

**Commonwealth of Kentucky  
2011 Consolidated Action Plan  
Substantial Amendment  
May 2012  
Emergency Solutions Grant Program**

**1. Introduction:**

Kentucky Housing Corporation (KHC) is the state allocating agency for the Emergency Solutions Grant (ESG) Program, formerly known as the Emergency Shelter Grants Program. The 2011 Consolidated Action Plan is for the time period beginning July 1, 2011 and ending June 30, 2012. KHC received an additional allocation of \$779,759 in funding bringing the total allocation for the 2011 program year to \$2,165,997. This substantial amendment includes information about the allocation of the additional \$779,759 as well as any adjustments in total program funding. This substantial amendment includes a revised budget and HUD standard form SF424 as well as narrative information as detailed below. This substantial amendment was made available for public comment from April 4 to May 4, 2012.

**2. Summary of Consultation Process**

KHC, as the lead agency for the Balance of State Continuum of Care (COC), has a unique opportunity and ability to reach out to members of the COC in order to obtain feedback and guidance. Through regional COC meetings, information is routinely shared on the progress of both the updates to the Action Plans (2011 and 2012) and the anticipated timeline for the allocation of the Emergency Solutions Grant funds. COC Webinars held in January and March of 2012 gave KHC ESG staff an opportunity to present information about the plans and to field questions from COC partner agencies on the potential roll-out of the funding.

In addition to the webinars, KHC uses an external advisory group in guiding the decisions affecting the COC. At meetings held in February and March of 2012, KHC COC leadership staff presented the group with the Emergency Solutions Grant guidelines and specifically discussed the need for direction on developing performance measures and the application process for the 2012 competitive allocation.

The external advisory group, made up of 12 agency representatives from across the state and of a cross-section of homeless and special needs service providers, will continue to be a pivotal link to the COC and the larger services community. It is anticipated that the group will convene in person or via phone call eight to ten times annually with the goals of providing guidance on implementing the new HEARTH Act rules, analyzing system performance and recommending funding mechanisms that allow for the best service delivery across the state and across populations.

KHC also communicates very often with partners via the Specialized Housing eGram service. Currently, more than 1,300 people subscribe to this service for periodic messages on ESG and other programs. KHC often uses this tool to invite comments on various programs and policies.

### **3. Summary of Citizen Participation Process**

The state has adopted a Citizen Participation plan that is outlined in the 2010-2014 Consolidated Plan. The State of Kentucky has adopted a citizen's participation plan to establish the policies and procedures that will be used to solicit citizen's input for the Consolidated Plan process. The policies are designed to encourage participation by low- and moderate-income persons, particularly those living in slums and blighted areas and in areas where CDBG funds are proposed to be used. The state will also encourage the participation of all Kentuckians, including minorities and non-English speaking persons, as well as persons with disabilities, and will provide accommodations as needed.

Prior to the development of this Action Plan amendment, the State of Kentucky, specifically the Department for Local Government and Kentucky Housing Corporation, held a public hearing to obtain views of citizens, public agencies, and other interested parties on community and housing needs on February 16, 2012. The hearing was advertised a minimum of 14 days in advance of the date. The public hearing also included information about the substantial amendment to the 2011 Action Plan pertaining to additional Emergency Solutions Grant (formerly Emergency Shelter Grant) (ESG) funding allocated to the state. In addition to discussion of needs pertaining to the Action Plan and the ESG amendment to the 2011 plan, the hearing also included information about the annual PHA Plan for the Housing Choice Voucher Program managed by KHC in 87 of Kentucky's 120 counties.

The hearing was widely publicized through the use of direct electronic mail notification to more than 15,000 subscribers, Web announcements, at the Housing Policy Advisory Committee held prior to the hearing, and newspaper advertisements. At the hearing, the State presented information regarding the amount of funding the state expected to receive and the range of activities that may be undertaken.

Twenty four persons, including 14 staff members, attended the public hearing.

Rick McQuady, CEO of Kentucky Housing Corporation (KHC) opened the hearing and encouraged all in attendance to present needs information to take into consideration in the drafting of the plans.

Jill House, KHC ESG Program Specialist explained that HUD has issued an interim rule for the new ESG program (formerly Emergency Shelter Grant program). HUD also allocated an additional \$779,759 for the 2011 program year which is governed by the new ESG regulations. She encouraged everyone to become familiar with the new regulations and to offer comment to KHC on proposed uses for the funds. The activities under the program are divided into major categories – street outreach (triage); emergency shelter (essential services, operations, renovations); homeless prevention; and rapid re-housing.

Information provided at the hearing as well as through other meetings will be taken into consideration by KHC in developing the new ESG plan.

Comments received at the hearing and via subsequent written comments and surveys include the following:

Tammy Jacobson, Northern Kentucky Community Action Council, encouraged KHC to utilize ESG funding for rapid re-housing and prevention activities.

Joe Gomes, Gateway Children's Services, asked if there was a shift from operations to services funding with the new ESG program, stating it wasn't clear from reading the proposed ESG rule. Jill House stated that they are still a major component and the new rule better-defines activities. HUD is promoting homelessness prevention and rapid re-housing, and services are still a component.

Mr. Gomes followed up his question at the public hearing with written comments from Gateway Children's Services in which they request that the entire supplemental allocation of 2011 funds be allotted to current Kentucky HEARTH and ESG recipients who have demonstrated an ability to successfully administer funds. They also request that KHC maintain an emphasis on funding shelter operations in the 2012 allocation at a higher level than in the past. While they agree with the emphasis on rapid re-housing, this process still takes time, and in the interim, operating funds will keep shelters in operation as a temporary measure until permanent housing can be obtained.

Mr. Gomes sent an additional written comment in the days following the hearing pertaining to the requirement for ESG that the applicant obtain a letter of support from each county Judge Executive/Mayor for all locations served. He stated that this requirement would be nearly impossible to meet if the project is statewide in service area and would require an enormous amount of staff time and cost. He requested that this requirement be vetted prior to finalization.

Written comment was received by Debbie Sivis, Shelter of Hope, immediately following the February hearing in which she states her concern about limiting services to homeless or at risk families who are below 30 percent of area median income for her area (Ashland, KY). The Kentucky HEARTH program allowed them to serve those in the 31 to 50 percent income bracket. The number of families of mid and low income are significant, especially the working poor. She hopes they will be able to serve those in the 31 to 50 percent income bracket with the new funding.

Dave Kreher, People's Self-Help Housing, provided written comments in the days following the hearing, including requesting additional information be provided by KHC in its legal notice that provides more specificity in what comments are being requested. HUD's notice concerning changes to the ESG program constituted more than 100 pages of information to be reviewed prior to comment. He suggested, as did FAHE, that the 2011 ESG supplemental funding be allocated to current HEARTH program participants based on performance. Mr. Kreher also suggested that 30 percent of the ESG allocation be targeted to homelessness prevention, 30 percent to rapid-re-housing assistance and the remainder be utilized for the remaining eligible activities. He stated that the housing relocation and stabilization component of ESG could be paid for with HOME TBRA funding.

Mr. Kreher also suggested that KHC manage a centralized assessment system so that the many and diverse providers would be using the same guidelines and forms. Because of KHC's current role with the balance of state Continuum of Care, KHC is well positioned to operate a centralized assessment system.

After the public hearing, but during the time period the Action Plan was drafted, additional written comments were received. Also during this time, KHC undertook an online survey as part of a larger housing needs assessment. The details of that assessment and the survey results are located on KHC's Web site at:

[http://www.kyhousing.org/uploadedFiles/Data\\_Library/Publications\\_and\\_Reports/HousingStudyBroch906.pdf?n=2719](http://www.kyhousing.org/uploadedFiles/Data_Library/Publications_and_Reports/HousingStudyBroch906.pdf?n=2719)

In addition, this Action Plan was made available for written comment from April 4 through May 4, 2012 following the same advertising and public notice protocols as for the hearing.

Comments received during the 30-day written comment period are detailed as follows:

RESERVED FOR ADDITIONAL COMMENTS

Additional information about the Citizen Participation Plan is available in the Five-Year Strategic Plan.

#### **4. Match**

It is anticipated that matching funds will come from a variety of sources, both public and private. Each sub-recipient of ESG funds will be required to match their allocation at a one-to-one level or higher. Because many agencies will be able to use in-kind donations of both goods and services as well as cash contributions, it is anticipated that the Kentucky State ESG program will access a sufficient amount of matching funds.

#### **5. Proposed Activities and Overall Budget**

##### **a. Proposed Activities:**

##### **(1) Corresponding priority needs from the Annual Action Plan**

The needs outlined in the Consolidated Plan address a variety of needs for affordable housing and community development that were derived from input at local levels across the state. The plan represents a wide array of needs. While one particular community may need rental housing production at a specific site, another community may need homeowner rehabilitation over a scattered site. For the state to address its community needs, the block grant programs need a level of flexibility for eligible activities to be undertaken. The state will support any application for funding under both federal and private sources that will assist the state in meeting any category of need for affordable housing and community development.

During the time period covered by this Action Plan, KHC intends to continue to focus resources toward the housing needs of persons who are homeless and at risk of homelessness. KHC also intends to continue efforts to help individuals and families become self-sufficient and to increase the number of families who become homeowners. Through the Homeownership Protection Center established by state legislation, KHC is also focusing efforts on foreclosure prevention and mitigation. Hardest Hit Funds from the U.S. Treasury will be used for foreclosure prevention. Weatherization funds and other funds from the Department of Energy will be used to make homes more energy efficient.

**(2) Concise description of the activity, including the number and types of persons to be served.**

In addition to the activities funded under the first allocation of fiscal year 2011 ESG funding of shelter activities and prevention, the additional funding under this amendment funds will be available for use in the Homelessness Prevention, Rapid Re-Housing and HMIS components of the program. It is expected that approximately 500 households, with 1,850 people will be served by Rapid Re-Housing assistance and 106 households, with 265 people will be served with Prevention assistance.

**(3) Corresponding standard objective and outcome categories**

SL-3	Sustainability of Suitable Living Environment					
SL-3.1	Address the need for sustaining a suitable living environment by supporting facilities that provide services and emergency shelter housing.	ESG	Number of persons	2010	9,600	
				2011	9,000	
				2012	8,600	
				2013	8,600	
				2014	8,600	
			MULTI-YEAR GOAL		44,400	
DH-2	Affordability of Decent Housing					
DH-2.1	Address the need for affordable decent housing by offering homelessness prevention and rapid re-housing in conjunction with services	ESG	Number of Persons	2010	0	
				2011	2,115	
				2012	1,976	
				2013	1,976	
				2014	1,976	
			MULTI-YEAR GOAL		8,043	

#### **(4) Start date and completion date.**

Activities funded with this second allocation of fiscal year 2011 ESG funds, are anticipated to begin by July 1, 2012 with many activities running through June 30, 2014. Agencies receiving funds remaining from the first allocation of fiscal year 2011 funds will have twelve months to expend the grant, beginning approximately July 1, 2012. KHC intends to allocate those funds to projects that are the most ready to proceed and anticipated to spend the funds at a quick pace.

#### **(5) ESG and other funding amounts**

ESG = 801,547.10 (includes unallocated funds from the first allocation of 2011 ESG funding)

MATCH = 801,548

It is anticipated that the matching funds will come from a variety of sources, both public and private. Each sub-recipient of ESG funds will be required to match their allocation at a one-to-one level or higher. Because many agencies will be able to use in-kind donations of both goods and services as well as cash contributions, it is anticipated that the Kentucky State ESG program will access a sufficient amount of matching funds.

#### **b. Discussion of Funding Priorities**

KHC will be following the HUD recommendations to aggressively fund Rapid Re-Housing activities with the second allocation of Emergency Solutions Grant funds. KHC has designated that a minimum of 75 percent of this allocation will be dedicated to Rapid Re-Housing activities with the remaining 25 percent available to be used for other eligible activities under Homeless Prevention, HMIS and Administration.

In an effort to reduce the time that families and individuals remain homeless and shorten the length of stay in the homeless system, it is important to dedicate the resources necessary to achieve those outcomes. By dedicating a large amount of funds to the Rapid Re-Housing component, agencies receiving the funds will be able to target the assistance to those clients with the greatest need.

While many communities have traditionally seen great success with homeless prevention programs, there will still be some funds available for use on those activities as well as a small portion expected to be used for HMIS expenses and administrative costs.

#### **Obstacles to addressing underserved needs in the community**

As described above, prevention funds continue to be a useful intervention for some communities. However, due to the difficulty in documenting need and effectiveness in KHC's primarily rural service area, it continues to be difficult to fund and monitor homelessness prevention activities.

Transportation, under-education and lack of skills training continue to be barriers to the clients' ability to maintain stable housing once access is obtained. Need for economic

development in impoverished rural areas of the state keeps clients from obtaining resources needed to access or maintain housing. Rural areas of the state report a lack of decent, safe rental housing stock in their communities while other areas have housing stock but the market is such that the rents are higher than a low income family can maintain without ongoing subsidy.

### **c. Detailed Budget**

See attached chart.

## **6. Written Standards**

### **a. Standard policies and procedures for evaluating individuals' and families' eligibility for assistance under Emergency Solutions Grant (ESG).**

The Hearth Act includes new definitions for *At Risk of Homelessness* and *Homelessness* as they pertain to the Emergency Solutions Grants program. Complete definitions are found at §576.2 Definitions.

Sub-recipients must implement written agency policies and procedures to determine client eligibility based on being *At Risk of Homelessness* or *Homeless* as defined by HUD. In addition, sub-recipient policies and procedures must identify acceptable forms of documentation as defined by HUD at §576.500 to accurately document individuals' or families' eligibility for ESG assistance. Sub-recipient policies and procedures must be established in writing and implemented by the sub-recipient to ensure that ESG funds are used in accordance with the requirements. In addition, sufficient records must be established and maintained to enable KHC and HUD to determine whether ESG requirements are being met.

*Homeless status.* Sub-recipients must maintain and follow written intake procedures to ensure compliance with the homeless definition in §576.2. The procedures must require documentation at intake of the evidence relied upon to establish and verify homeless status. The procedures must establish the order of priority for obtaining evidence as third-party documentation first, intake worker observations second, and certification from the person seeking assistance third.

*At Risk of Homeless status.* For each individual or family who receives ESG Homelessness Prevention assistance, the records must include the evidence relied upon to establish and verify the individual or family's "at risk of homelessness" status. This evidence must include an intake and certification form that meets HUD specifications and is completed by the sub-recipient.

### **b. Policies and procedure for coordination among emergency shelter providers, essential service providers, homelessness prevention and rapid re-housing assistance providers, other homeless assistance providers, and mainstream service and housing providers.**



As part of the program requirements in implementing the Emergency Solutions Grants, sub-recipients must develop, when applicable, policies and procedures for coordination in order to ensure that emergency shelter providers, essential service providers, homeless prevention and rapid re-housing assistance providers along with other homeless assistance providers and mainstream service and housing providers are coordinating their activities with the objective of assisting individuals experiencing housing crisis and/or homelessness to **quickly** regain stability in permanent housing.

To comply with the program requirements as defined by HUD at 576.400, sub-recipients must establish written policies and procedures for effective coordination.

*Consultation.* Sub-recipients must demonstrate through a written document approved by the Continuum of Care (COC) that the award is allocated according to the COC established priorities and policies (percentage use for clients stabilization needs, percentage use for staff salaries, etc). In addition, to demonstrate program performance, the sub-recipient must provide a monthly report card for data completeness and an annual progress report through HMIS (or a comparable database for qualifying sub-recipients).

*Coordination with other targeted homeless services.* Sub-recipients must coordinate with existing homeless services providers and demonstrate to the maximum extent practicable that there is a written process for facilitating client access to other homeless programs as indicated in section 576.400 – b and c. The process must include the establishment of a coordinated assessment at intake that allows rapid referrals.

*System and program coordination with mainstream resources.* Sub-recipients must establish a coordinated case plan that includes client goals and measurable outcomes. Coordination will also include a needs assessment plan along with a mainstream service eligibility and access plan with existing programs that target youth, individuals and families at risk of homelessness.

*Centralized or Coordinated Assessment.* Sub-recipients must align the determination of eligibility based upon the definitions of *At risk of Homelessness* or *Homeless* as established by HUD (576.2). Any assessment, including screening and/or referral process must be:

- *Consistent* - All assessment, screening and referral protocols are clearly delineated by the COC and reprised in the grant agreement to ensure that it is binding. Sub-recipients will be trained on intake and screening policies before any grant execution.
- *Accurate* - To ensure accuracy of needs assessment, sub-recipients must demonstrate as much as possible that the assessment process is coordinated with other targeted homeless service providers.

As best practice, sub-recipients are encouraged to secure and have on file a Memorandum of Understanding with targeted homeless service providers.

*For the purposes of privacy and safety, victim service providers may choose not to use the centralized or coordinated assessment system.*

To ensure consistency in providing assistance, each sub-recipient must follow the program component guidelines regarding:

- *Compliance* - All eligibility determination for individuals and families must be based upon HUD definition of *At Risk of Homelessness* or *Homeless (576.2)*. All eligibility must be documented according to policies and procedures as defined and established by HUD at 576.500.
- *Consistency* - All intake processes including assessment, screening, and referrals must have been centralized or coordinated to ensure consistency and accuracy. Sub-recipients will document and file all written coordinated assessments to comply with HUD requirements for area-wide systems coordination (Section 576.400 - e).
- *Long-term housing stabilization* - All outreach, emergency shelter assistance, prevention and housing must ensure that eligible individuals or families have a plan for stabilization and a long-term housing solution. The case plan must be written and consistent with the COC's priorities along with a coordinated process that leads to quick transition to permanent housing. The plan will include:
  - Amount of rent (based upon the eligible individual or family income and must not exceed 30 percent of the household's monthly income)
  - Utility costs (based upon the frequency of assistance within a time frame established by existing policies)
  - Length of stay (for a quick transition to stable and permanent housing, eligible individual or family must reside for the shortest possible period (but no more than 24 months) in a sheltered setting that includes both emergency and transitional housing)
  - Recertification and rent adjustments (to ensure long-term housing stabilization, eligible individual or family must demonstrate gained income at end of the stabilization phase; where applicable, eligible individual or family will secure public assistance benefits. Sub-recipient will implement agency policies and procedures to determine appropriate and consistent rental recertification and adjustments.
- *Habitability* - As a best practice, KHC recommends Housing Quality Standards (HQS) inspections. However, habitability inspection is required at a minimum. In addition, sub-recipients must ensure that available housing is safe and secure for households with special needs. Sub-recipients must comply with all federal requirements as defined in *576.403 Shelter and housing standards*, as applicable.
- *HMIS* - 100 percent data accuracy percentage and/or zero errors on all applicable reports submissions. Accurate and complete Annual Performance Report. Quarterly Point-In-Time date bed coverage data, resulting in bed coverage that is above 65 percent and less than 105 percent as per HUD standards. Victim Service Provider will use comparable database and will produce unduplicated aggregate data.

**c. Policies and procedures for determining and prioritizing which eligible families and individuals will receive homelessness prevention assistance and which eligible families and individuals will receive rapid re-housing assistance.**

Sub-recipients must implement written policies and procedures for determining which individuals and families who qualify as *at risk of homelessness* can receive homelessness prevention assistance and which of those individuals and families should be prioritized for that assistance.

*Homelessness Prevention Assistance.* ESG funds may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance necessary to prevent an individual or family from moving into an emergency shelter or another place described in paragraph (1) of the *homeless* definition in §576.2. This assistance, referred to as homelessness prevention, may be provided to individuals and families who meet the criteria under the *at risk of homelessness* definition, or who meet the criteria in paragraph (2), (3), or (4) of the *homeless* definition in §576.2 and have an annual income below 30 percent of median family income for the area, as determined by HUD. Homelessness prevention should only be considered when the assistance is necessary to help the program participant regain stability in the program participant's current permanent housing or move into other permanent housing and achieve stability in that housing.

Sub-recipients must implement policies and procedures to determine client eligibility based on the program participant meeting the *homeless* and/or *at risk of homeless* definitions at §576.2. In addition, the policies and procedures must outline how the subrecipient will determine the program participant's household income does not exceed 30 percent of median family income for the area as determined by HUD.

Sub-recipients must implement written policies and procedures to ensure that homelessness prevention assistance is necessary to help the program participant regain stability in the program participant's current permanent housing or move into other permanent housing and achieve stability in that housing. In the event that the sub-recipient determines that homelessness prevention assistance could not help the program participant regain stability in permanent housing, the policies and procedures must ensure the program participant is informed that they do not qualify for assistance for this reason.

Sub-recipients must implement written procedures to outline what type of homelessness prevention assistance the program participant is qualified to receive and in what order of priority.

- Eligible homelessness prevention assistance:
  - Housing relocation and stabilization services requirements in §576.105
  - Short-term and medium-term rental assistance requirements in §576.106

*At Risk of Homeless status.* For each individual or family who receives ESG Homelessness Prevention assistance, the records must include the evidence relied upon to establish and verify the individual or family's *at risk of homelessness* status.

This evidence must include an intake and certification form that meets HUD specifications and is completed by the subrecipient.

*Annual Income status.* For each individual or family who receives ESG Homelessness Prevention assistance, the record must include documentation that the program participant has insufficient financial resources and support networks; e.g., family, friends, faith-based or other social networks, immediately available to attain housing stability and meets one or more of the conditions under paragraph (1)(iii) of the definition of *at risk of homelessness* in §576.2

*Rapid Re-Housing Assistance.* ESG funds may be used to provide housing relocation and stabilization services and short- and/or medium- term rental assistance necessary to help a homeless individual or family move as quickly as possible into permanent housing and achieve stability in that housing. The rapid re-housing assistance must be provided in accordance with the housing relocation and stabilization services requirements in §576.105, the short- and medium- term rental assistance requirements in §576.106, and the written standards and procedures established under §576.400.

Sub-recipients must implement policies and procedures to determine client eligibility to receive rapid re-housing assistance. An individual or family's ability to sustain housing should not be a threshold requirement. The written policies and procedures should identify how the program participant will receive services to overcome their immediate housing obstacles and connect them with the resources they need to stay housed when the program ends.

Sub-recipients must implement written policies and procedures to ensure that rapid re-housing assistance is necessary to help the program participant move as quickly as possible into permanent housing and achieve stability in that housing. In the event that the sub-recipient determines that rapid re-housing assistance could not help the program participant achieve stability in permanent housing, the policies and procedures must ensure the program participant is informed that they do not qualify for assistance for this reason.

Rapid re-housing assistance should be targeted to program participants who are closest to going into a shelter, car, or the street, if not those who are about to spend their first night there (referred to as "diversion"). Written policies and procedures should identify an effective targeting policy to prioritize those most in need of quickly moving into permanent housing as those being eligible to receive rapid re-housing assistance. Sub-recipients should ensure that their program priorities are consistent with the goals of the state plan to end homelessness and the Federal Strategic Plan.

Sub-recipients must implement written procedures to outline what type of rapid re-housing assistance the program participant is qualified to receive and in what order of priority. Policies and procedures must include standards of determining the type, amount, and duration of housing stabilization and/or relocation service to provide to the program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the program participant receive

assistance; or the maximum number of times the program participant may receive assistance.

- Eligible rapid re-housing assistance:
  - Housing relocation and stabilization services requirements in §576.105
  - Short-term and medium-term rental assistance requirements in §576.106
  
- d. **Standards for determining the share of rent and utilities costs that each program participant must pay, if any, while receiving homelessness prevention or rapid re-housing assistance.**

The homelessness prevention and rapid re-housing assistance components allow caps and conditions to be set by the subrecipient agency as they pertain to short- and medium-term rental assistance at §576.106 (b). In the event that the subrecipient elects to set caps and/or conditions to the type of assistance being provided, they must be outlined in the agency's written policies and procedures and must apply to all program participants.

Sub-recipients may set a maximum amount or percentage of rental assistance that a program participant may receive a maximum number of months that a program participant may receive rental assistance, or a maximum number of times that a program participant may receive rental assistance. Sub-recipients may also require program participants to share in the costs of rent; however, the program participant should never be required to contribute more than thirty percent of the household income toward the cost of rent.

If the amount of assistance will be based on a percentage of the program participant's income, the policies and procedures must specify what the percentage will be used and how the income will be calculated. Under no circumstances should the percentage of the participant's income contributed toward rent exceed thirty percent of the household's monthly income.

- e. **Standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time.**

As part of the program requirements in implementing the Emergency Solutions Grants, the sub-recipients must develop consistent standards for determining the duration, the provision and the adjustment of rental assistance.

*Prevention* . ESG assistance funds may be used to provide housing relocation and stabilization services and short- and /or medium-term rental assistance necessary to prevent an individual or family from moving into an emergency shelter or another place not meant for human habitation (see homeless definition 576.2). This type of assistance is referred to as *prevention* (see 576.103).

Sub-recipients must establish consistent standards regarding:

*Eligibility* - All determination of homeless prevention must meet the criteria under the *at risk of homelessness* definition which must be appropriately documented. All documentation must demonstrate that the assistance to an individual or family is necessary to help regain stability in the participant's current home. All participants must have an annual income at or below 30 percent of area median income for the area as defined by HUD (see 576.105)

*Duration of assistance* - All short-term rental assistance must not exceed three (3) months of rent during any 24-month period.

*Discretionary capping/conditions* – Sub-recipients must establish written policies that clearly state the maximum amount or percentage of rental assistance as well as the number of months that a program participant may receive assistance (*see 576.106b*). All rental assistance must not exceed the Fair Market Rent (FMR) established by HUD, as provided under *24 CFR part 888* and comply with HUD's standard of rent reasonableness as defined under *24 CFR 982.507*

*Rental adjustment* – Sub-recipients must re-evaluate the eligibility of the program participant and the amounts of assistance once every three months. All re-evaluation must be documented and establish that the program participant does not have an annual income that exceeds 30 percent of area median income. For the purposes of re-evaluation of eligibility, sub-recipients must document any changes in the program participant income or other circumstances such as changes in the participant's household composition.

*Rapid re-housing*. ESG assistance funds may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance necessary to help a homeless individual or family to move as quickly as possible into permanent housing and achieve stability in that housing. This assistance, referred to as rapid re-housing, may be provided to program participants who meet the criteria under the definition of homelessness (see homeless definition as defined by HUD under 576.2) Sub-recipients must establish consistent standards regarding the provision of this type of assistance (see 576.105 housing relocation and stabilization services).

*Eligibility*. All documentation must demonstrate that the assistance to an individual or family meet the definition of homelessness as defined by HUD. All participants must have an annual income at or below 30 percent of area median income as defined by HUD (see 576.105).

*Duration of assistance*. Eligible participants will be provided with no more than 24 months of rental assistance during any three-year period. Sub-recipients must establish written policies and procedures around this provision. If caps and/or conditions are applied, the written policies must clearly state the maximum amount or percentage of rental assistance as well as the number of months that a program participant may receive assistance (*see 576.106b*). All rental assistance must not exceed the FMR established by HUD, as provided under *24 CFR part 888* and comply with HUD's standard of rent reasonableness as defined under *24 CFR 982.507*. Sub-recipients

must ensure that all program recipients receiving project-based rental assistance must have a one-year lease regardless of the length of the rental assistance.

*Rental adjustment.* Sub-recipients must re-evaluate the eligibility of the program participant and the amount of assistance annually. All re-evaluations must be documented in writing and establish that the program participant does not have an annual income that exceeds 30 percent of area median income. For the purposes of re-evaluation of eligibility, sub-recipients must document any changes in the program participant income or other circumstances such as changes in the participant's household composition.

- f. **Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the program participant receives assistance; or the maximum number of times the program participant may receive assistance.**

Under housing relocation and stabilization services, financial assistance and services costs are subject to the general conditions under (576.103 and 576.104)

#### Housing relocation and stabilization services for homelessness prevention

*Rental application fees.* Must be based on the sub-recipient's written policies and must be in compliance with HUD requirements. All rental application fee assistance to eligible individuals or family program participants must be appropriately documented. See 576.105 (1).

*Security deposits.* Must be in compliance with HUD requirements. All deposits must be equal to no more than two months' FMR-based rent, appropriately documented and must have been calculated in the program participant's rental assistance. See 576.105 (2).

*Last month's rent.* Must be based on the sub-recipient's written policies and must be in compliance with HUD requirements. When last month's rent assistance is provided, it must not exceed one month of FMR-based rent, appropriately documented and must have been calculated in the program participant's total rental assistance which cannot exceed three months during any 24-month period. See 576.105 (3).

*Utility deposits.* Must be in compliance with HUD requirements. All utility deposit payments to eligible program participants shall not exceed more than three months within any 24-month period. See 576.105 (4).

*Utility Payments.* Must be in compliance with HUD requirements. All utility payments to determined eligible program participant shall not exceed more than three months within any 24-month period. Eligible utility services include gas, electric, water and sewage. See 576.105 (5).

*Moving Costs.* Must be in compliance with HUD requirements. All moving costs must be executed with consistency based upon the sub-recipient's written and documented policies. Eligible moving costs are truck rental, hiring a moving company, etc. In the case of the payment of temporary storage fees, no more than three months' payments are allowed. Eligible participants must have accrued the determined fees after the date of entry in the program and before entry in permanent housing. Payment of arrearages is not an eligible expense.

*Housing search and placement.* For all housing search and placement activities, sub-recipients must include: assessment of housing barriers, needs and preferences; development of an action plan for locating housing; housing search; outreach to and negotiation with owner; assistance with submitting rental applications and understanding leases; assessment of housing to ensure compliance with ESG requirements for habitability, lead-based and rent reasonableness; assistance with obtaining utilities and making moving arrangements; tenant counseling.

*Housing stability case management* - Must be in compliance with HUD requirements and must include all required activities to ensure and maintain stability in permanent housing. Permanent housing search and placement services cannot exceed 30 days. If the program participant is living in permanent housing, any housing stability case management activity cannot exceed 24 months.

To evaluate individuals and families applying for or receiving homelessness prevention or rapid re-housing assistance, sub-recipients must use the centralized or coordinated assessment system (see 576.400(d)). Sub-recipients must include in all required initial evaluation (576.401(a)) a verification of eligibility of all individuals and families applying for homelessness prevention or rapid re-housing. All verification must be appropriately documented.

Other activities include counseling, developing, securing, coordinating and obtaining Federal, State and local benefits. Sub-recipients must also establish a system for monitoring and evaluating program participant progress. In addition, sub-recipients must establish a process for information sharing and referrals, developing an individualized housing and service plan for obtaining permanent housing and stability and a plan for conducting re-evaluation. (See 576.4019(b)).

*Mediation.* Sub-recipients must establish written policies and procedures that state clearly the terms of the mediation and all parties involved (program participant and the landlord). All documentations must establish that mediation was made necessary to prevent the loss of permanent housing in which the program participant resides and/or is the current lease holder.

*Legal services.* Sub-recipients must establish written policies and procedures that state clearly the terms of the legal services. All documentation must establish that the services were made necessary to resolve legal issues that prohibit the program participant from obtaining permanent housing or prevent the loss of permanent housing in which the program participant resides.



*Credit repair.* Sub-recipients must establish written policies and procedures based upon HUD's requirements. All documentation must establish that the services were made necessary to assist program participants to build critical skills related to budgeting, money management, accessing a free personal credit report and resolving legal issues that prohibit the program participant from obtaining permanent housing or prevent the loss of permanent housing in which the program participant resides. Debt payment and debt modification are not eligible services.

#### Housing relocation and stabilization services for rapid re-housing

*Rental application fees.* Sub-recipients must have established written policies determining the provision of this assistance. The policies must be in compliance with HUD requirements. All rental application fee assistance to eligible individual or family program participants must be appropriately documented. *See 576.105 (1).*

*Security deposits.* Must be in compliance with HUD requirements. All deposits must be equal to no more than 2 months' FMR based rent, appropriately documented and must have been calculated in the program participant's rental assistance. *See 576.105 (2).*

*Last month's rent.* Must be based on sub-recipient written policies and must be in compliance with HUD requirements. When last month's rent assistance is provided, it must not exceed one month FMR-based rent, appropriately documented and must have been calculated in the program participant's total rental assistance which cannot exceed 24 months in any three-year period. *See 576.105 (3).*

*Utility deposits.* Must be in compliance with HUD requirements. All utility deposit payments to eligible program participants shall not exceed 24 months within any three-year period. *See 576.105 (4).*

*Utility Payments.* Must be in compliance with HUD requirements. All utility payments to eligible program participants shall not exceed more than 24 months within any three-year period. If needed, sub-recipients can make up to six months of utility payment arrearages per program participant. A partial payment of a utility bill must be considered as one month's assistance. This assistance may only be provided if the program participant or a member of the same household has an account in his or her name with a utility company or proof of responsibility to make utility payments. Eligible utility services are gas, electric, water and sewage. *See 576.105 (5).*

*Moving Costs.* Must be in compliance with HUD requirements. All moving costs must be executed consistent with sub-recipient written and documented policies. Eligible moving costs are truck rental, hiring a moving company, etc. In case of the payment of temporary storage fees, payments up to three months' costs are eligible. Eligible participants must have accrued the determined fees after the date of entry in the program and before entry in permanent housing. The payment of arrearages is not eligible.

*Housing search and placement.* For all housing search and placement activities, sub-recipients must include: assessment of housing barriers, needs and preferences; development of an action plan for locating housing; housing search; outreach to and

negotiation with owner; assistance with submitting rental applications and understanding leases; assessment of housing to ensure compliance with ESG requirements for habitability, lead-based and rent reasonableness; assistance with obtaining utilities and making moving arrangements; tenant counseling.

*Housing stability case management.* Must be in compliance with HUD requirements and must include all required activities to ensure and maintain stability in permanent housing. Permanent housing search and placement assistance cannot exceed 30 days. If the program participant is living in permanent housing, any housing stability case management activity cannot exceed 24 months.

## **7. Describe Process for Making Sub-Awards**

In order to expedite communication and ensure the funds are awarded to agencies capable of administering similar programmatic components, KHC will make the second allocation of ESG funds available through a limited competition. An invitation (Request For Proposals) will be issued to current Homeless Prevention and Rapid Re-Housing Program (HPRP) sub-recipients with a minimum 75 percent expenditure rate as of March 15, 2012 and who are otherwise in good standing with KHC.

Interested applicants receiving an invitation to apply for 2011 ESG Phase II funding will submit a Notice of Interest by the date designated in the request for proposals. Upon receipt of an agency's Notice of Interest to apply for these respective funds, and KHC has determined that the agency has met the minimum thresholds, the applicant must meet following requirements:

- Agency must demonstrate through a budget that a minimum of 75 percent of ESG Phase II funding will be used for direct financial assistance services.\*
- Agency must be able to demonstrate that minimally, 70 percent of persons receiving HPRP assistance that have exited the program grant-to-date, have a permanent destination.\*
- Agency must agree to proceed with all ESG requirements as identified in the ESG Grant Agreement and the new ESG Interim Rule.

\* = Will be assigned a weighted point system.

If an applicant can successfully demonstrate these requirements, the applicant will be considered for an ESG Phase II allocation of a maximum \$50,000 plus increments of \$5,000, if funds are available. Funds will be allocated until there are no more funds available. In the event that there is a tie, the tie breaker will be given to the agency that scored the highest in the original HPRP application.

## **8. Homeless Participation Requirement**

Not Applicable.

## 9. Performance Standards

The recipient must describe the performance standards for evaluating ESG activities which must be developed in consultation with the Continuum of Care.

Measures include how the recipient will evaluate each ESG service provider's effectiveness in

- A. Targeting those who need the assistance most,
- B. Reducing the number of people living on the streets or in emergency shelters
- C. Shortening the time people spend in homelessness
- D. Reducing each program participant's housing barriers or housing stability risks.
- E. Analyzing Program Outcomes

All standards are aligned with the HEARTH Act standards

### ESG Program Components

- A. Street Outreach
- B. Emergency Shelter Activities
- C. Homelessness Prevention
- D. Rapid Re-housing
- E. HMIS

Performance Standards to be used under each ESG Program Component:

- A. Street Outreach
  - Housing Status at Entry and Exit
- B. Emergency Shelter Activities
  - Length of Stay
  - Income at Entry and Exit
  - Destination at Exit
  - Recidivism
- C. Homelessness Prevention
  - Housing Status at Entry and Exit
  - Destination at Exit
  - Income at Entry and Exit
  - Employment at Entry and Exit
  - Type Rental Assistance (short/long term)
  - Rate of Recidivism
- D. Emergency Shelter Activities Rapid Re-housing
  - Housing Status at Entry and Exit
  - Destination at Exit
  - Rate of Recidivism
  - Type of Rental Assistance (short/long term)
  - Income at Entry and Exit

- Employment at Entry and Exit

E. HMIS

- Data Completeness

## 10. Certifications

See Attached

### C. Written Standards

Not Applicable.

### D. Requirements for recipients who plan to use the risk factor under paragraph (1)(iii)(G) of the “at risk of homelessness” definition.

Because of the rural nature of the Kentucky Balance of State Continuum of Care region, relatively low incomes in rural Kentucky and the lack of housing code policies in many Kentucky counties, there are thousands of units located across the state that would be considered far worse than substandard. However, these units cannot be considered a “place not meant for human habitation” because few communities have processes in place to actually condemn the unit.

By using the risk factor *otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness*, the ESG funds available under the prevention component would become available to assist clients living in severely substandard housing and assure that these clients could be placed in safe, decent housing. Using the standards KHC already has in place to count precariously housed individuals as a supplement to the unsheltered Point in Time Counts, *characteristics associated with instability and an increased risk of homelessness*, will be defined as the presence of one or more of the following conditions:

- 1) does not have running water, or
- 2) does not have electricity or has inadequate or unsafe electrical service, or
- 3) does not have a safe or adequate source of heat.

### E. Requirements for Optional Changes to the FY2011 Annual Action Plan

#### 1. Centralized or Coordinated Assessment System

Not Applicable

#### 2. Monitoring

The KHC Compliance Department has dedicated two HPRP Compliance Officers (one Lead & one Assistant) and one ESG Compliance Officer to ensure program compliance with the Interim rule that introduces substantial changes to the activities and procedures required of ESG sub-recipients. With the announcement of HPRP “like” activities being added to the new ESG, both HPRP and ESG Compliance Department staff have been

trained in the new guidelines and are actively preparing for the conversion. In addition, the KHC Compliance Department has developed detailed work-papers and tools for both HPRP and ESG programs. These work-papers and tools will be combined according to the Interim Rule changes. KHC will continue the risk analysis with the new ESG as it does with the other programs monitored. File selection and sampling will be made using a random selection method with additional files selected in order to include files from each staff person working the program and/or when indicated by the severity or nature of any problems uncovered during a review of the initial selection.

FY 2011 Detailed Budget Table					
First Allocation	\$1,386,238.00	<b>FY 2011</b> <b>Emergency Shelter Grants/Emergency Solutions Grants</b> <b>Program Allocations</b>			
Second Allocation	\$779,759.00				
Grant Amount	\$2,165,997.00				
Total Administration	\$162,449.78				
		<b>First Allocation</b>		<b>Second Allocation</b>	<b>Total Fiscal Year 2011</b>
	<b>Eligible Activities</b>	<b>Activity Amount</b>	<b>Reprogrammed Amount</b>	<b>Activity Amount</b>	<b>Activity Amount</b>
<b>Emergency Shelter Grants Program</b>	Homeless Assistance	<b>\$1,104,252.00</b>	<b>\$0.00</b>		<b>\$1,104,252.00</b>
	<i>Rehab/Conversion</i>	\$0.00			\$0.00
	<i>Operations</i>	\$705,381.00			\$705,381.00
	<i>Essential Services</i>	\$398,871.00			\$398,871.00
	Homelessness Prevention	<b>\$212,674.10</b>	<b>\$21,788.10</b>		<b>\$190,886.00</b>
	Administration	<b>\$69,311.90</b>			<b>\$69,311.90</b>
	<b>Emergency Shelter Grants Subtotal</b>	<b>\$1,386,238.00</b>	<b>\$21,788.10</b>		<b>\$1,364,449.90</b>
<b>Emergency Solutions Grants Program</b>	Emergency Shelter**			<b>\$0.00</b>	<b>\$0.00</b>
	<i>Renovation**</i>			\$0.00	\$0.00
	<i>Operation**</i>			\$0.00	\$0.00
	<i>Essential Service**</i>			\$0.00	\$0.00
	<i>URA Assistance**</i>			\$0.00	\$0.00
	Street Outreach - Essential Services**			<b>\$0.00</b>	<b>\$0.00</b>
	HMIS		<b>\$11,696.00</b>	<b>\$9,627.00</b>	<b>\$21,323.00</b>
	Rapid Re-housing		<b>\$10,092.10</b>	<b>\$591,068.00</b>	<b>\$601,160.10</b>
	<i>Housing Relocation and Stabilization Services</i>		\$0.00	\$210,406.00	\$210,406.00
	<i>Tenant-Based Rental Assistance</i>		\$10,092.10	\$380,662.00	\$390,754.10
	<i>Project-Based Rental Assistance</i>		\$0.00	\$0.00	\$0.00
	Homelessness Prevention		<b>\$0.00</b>	<b>\$90,401.00</b>	<b>\$90,401.00</b>
	<i>Housing Relocation and Stabilization Services</i>			\$31,641.00	\$31,641.00
	<i>Tenant-Based Rental Assistance</i>			\$58,760.00	\$58,760.00
	<i>Project-Based Rental Assistance</i>			\$0.00	\$0.00
	Administration			<b>\$88,663.00</b>	<b>\$88,663.00</b>
		<b>Emergency Solutions Grants Subtotal</b>		<b>\$21,788.10</b>	<b>\$779,759.00</b>
			<b>Total Grant Amount:</b>		<b>\$2,165,997.00</b>

\*\*Allowable only if the amount obligated for homeless assistance activities using funds from the first allocation is less than the expenditure limit for emergency shelter and street outreach activities (see Section III.B. of this Notice).

**Application for Federal Assistance SF-424**

Version 02

*1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application	*2. Type of Application * If Revision, select appropriate letter(s) <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision	*Other (Specify) _____
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3. Date Received:	4. Applicant Identifier:
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5a. Federal Entity Identifier:	*5b. Federal Award Identifier:
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**State Use Only:**

6. Date Received by State:	7. State Application Identifier:
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**8. APPLICANT INFORMATION:**

*a. Legal Name: Kentucky Housing Corporation	
*b. Employer/Taxpayer Identification Number (EIN/TIN): 61-0864674	*c. Organizational DUNS: 082316696

**d. Address:**

*Street 1:	<u>1231 Louisville Road</u>
Street 2:	_____
*City:	<u>Frankfort</u>
County:	<u>Franklin</u>
*State:	<u>Kentucky</u>
Province:	_____
*Country:	<u>USA</u>
*Zip / Postal Code	<u>40601-6156</u>

**e. Organizational Unit:**

Department Name: Specialized Housing Resources	Division Name:
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**f. Name and contact information of person to be contacted on matters involving this application:**

Prefix: _____	*First Name: <u>Davey</u>
Middle Name: _____	
*Last Name: <u>King</u>	
Suffix: _____	

Title: Director of Specialized Housing Resources
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Organizational Affiliation: Kentucky Housing Corporation
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*Telephone Number: 502-564-7630	Fax Number: 502-564-5651
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*Email: DKing@kyhousing.org
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**Application for Federal Assistance SF-424**

Version 02

**\*9. Type of Applicant 1: Select Applicant Type:**

A.State Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

\*Other (Specify)

**\*10 Name of Federal Agency:**

**U.S. Department of Housing and Urban Development**

**11. Catalog of Federal Domestic Assistance Number:**

14.231 \_\_\_\_\_

CFDA Title:

Emergency Solutions Grant Program \_\_\_\_\_

**\*12 Funding Opportunity Number:**

\_\_\_\_\_

\*Title:

\_\_\_\_\_

**13. Competition Identification Number:**

\_\_\_\_\_

Title:

\_\_\_\_\_

**14. Areas Affected by Project (Cities, Counties, States, etc.):**

**Kentucky State Program**

**\*15. Descriptive Title of Applicant's Project:**

Kentucky State Emergency Solutions Grant Program



**Application for Federal Assistance SF-424**

Version 02

**16. Congressional Districts Of:**

\*a. Applicant: KY06

\*b. Program/Project: KYALL

**17. Proposed Project:**

\*a. Start Date: July 1, 2012

\*b. End Date: June 30, 2014

**18. Estimated Funding (\$):**

*a. Federal	<u>779,759.00</u>
*b. Applicant	_____
*c. State	_____
*d. Local	_____
*e. Other	_____
*f. Program Income	_____
*g. TOTAL	<u>779,759.00</u>

**\*19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

- a. This application was made available to the State under the Executive Order 12372 Process for review on \_\_\_\_\_
- b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- c. Program is not covered by E. O. 12372

**\*20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)**

- Yes       No

21. \*By signing this application, I certify (1) to the statements contained in the list of certifications\*\* and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances\*\* and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U. S. Code, Title 218, Section 1001)

\*\* I AGREE

\*\* The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions

**Authorized Representative:**

Prefix: \_\_\_\_\_ \*First Name: Richard

Middle Name: \_\_\_\_\_

\*Last Name: McQuady

Suffix: \_\_\_\_\_

\*Title: Chief Executive Officer

\*Telephone Number: 502-564-7630

Fax Number: 502-564-5651

\* Email: RMcQuady@kyhousing.org

\*Signature of Authorized Representative:

\*Date Signed:

**Application for Federal Assistance SF-424**

Version 02

**\*Applicant Federal Debt Delinquency Explanation**

The following should contain an explanation if the Applicant organization is delinquent of any Federal Debt.

## STATE CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the State certifies that:

**Affirmatively Further Fair Housing --** The State will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the state, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

**Anti-displacement and Relocation Plan --** It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential anti-displacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

**Drug Free Workplace --** It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about -
  - (a) The dangers of drug abuse in the workplace;
  - (b) The grantee's policy of maintaining a drug-free workplace;
  - (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
  - (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will -
  - (a) Abide by the terms of the statement; and
  - (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
6. Taking one of the following actions, within 30 calendar days of receiving notice under

subparagraph 4(b), with respect to any employee who is so convicted -

- (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
  - (b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

**Anti-Lobbying --** To the best of the State's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
3. It will require that the language of paragraphs 1 and 2 of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

**Authority of State --** The submission of the consolidated plan is authorized under State law and the State possesses the legal authority to carry out the programs under the consolidated plan for which it is seeking funding, in accordance with applicable HUD regulations.

**Consistency with plan --** The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

**Section 3 --** It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.

\_\_\_\_\_  
Signature/Authorized Official                      Date

\_\_\_\_\_  
Title

## ESG Certifications

Each State that seeks funding under the Emergency Solutions Grants Program must provide the following certifications:

**Matching Funds** – The State will obtain any matching amounts required under 24 CFR 576.201 in a manner so that its subrecipients that are least capable of providing matching amounts receive the benefit of the exception under 24 CFR 576.201(a)(2).

**Discharge Policy** – The State will establish and implement, to the maximum extent practicable and where appropriate, policies and protocols for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, mental health facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent this discharge from immediately resulting in homelessness for these persons.

**Confidentiality** – The State will develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project, except with the written authorization of the person responsible for the operation of that shelter.

The State will ensure that its subrecipients comply with the following criteria:

**Major rehabilitation/conversion** – If an emergency shelter's rehabilitation costs exceed 75 percent of the value of the building before rehabilitation, the building will be maintained as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed rehabilitation. If the cost to convert a building into an emergency shelter exceeds 75 percent of the value of the building after conversion, the building will be maintained as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed conversion. In all other cases where ESG funds are used for renovation, the building will be maintained as a shelter for homeless individuals and families for a minimum of 3 years after the date the building is first occupied by a homeless individual or family after the completed renovation.

**Essential Services and Operating Costs** – If ESG funds are used for shelter operations or essential services related to street outreach or emergency shelter, the subrecipient will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure, so long the applicant serves the same type of persons (e.g., families with children, unaccompanied youth, veterans, disabled individuals, or victims of domestic violence) or persons in the same geographic area.

**Renovation** – Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

**Supportive Services** – The subrecipient will assist homeless individuals in obtaining permanent housing, appropriate supportive services (including medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living), and other Federal State, local, and private assistance available for such individuals.

**Homeless Persons Involvement** – To the maximum extent practicable, the subrecipient will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities, in providing services assisted under the ESG program, and in providing services for occupants of facilities assisted ESG.

**Consolidated Plan** – All activities the subrecipient undertakes with assistance under ESG are consistent with the State’s current HUD-approved consolidated plan.

\_\_\_\_\_  
Signature/Authorized Official

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title  
Signature/Authorized Official      Date

\_\_\_\_\_  
Title

## APPENDIX TO CERTIFICATIONS

### INSTRUCTIONS CONCERNING LOBBYING AND DRUG-FREE WORKPLACE REQUIREMENTS:

#### A. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

#### B. Drug-Free Workplace Certification

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification.
2. The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
4. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).
5. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph three).
6. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

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Check \_\_\_ if there are workplaces on file that are not identified here;

This information with regard to the drug-free workplace required by 24 CFR part 21.

7. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C.812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).