

City of Reading and County of Berks

Emergency Solutions Grant Program

Policies and Procedures

Updated October 2021

Program Description

The Emergency Solutions Grant (ESG) Program is designed to identify sheltered and unsheltered homeless persons, as well as those at risk of homelessness, and provide the services necessary to help those persons quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness.

The City of Reading and County of Berks, separately, are direct recipients of an annual allocation of ESG Program funding. Both will work together alongside the Berks Coalition to End Homelessness, the lead agency for the Continuum of Care, to prepare a joint notice of funding availability/request for proposals for awarding ESG Program funds to eligible agencies (“Subrecipients”).

All funded Subrecipients are required to follow federal regulations in the implementation of the ESG Program. The City of Reading and the County of Berks have written the following policies and procedures to facilitate the Subrecipients in implementing the ESG guidelines as set by the U.S. Department of Housing and Urban Development (HUD).

Subrecipients will provide assistance related to housing of persons at risk of becoming homeless and housing persons that are currently homeless, as well as provide housing relocation and stabilization services.

Target Population

The funds under this program are intended to target two populations of persons facing housing instability: 1) individuals and families who are experiencing homelessness (residing in emergency or transitional shelters or on the street) and need temporary assistance in order to obtain housing and retain it, and 2) individuals and families who are currently in housing but are at risk of becoming homeless and need temporary rent or utility assistance to prevent them from becoming homeless or assistance to move to another unit.

Subrecipient Requirements

Each Subrecipient will first be directed to read and follow ESG Program regulations as set forth issued by the HUD, and as may be amended from time to time. The procedures contained herein serve to simplify the implementation of the regulations and identify the activities selected for funding by the City of Reading (the City) and the County of Berks (the County).

Subrecipients will serve the population and provide the financial assistance and stabilization services as identified in the budget and scope of work as found in each of their contracts. Preliminary steps to be taken in implementing their ESG Program activities are as follows:

1. Execute all Homeless Management Information System (HMIS) required documents. All assessed clients are entered in HMIS per HMIS procedure.
2. Ensure all insurance documents, as required by the ESG Program agreement with the City and County, have been submitted and approved by the City/County.
3. Provide the City and/or County with an outreach plan for identifying potential clients and/or marketing the Subrecipient's program.

Program Components

1. Emergency Shelter

Eligible emergency shelter costs include: costs of providing essential services to homeless families and individuals in emergency shelters, renovating buildings to be used as emergency shelter for homeless families and individuals, and operating emergency shelters as identified in 24 CFR 576.102.

2. Street Outreach

Eligible street outreach costs include: costs of providing essential services necessary to reach out to unsheltered homeless people; connect them with emergency shelter, housing, or critical services; and provide them with urgent, non-facility- based care. Services consist of engagement, case management, emergency health and mental health services, and transportation. For more specific requirements and eligible costs, see 24 CFR 576.101.

3. Homelessness Prevention

This component consists of housing relocation and stabilization services and/or short-term or medium-term rental assistance necessary to prevent the individual or family from moving into an emergency shelter or another place described in paragraph (1) of the homeless definition in 24 CFR Part 576.2.

Component services and assistance consist of short-term (up to 3 months) or medium-term (up to 6 months) of rental assistance, a one-time payment of up to 6 months of rent in arrears including late fees, rental application fees, security deposits, advance payment of the last month's rent, utility deposits and payments up to 6 months, up to 6 months of utility arrears per utility, moving costs, housing search and placement, housing stabilization case management, mediation, legal services, and credit repair. For more specific requirements and eligible services, see 24 CFR Part 576.103, 105, and 106.

4. Rapid Re-Housing

In order to qualify for RRH services – the individual or family must be LITERALLY HOMELESS.

This component consists of housing relocation and stabilization services and/or short-term or medium-term rental assistance as necessary to help individuals or families living in an emergency shelter or another place described in paragraph (1) of the homeless definition in 24 CFR Part 576.2 move as quickly as possible into permanent housing and achieve stability in that housing.

Component services and assistance consist of short-term (up to 3 months) or medium-term (up to 6 months) of rental assistance, a one-time payment of up to 6 months of rent in arrears including late fees, rental application fees, security deposits, advance payment of the last month's rent, utility deposits

and utility payments up to 6 months, up to 6 months of utility arrears per utility, moving costs, housing search and placement, housing stabilization case management, mediation, legal services, and credit repair. For more specific requirements and eligible services, see 24 CFR Part 576.104, 105, and 106.

5. HMIS - All Subrecipients receiving ESG Program assistance will be required to participate in the local HMIS except as prohibited by law.

Client Eligibility Verification

There is a four-step process for determining a client's eligibility, as noted below. Additionally, all subrecipients must evaluate and certify the eligibility of ESG Program participants (per the three steps below) at least once every 90-days for all households receiving homelessness prevention assistance, and once annually for households receiving rapid re-housing assistance.

A. FIRST STEP: Initial Consultation

The Subrecipient must conduct an initial evaluation to determine the eligibility of each individual or family's eligibility for ESG Program assistance and the amount and types of assistance the individual or family needs to regain stability in permanent housing. Every Subrecipient must use the Approved Assessment Form – see Appendix.

B. SECOND STEP: Verification of Income below 30% of the Area Median Income (see verification of income section below)

C. THIRD STEP: Verification of Homelessness or Risk of Homelessness

D. FOURTH STEP: (Homeless Prevention clients ONLY). Case Manager will review HMIS to check that client has not received the SAME type of assistance within the past 12 months, the client will not be eligible for additional assistance through homeless prevention funding if they were assisted by any other Subrecipients within the past 12 months.

Homeless definition can be found in the Appendix section.

Documenting Client Income Eligibility

All subrecipients must keep verification of client's eligibility in each client file at minimum as described below.

A. Subrecipients are required to ensure that the client does not have sufficient resources or support networks, *e.g.*, family, friends, faith based or other social networks, immediately available, as follows:

B. Subrecipients will ensure that all documentation is obtained and placed in the file in accordance with 24 CFR § 576.500 "Recordkeeping and reporting requirements", as required in the regulation for Rapid Re-Housing and/or Homelessness Prevention clients.

The most reliable evidence that should be used in addressing the documentation required in A and B above includes, in order of priority:

1. Source documents including check stubs, verification of employment, letters from DPW, award letters from Social Security Administration, retirement income verification from source, leases, contracts, etc.

2. If source documents are unavailable: a written statement by the relevant third party, or a written statement by intake staff of the oral verification by the relevant third party of the required information and written verification by intake staff as to why source documentation could not be obtained.

3. If source documents AND written third party verification is unobtainable, a written statement by the client or client's intake staff describing the efforts taken to obtain the required evidence AND self-certification by client, identifying the required information needed.

All subrecipients are required to determine a client's annual income, to verify that the client is income-eligible (annual income is at or below 30% of the area median income). To qualify for ESG Program assistance persons and/or households must earn 30 percent or below of the Area Median Income, as these are set annually by HUD, by household size. Clients who are being rapidly re-housed do NOT need to meet this criteria, they will be required to prove that they are in need of this assistance however if their annual income is over the limit this will not disqualify them from being eligible for the program.

a) Annual income means all amounts, monetary or not, that go to, or are on behalf of, the family head or spouse (even if temporarily absent) or to any other family member 18 years old or older, or all amounts anticipated to be received from a source outside the family, during the 12-month period following admission or annual reexamination effective date.

b) All subrecipients must keep income verification documents in a client file, for each client (or household).

c) Additionally, the income calculation worksheet, included as Attachment A, may be utilized by subrecipient case managers to verify income. The worksheet can also be provided in excel format from the City/County upon request.

Treatment of Assets

Clients will be required to spend down their assets to an amount of \$2,500 before they become eligible to receive financial assistance. The assets to be considered for the draw down will be limited only to balances in a personal checking or savings account held by any household member. Assets held in a retirement or education account, or personal property are not included as part of this requirement.

All clients must sign a Client Resources and Asset Affidavit Form. See Attachment F.

Client Contribution

All clients applying for Homeless Prevention or Rapid Re-housing Assistance must provide 50% of the requested amount. An assessment by the case manager will determine the client's ability to provide this contribution.

Homeless Prevention Assistance – is provided for utility shut off notices only such as electric or water – or to stop a court ordered eviction. Proof of the eviction must be maintained in the client file in the form of a copy of the notice from the District Court. these cases, assistance may be provided to the client *for only this instance* and will not be ongoing. The client MUST contribute 50% of the total balance due. If the client is unable to contribute half of the total bill other sources for the client's contribution may be sought by the agency. The ESG Program funds may not be used as the client contribution for Homeless Prevention clients.

In the case of Rapid Re-housing, it is understood that not all clients will be able to provide their 50% funding especially when the client being rehoused is literally homeless. Case Management will make every attempt to secure the client's contribution. In situations where no client contribution can be obtained, initial assistance can be as much as 100% of rental assistance ONLY when the client is being assisted with Rapid Re-housing funds and when no other client contribution sources are available. **Subrecipients are strongly encouraged to provide a minimum of 3 months of Rapid Re-housing to clients.** After the first month of ESG Program RRH assistance, the client must match the ESG contribution at a rate of 50% or greater.

Timelines are based on maximum term of assistance; however, clients should be transitioned off of assistance in as short of a timeframe as is appropriate for them to successfully obtain housing stability. The agency may make this determination.

On a case by case basis, subrecipients may be authorized to increase rental assistance, only when extenuating circumstances arise for a client. Some of these extenuating circumstances may include, but is not limited to, reunification with a child, loss of employment (income), drop in income, medical emergency/illness, and loss of other resources. In these cases, the subrecipient will verify and document in each file the reasons for increasing financial assistance.

Rent Reasonableness

Rental assistance paid cannot exceed the actual rental cost, which must be in compliance with HUD's standard of "rent reasonableness." "Rent reasonableness" means that the total rent charged for a unit must be reasonable in relation to the rents being charged during the same time period for comparable units in the private unassisted market and must not be in excess of rents being charged by the owner during the same time period for comparable non-luxury unassisted units. To make this determination, subrecipients will use the Rent Reasonableness software provided by the County. Subrecipients need to utilize this for every client and print out or maintain a digital file of the results for every client assisted with RRH or HP funds.

Rental, Security, and Utility Payments

Subrecipients must not make payments directly to program participants, but only to third parties, such as landlords or utility companies. In addition, an assisted property may not be owned by the City or County, subrecipient or the parent, subsidiary or affiliated organization of the subrecipient.

Subrecipients can only make rental payments and/or security deposits for clients that have a signed lease for their eligible unit. Additionally, the program participant must be named on the lease. A signed copy of this lease must be in the client's file.

Habitability Standards

Subrecipients providing Rapid Re-housing and Homeless Prevention Assistance with ESG Program funds will be required to conduct initial and any appropriate follow-up inspections of housing units into which a program participant will be moving / the unit that they are maintaining. Housing Inspections may be conducted by the Housing Locator upon request. Units should be inspected on an annual basis and upon a change of tenancy. Inspection of each unit must include the completion of Attachment B.

Lead-Based Paint Assessment Requirements

Subrecipients are required to provide a visual assessment of each selected property for client habitability – when there will be a child under the age of 6 living there - to ensure that there are no hazards related Lead Based Paint. Visual assessments can be conducted by a HUD-Certified Visual Assessor under ESG Program regulations, and must meet the requirements as outlined in the Lead-Based Paint Poisoning Prevention Act, as noted in Section VII.F of the Notice. A 20-minute online training course on conducting visual assessments can be found on HUD's website at <http://www.hud.gov/offices/lead/training/visualassessment/h00101.htm>. After successful completion of the online course, subrecipients will receive a certificate of completion which qualifies them for conducting the assessments. All Subrecipients are required to have at least one staff member conduct the test and pass.

Reporting Requirements

HMIS - Subrecipients are required to input HMIS client data within 5 business days. This reporting requirement is set forth to facilitate subrecipient's quarter-end reporting process and to assist the City/County in its quarterly reporting to the federal government and HUD.

Subrecipients who fail to meet this requirement will be in default of their agreement and may lead to cancelation of the program.

Quarterly Reporting - Subrecipients are required to provide a quarterly performance report to Berks Coalition to End Homelessness. BCEH will conduct annual monitoring of the Subrecipients and report to the County and City.

Identification

All subrecipients are required to verify a proposed client's identity for the Homelessness Prevention component. Copies of Current Photo ID and Social Security Cards are required for all adults and a copy of a birth certificate is required for any children under the age of 18.

For Emergency Shelter, Street Outreach, and Rapid Re-Housing components, agencies are not permitted to require proof of immigration status, ID, social security card, or birth certificates.

The City and County have provided alternate requirements for all components for victims of domestic violence due to the imminent danger these clients are facing.

Confidentiality

Each subrecipient must develop and implement procedures to ensure:

The confidentiality of records pertaining to any individual provided with assistance; and that the address or location of any assisted housing will not be made public, except that the extent that this prohibition contradicts a preexisting privacy policy of the grantee. All Subrecipients will adhere to the HMIS Privacy Standards.

Termination of Housing Assistance

An Agency may terminate assistance to a program participant who violates program requirements. Subrecipients may resume assistance to a program participant whose assistance was previously terminated. In terminating assistance to a program participant, the agency must provide a formal process that recognizes the rights of individuals receiving assistance to due process of law.

This process, at a minimum, must consist of:

1. Written notice to the program participant containing a clear statement of the reasons for termination;
2. A review of the decision, in which the program participant is given the opportunity to present written or oral objections before the Continuum of Care; and
3. Prompt written notice of the final decision to the program participant by the Continuum.

Non-Discrimination

No person in the United States shall, on the ground of race, color, religion, national origin or sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity funded in whole or in part with funds made available through the City's ESG Program, or any program or activity receiving Federal financial assistance.

Subrecipients receiving ESG Program funds under the Emergency Shelter component will be in compliance with CFR576.102 9(b) Prohibition against involuntary family separation. The age, of a child under age 18 must not be used as a basis of denying any family's admission to an emergency shelter that uses ESG Program funding or services and provides shelter to families with children under age 18.

Appeals

If an application is turned down by an agency, the applicant may appeal, in writing, within ten (10) days after the occurrence. The appeal must clearly state the reasons for the appeal. The appeal will be filed with the agency, who will review the appeal and respond. For all applicants: If they are unhappy with the appeal, they may respond in writing to the Continuum of Care: Berks Coalition to End Homelessness, Inc. 831 Walnut Street, Reading, PA 19602

Administration of the Program

The City of Reading and County of Berks propose to jointly administer their respective ESG Programs, including updates as needed to this policies and procedures manual. Both Subrecipients will jointly issue a request for funding availability. They have appointed the Berks Coalition to End Homelessness, the lead CoC agency, to review requests for funding, make recommendations regarding that funding, and monitor the programs on their behalf.

Monitoring

BCEH staff will conduct on-site monitoring and audits of all selected service providers to ensure proper administration of the program. All Subrecipients will be required to submit annual reports to BCEH to ensure performance measures are being met BCEH will monitor all Subrecipients through HMIS on a regular basis to ensure that the Subrecipient is administering their program in accordance with the requirements and that they are meeting reporting standards.

Record Retention

All subrecipient records pertaining to each fiscal year of the ESG Program funds must be retained for the greater of 5 years or the period specified below. Copies made by microfilming, photocopying, or similar methods may be substituted for the original records.

- (1) Documentation of each program participant's qualification as a family or individual at risk of homelessness or as a homeless family or individual and other program participant records must be retained for 5 years after the expenditure of all funds from the grant under which the program participant was served;
- (2) Where ESG Program funds are used for the renovation of an emergency shelter involves costs charged to the ESG Program grant that exceed 75 percent of the value of the building before renovation, records must be retained until 10 years after the date that ESG Program funds are first obligated for the renovation; and
- (3) Where ESG Program funds are used to convert a building into an emergency shelter and the costs charged to the ESG Program grant for the conversion exceed 75 percent of the value of the building after conversion, records must be retained until 10 years after the date that ESG Program funds are first obligated for the conversion.

Attachments and Appendix

Attachment A: Assessment Tool

Attachment B: Habitability Checklist

Attachment C: Lead Paint Disclosure

Attachment D: MOU for Landlords

Attachment E: HMIS ROI

Attachment F: Client Resources Affidavit

Attachment G: Asset Certification

Attachment H: Rent Reasonableness Tool

Appendix: Homeless Definition