



EMERGENCY SOLUTIONS GRANT QUESTIONS and ANSWERS

General ESG Budget Questions

1. Can we use the funds that we were awarded for staff costs instead of direct assistance – to pay for the people that provide rent and utility assistance and case management? If yes, in doing so would we still be held to the same requirements with regard to documenting the direct assistance such as the housing inspections?

Answer: You can adjust your budget to allow for more staff time – and you could even do primarily staff time, if using other funds to actually provide the assistance – but this wouldn't avoid the ESG regulations for the clients assisted.

2. Is this correct? Rules governing these funds have changed so that the 10% limit on staff costs in each grant is gone and all reasonable and necessary time it takes us to perform these tasks can all be expenses to the categories where the work is being done.

Answer: The 10% limit on staffing in the old Operations category is gone. As long as all the costs are eligible under the regulations (and yes, I think in general, most reasonable and necessary costs are), then yes, this is fine.

3. Is this correct? Indirect costs expensed under our federally approved indirect cost rate can also be expenses to this grant under the appropriate expense category and is not limited to 5%.

Answer: Indirect costs are not limited to 5%. If any agency has a federally-approved indirect cost rate, it may be used for this grant. Indirect costs should be charged to each applicable budget category, using the direct costs in those categories to calculate the indirect costs.

4. Is this correct? The following expenses are allowable under the grant: salaries, fringe benefits, indirect cost, mileage, copies, postage, space and phone.

Answer: Yes. These may be eligible, with this caveat: make sure that you do not “double-bill” any of these expenses, in case one or more is already covered in your indirect cost rate. In other words, you can't bill these expenses directly and also bill them as indirect costs.

Matching Contributions

1. Can we use HPRP salaries and/or other HPRP funds as match for ESG?

Answer: ESG regulations state the following: “Matching contributions may be obtained from any source, including any Federal source other than the ESG program, as well as state, local and private sources...” There are some additional requirements – for example, ESG can’t also be used as match for a program that provides the match for ESG.

2. So, if costs for ESG are retroactive back to January 1, 2012 – are matching costs also retroactive?

Answer: Matching contributions from agencies can be provided at any time during the grant year.

3. If we did not identify HPRP as a source of matching funds in our application – can we still use HPRP funds as matching funds for the ESG grant? Do we need to submit any kind program amendment request?

Answer: The budget revision process, discussed at next week’s webinars, will include an update to plans for matching contributions. Agencies can revise their planned match at this time.

4. We serve primarily people who would be defined as At Risk Category 1. I understand that in order to use ESG funds to assist them, we must document that they have annual income below 30% AMI. Do the families that we use to match our ESG funds also have to meet the 30% AMI income limit? We typically serve up to 180% of poverty so we just want to be clear on this?

Answer: Here is what HUD has to say on this in the regulations: “Recognition of matching contributions. In order to meet the matching requirement, the matching contributions must meet all requirements that apply to the ESG funds provided by HUD, except for the expenditure limits in 24 CFR 576.100.” I take this to mean yes, they would.

5. I have the same type of question (as above) regarding documentation and record-keeping in general. Do all clients we serve have to have files containing the required HUD documentation for ESG OR just those assisted with ESG funding? Or both those assisted with ESG and those used as match for ESG?

Answer: As in the question above, yes to those assisted with ESG and those assisted with ESG match.



6. My Finance department asked if I could clarify with you if match dollars must meet the same criterion as the allowable expenses for ESG dollars. For example, if dollars are limited to specific categories for Shelter Operations, must match dollars meet the same exact categories or other allowable categories? Per the webinar on February 23 and my previous understanding, I am of the impression that match dollars can be cash or noncash (as defined per slide 10 of February 23) even if it couldn't be used in the same way (wouldn't be allowable) for ESG use.

Answer: Match can cash or non-cash. But the contribution does not have to go toward the ESG program, toward a use that would be an eligible ESG use, if ESG funds were important – just that it goes to the program overall.



Homeless Prevention and/or Rapid Re-Housing Assistance

1. I understand that those we assist with rental help can't be receiving housing assistance from other public sources. Does this apply to utility help as well? Can someone be receiving Section 8 for example and we use ESG to help them with their utilities instead of their rent?

Answer: Households can't receive rental assistance from ESG for the same time period they are receiving rental assistance from another government source. Similarly, they can't receive utility assistance from ESG if already receiving utility assistance from another government source for the same time period. And so on. Households CAN receive ESG if it is for a different cost type. I would be cautious with utility assistance from ESG if already receiving another kind of subsidy like Section 8 – I would first want to make sure that there isn't a utility allowance already in the other subsidy. But a common issue is the need for security deposits to move into a unit with Section 8 voucher – and that would be eligible from ESG.

2. One section states that the families served will meet monthly with a case manager and that a long term plan for housing stability will be developed. We plan to assist households with one months' rent and/or utilities. If case management is required we will not be able to meet that standard. The funding we requested was all to be used for direct assistance to families. We are providing all of the funding for client intake, etc. through other sources. Long term case management was not planned for in the application.

Answer: For the case management requirement, the regulations don't state a minimum length of assistance – so that if you were to provide one-time assistance, then these monthly case management meetings may not apply.

3. About rental assistance agreements: We are very concerned that this will delay and in some cases prohibit our using funds to help families in emergency situations as many of our applicants will not have these agreements in place.

Answer: Yes. This is a new requirement. A critical component of the new ESG regulations is working closely with landlords.

4. About written leases: This too may delay or prohibit the use of these funds for some families.

Answer: This is a new requirement. Unless assistance is provided for under the project-based rental assistance provision, there is no minimum term for the lease. But it must be a written, legally-binding lease.



5. How would a program have definitive proof that the client was not receiving other types of rental subsidy/assistance, i.e. Section 8?

Answer: To offer rental assistance, an agency must enter into a rental assistance agreement with the landlord (in addition to the written lease required between the program participant and the landlord). Communication with landlords may help to establish that a client is not also receiving other types of rental subsidies. Communication with clients should also help establish this. If it is found that a client intentionally misrepresents their situation to obtain ESG assistance when they would otherwise be ineligible, it may be a case of fraud, and the agency should contact the City of Norfolk's Grants Management Office (or HUD also provides a hotline for fraud reports and information).

6. Based on the Q&A distributed from the Webinar on February 14, 2012, and discussion on both webinars it appears that for each client who receives (homelessness prevention or rapid re-housing) funds the agency must:
 1. Document they are at or below 30% AMI;
 2. Document the amount of rent charged and establish FMR;
 3. Document Rent Reasonableness;
 4. Complete a Housing inspection for habitability;
 5. Complete a Lead-based paint inspection per requirements (if the family includes a child under 6 and/or a pregnant woman AND the unit was built before 1978).

Is this accurate? Are there any pre-existing documents that would be available to non-profits to meet these inspection requirements such as things from the City? Does the onus for inspection actually fall to the agency? Do you have any examples of ways that agencies have previously met such standards with limited staff that are untrained in these types of things?

Answer: Yes. This is quite accurate. And yes, the City recognizes that for many agencies, this is a really different way of treating a homelessness prevention program. For agencies used to providing small amounts of assistance, \$100 for example, to clients to help with a month's rent, the ESG program no longer fits very well, since it just takes so much work and time to determine eligibility for that small amount. An agency could certainly adjust their program, knowing that to do so will likely mean serving many fewer clients, with deeper assistance for each one. There are some existing documents that I think we can borrow from HPRP that fit pretty well here. For example, HPRP has a Habitability Inspection Checklist that fits pretty much exactly with what's needed for ESG. But because things are still so new, we do not have much from HUD that is specific to ESG. And yes, the burden for all this really fall to the agency – although in some cases, local housing authorities can help provide rent reasonableness documentation and such. But as we experienced with HPRP, much of this is very new for agencies. As for examples, again, since we are just at the beginning of this program, everyone is learning about this together. Agencies that have experience with HPRP have dealt with some of this before, but they typically had more funding and more staff to work through the issues. So we recognize this is really tough this year with these small grants.

Habitability and Lead-Based Paint Inspections

1. I am still unclear on housing inspections/habitability standards. If we provide short-term rent or utility assistance to a household, we are expected to inspect the property?

Answer: Habitability Inspections are necessary any time assistance is provided, even if a very small amount or very short term. Sometimes, local public housing agencies have lists of units that have already been inspected and meet HQS standards, which would be a higher standard than ESG, and should suffice. If the budget submitted with the application needs to be adjusted to allow staff time for this action that would be allowable. The habitability inspection for ESG can be a short one-page or so checklist, and does not need to be done by a professional inspector. HPRP has a good tool and form that could be easily adapted to ESG for this purpose.

2. About lead paint standards: We provided no funding in our budget for this activity as we were not aware of this obligation at the time the application was prepared. We do not have adequate resources to assure that homes will meet lead paint standards.

Answer: Remember that lead-based paint standards only apply if there are children under 6 or a pregnant woman in the unit, AND the unit was built prior to 1978. The lead-based paint inspections don't have to be done by a lead-based paint professional, but can be done by a case manager with some minimal basic training. But yes, this is a new, additional requirement.

3. About habitability standards: This was not part of the initial application requirements and we have no funds for staff time to inspect homes and assure compliance with this standard.

Answer: HUD's habitability standards vary widely across programs. For this program, there are about 12 different aspects to a habitability inspection, all of which can be checked by a case manager (not necessarily a professional inspector), and noted in a short, one-page or so checklist (there is a form that HPRP used that could easily be used for ESG here). But again, yes, this is a new requirement.



Other General Requirements/ Policies

1. Do you have an example of an affirmative outreach policy?

Answer 1: The basic requirement is that agencies look at the demographics of their service area. If a minority group makes up more than 1% of the population, a marketing plan has to be set up for this group. The plan has to provide special activities to reach out to this population, to ensure the group is aware of the services offered. For example, if a target audience to reach is Hispanics, it could be determined that the best way to reach out to this population is through Spanish language newspapers, radio shows, churches with large Hispanic populations and through social service agencies that serve this population. The specific outreach needs to be documented.

Answer 2: Currently, the Norfolk Redevelopment and Housing Authority's Affirmative Marketing Plan has been utilized within the City of Norfolk.

An example of an affirmative marketing plan for other different programs, please see this resource for more information on the next page.



South Bay Apartments Affirmative Marketing Plan for Residents

Marketing and Resident Selection

Resident Selection: Outreach to persons who are homeless and have a qualifying disability will be conducted through the participating cities and Continuum of Care agencies. Referrals will be received from such agencies as the Independence Center; Norfolk Community Service Board; Portsmouth Behavior Health Care Services; Virginia Beach Community Service Board; Virginia Department of Rehabilitative Services; home health agencies; nursing homes; churches; and other related community organizations. Virginia Supportive Housing (VSH), the property management entity, will generate a waiting list for the apartments. Qualified applicants will be listed in chronological order by their date of application.

Selection and screening of Residents will be the responsibility of the Director of Property Management of VSH and Director of Clinical Services of VSH. Specialists familiar with the target population may be consulted. Those selected for residency must meet the HUD income and eligibility requirements and have the ability to live independently in an apartment. Priority will then be given to individuals who are homeless or who have a qualifying disability.

Applicants must meet the following admission criteria:

- Must be single, homeless, and at least 18 years of age;
- Must be able to live independently, handle their finances and maintain their residence (Protective payees are accepted);
- Must be absent of the current use of any illegal substance;
- Must be HUD income eligible;
- Must be certified by a physician to have no active/untreated communicable diseases, including tuberculosis;
- Must not have a prior conviction for aggravated assault, armed robbery, arson, kidnapping, felony homicide, felony child abuse or neglect, or any felony sexual offense. Applicants may also be denied residency for other offenses identified in the criminal background check;
- Must pay a security deposit;
- Must be willing to adhere to all the lease requirements and South Bay Apartments Rules and Regulations.

A criminal investigation inquiry and credit check will be performed with the authorization of the applicant.