of pollutants at a level that might threaten or harm the health of program participants in the shelter.

### **Water Supply**

The shelter's water supply must be free of contamination.

### **Sanitary Facilities**

Each program participant in the shelter must have access to sanitary facilities that are in proper operating condition, are private, and are adequate for personal cleanliness and the disposal of human waste.

### **Thermal Environment**

The shelter must have any necessary heating/cooling facilities in proper operating condition.

### **Illumination and Electricity**

The shelter must have adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There must be sufficient electrical sources to permit the safe use of electrical appliances in the shelter.

### **Food Preparation**

Food preparation areas, if any, must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner.

### **Sanitary Conditions**

The shelter must be maintained in a sanitary condition.

## Fire Safety

There must be at least one working smoke detector in each occupied unit of the shelter. Where possible, smoke detectors must be located near sleeping areas. The fire alarm system must be designed for hearing-impaired residents. All public areas of the shelter must have at least one working smoke detector. There must also be a second means of exiting the building in the event of fire or other emergency.

The Emergency Solutions Grants (ESG) Program Interim Rule establishes different habitability standards for emergency shelters and for permanent housing (the Rapid Re-housing and Homelessness Prevention components).

### **Emergency Shelter Standards.**

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

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

Sub-grant recipients must document compliance with the applicable standards. Note that these checklists do not cover the requirements to comply with the Lead-Based Paint requirements at §576.403(a). For more discussion about how and when the standards apply, see **ESG Minimum Standards for Emergency Shelters and Permanent Housing**, located at <http://OneCPD.info/esg>.

The checklist below is intended to:

1. Provide a clear summary of the requirements and an adaptable tool so recipients and sub-grant recipients can formally assess their compliance with HUD requirements, identify and carry out corrective actions, and better prepare for monitoring visits by HUD or OCS.
2. Provide a tool for OCS to monitor that the sub-grant recipient is in compliance with HUD requirements and OCS. Where non-compliance is identified, the information provided by this checklist can help the sub-grant recipient make necessary changes.

Prior to beginning this review, the sub-grant recipient should organize relevant files and documents. These may include local or state inspection reports (fire-safety, food preparation, building/occupancy, etc.), or policy and procedure documents related to emergency shelter facility maintenance or renovations.

Carefully read each statement and indicate the shelter's status for each requirement (Yes/No). Add any comments and corrective actions needed in the appropriate box. The reviewer should complete the information about the project, and sign and date the form. When the assessment is complete, review it with program staff and develop an action plan for addressing any areas requiring corrective action.

## Minimum Standards for Emergency Shelters

Yes/No	<b>Standard</b> <i>(24 CFR part 576.403(b))</i>
	1. <i>Structure and materials:</i> a. The shelter building is structurally sound to protect the residents from the elements and not pose any threat to the health and safety of the residents. b. Any renovation (including major rehabilitation and conversion) carried out with ESG assistance uses Energy Star and WaterSense products and appliances.
	2. <i>Access.</i> Where applicable, the shelter is accessible in accordance with: a. Section 504 of the Rehabilitation Act (29 U.S.C. 794) and implementing regulations at 24 CFR part 8; b. The Fair Housing Act (42 U.S.C. 3601 et seq.) and implementing regulations at 24 CFR part 100; and c. Title II of the Americans with Disabilities Act (42 U.S.C. 12131 et seq.) and 28 CFR part 35.
	3. <i>Space and security:</i> Except where the shelter is intended for day use only, the shelter provides each program participant in the shelter with an acceptable place to sleep and adequate space and security for themselves and their belongings.
	4. <i>Interior air quality:</i> Each room or space within the shelter has a natural or mechanical means of ventilation. The interior air is free of pollutants at a level that might threaten or harm the health of residents.
	5. <i>Water Supply:</i> The shelter's water supply is free of contamination.
	6. <i>Sanitary Facilities:</i> Each program participant in the shelter has access to sanitary facilities that are in proper operating condition, are private, and are adequate for personal cleanliness and the disposal of human waste.
	7. <i>Thermal environment:</i> The shelter has any necessary heating/cooling facilities in proper operating condition.
	8. <i>Illumination and electricity:</i> a. The shelter has adequate natural or artificial illumination to permit normal indoor activities and support health and safety. b. There are sufficient electrical sources to permit the safe use of electrical appliances in the shelter.
	9. <i>Food preparation:</i> Food preparation areas, if any, contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner.
	10. <i>Sanitary conditions:</i> The shelter is maintained in a sanitary condition.
	11. <i>Fire safety:</i> a. There is at least one working smoke detector in each occupied unit of the shelter. Where possible, smoke detectors are located near sleeping areas. b. All public areas of the shelter have at least one working smoke detector. c. The fire alarm system is designed for hearing-impaired residents. d. There is a second means of exiting the building in the event of fire or other emergency.
	12. If ESG funds were used for renovation or conversion, the shelter meets state or local government safety and sanitation standards, as applicable.
	13. Meets additional State/sub-grant recipient standards (if any).

CERTIFICATION STATEMENT

I certify that I have evaluated the property located at the address below to the best of my ability and find the following:

- Property meets all of the above standards.
- Property does not meet all of the above standards.

Comments:

ESG Sub-Grant Recipient Name: \_\_\_\_\_

Emergency Shelter Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

City, State and ZIP Code: \_\_\_\_\_

Evaluator Name: \_\_\_\_\_

Evaluator Signature: \_\_\_\_\_



## Appendix 3 - ESG Income Limits

HUD released the FY 2016 Income Limits on March 28, 2016. These limits are found in the 5<sup>th</sup> section, labeled “HUD 30% Income Limit for ALL Areas,” at

<https://www.huduser.gov/portal/home.html>.

When working with ESG program income limits, please be aware of the following key points:

- **Extremely Low Income vs. Area Median Income Limits.** The “Extremely Low Income (ELI) families” limits **DO NOT APPLY** to the ESG program! ESG does not use the ELI measure to establish income limits; instead, ESG uses the 30% of Area Median Income (AMI) standard. If ESG recipients/sub-grant recipients erroneously use the ELI standard, some applicants may be incorrectly deemed eligible for assistance. This may result in rejection of invoices or, if invoices are incorrectly paid, demands for repayment of ESG funds.

Under the ESG program, income eligibility is based on the HUD income limits in effect at the time of income verification. Income eligibility is not based on HUD income limits that correspond with the grant year under which the ESG funds were awarded

- **Rapid Re-Housing Income Requirements.** Please keep in mind for program participants receiving ESG “Rapid Re-Housing” assistance, an income assessment is not required at initial evaluation. At re-evaluation - which must take place not less than once annually for rapid re-housing - the participant’s household must have an annual income that does not exceed 30 percent of median family income for the area, as determined by HUD.
- **Homelessness Prevention Income Requirements.** The ESG Program interim rule limits eligibility for homelessness prevention assistance to individuals and families with incomes below 30 percent of AMI at intake and incomes that do not exceed 30 percent of AMI at re-evaluation, which must take place not less than once every 3 months.

### Resource Links

ESG Income Limits at HUDUSER FY 2017 Income Limits <https://www.huduser.gov/portal/home.html>

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Program: ESG: Emergency Solutions Grants Program

<https://www.hudexchange.info/resource/5079/esg-income-limits/>

Sub-grant recipients may come across the HUD Income Limits Documentation System. That site prompts the user to enter a State and a County and then provides a very convenient table with low, very low, and extremely low incomes. **The HUD Income Limits Documentation System should NOT be used for ESG.**

Only the dataset found at <https://www.huduser.gov/portal/home.html> will provide the correct income thresholds for each calendar year.

New income limits are provided annually by HUD, but the data release is not synchronized with the ESG grant cycle. When in doubt about the correct income thresholds to use, sub-grant recipients should request clarification from OCS.

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## Appendix 4 – Minimum Habitability Standards for Permanent Housing

**Instructions:** Place a check mark in the correct column to indicate whether the property is approved or deficient with respect to each standard. The property must meet all standards in order to be approved. A copy of this checklist should be placed in the client file.

Yes / No	Standard (24 CFR part 576.403(c))
	1. Structure and materials: The structure is structurally sound to protect the residents from the elements and not pose any threat to the health and safety of the residents.
	2. Space and security: Each resident is provided adequate space and security for themselves and their belongings. Each resident is provided an acceptable place to sleep.
	3. Interior air quality: Each room or space has a natural or mechanical means of ventilation. The interior air is free of pollutants at a level that might threaten or harm the health of residents.
	4. Water Supply: The water supply is free from contamination.
	5. Sanitary Facilities: Residents have access to sufficient sanitary facilities that are in proper operating condition, are private, and are adequate for personal cleanliness and the disposal of human waste.
	6. Thermal environment: The housing has any necessary heating/cooling facilities in proper operating condition.
	7. Illumination and electricity: The structure has adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There are sufficient electrical sources to permit the safe use of electrical appliances in the structure.
	8. Food preparation: All food preparation areas contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner.
	9. Sanitary condition: The housing is maintained in sanitary condition.
	<p>10. Fire Safety:</p> <ul style="list-style-type: none"> <li>a. There is a second means of exiting the building in the event of fire or other emergency.</li> <li>b. The unit includes at least one battery-operated or hard-wired smoke detector, in proper working condition, on each occupied level of the unit. Smoke detectors are located, to the extent practicable, in a hallway adjacent to a bedroom.</li> <li>c. If the unit is occupied by hearing-impaired persons, smoke detectors have an alarm system designed for hearing-impaired persons in each bedroom occupied by a hearing-impaired person.</li> <li>d. The public areas are equipped with a sufficient number, but not less than one for each area, of battery-operated or hard-wired smoke detectors. Public areas include, but are</li> </ul>

	not limited to, laundry rooms, day care centers, hallways, stairwells, and other common areas.
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Minimum Habitability Standards for Permanent Housing (Continued)

Yes / No	Standard (24 CFR part 576.403(c))
	11. Meets additional State and/or local requirements, if any.

**CERTIFICATION STATEMENT**

I certify that I have evaluated the property located at the address below *to the best of my ability* and find the following:

- Property meets all of the above standards.
- Property does not meet all of the above standards.

Comments

ESG Sub-Grant Recipient Name: \_\_\_\_\_

Program Participant Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

Apartment #: \_\_\_\_\_

City, State and ZIP Code: \_\_\_\_\_

Inspector's Name: \_\_\_\_\_

Inspector's Signature: \_\_\_\_\_



# Appendix 5 - ESG Monitoring Guide

