



# City and County of San Francisco CoC and ESG Desk Guide

A Comprehensive Reference Guide for San Francisco Grantees and Subrecipients funded under the Continuum of Care (CoC) and Emergency Solutions Grants (ESG) Programs

Awaiting Approval by LHCB on June 7, 2021

(additional **highlights** in the document represent where hyperlinks will be added into document and on HSH website, upon approval of Guide)

## Table of Contents

<b>I.</b>	<b>INTRODUCTION .....</b>	<b>6</b>
A.	FREQUENTLY USED TERMS .....	7
B.	APPLICABLE FEDERAL LAWS & REGULATIONS .....	10
C.	SNAPSHOT OF KEY PROJECT COMPONENT TYPES.....	14
<b>II.</b>	<b>CONTINUUM OF CARE PROGRAM .....</b>	<b>21</b>
A.	ANNUAL COC COMPETITION & APPLICATION PROCESS .....	21
B.	SAN FRANCISCO COC STRUCTURE .....	22
1.	<i>CoC Collaborative Applicant .....</i>	<i>22</i>
2.	<i>CoC Primary Direct Recipient .....</i>	<i>23</i>
3.	<i>CoC Board (LHCB).....</i>	<i>23</i>
4.	<i>CoC Recipient – Subrecipient Monthly Convenings.....</i>	<i>23</i>
C.	ELIGIBLE PROJECTS .....	24
1.	<i>Permanent Supportive Housing (PSH) .....</i>	<i>24</i>
2.	<i>Rapid Rehousing (RRH).....</i>	<i>26</i>
3.	<i>Transitional Housing (TH) .....</i>	<i>26</i>
4.	<i>Joint Transitional Housing: Rapid Rehousing (TH:RRH) .....</i>	<i>27</i>
5.	<i>Coordinated Entry (CE) .....</i>	<i>27</i>
6.	<i>HMIS (ONE System) .....</i>	<i>29</i>
7.	<i>Host Homes (HH) .....</i>	<i>30</i>
8.	<i>CoC Planning.....</i>	<i>30</i>
D.	ELIGIBLE COSTS.....	31
1.	<i>Leasing.....</i>	<i>31</i>
2.	<i>Rental Assistance.....</i>	<i>33</i>
3.	<i>Supportive Services .....</i>	<i>38</i>
4.	<i>Operating costs.....</i>	<i>41</i>
5.	<i>Homeless Management Information System (HMIS) .....</i>	<i>43</i>
6.	<i>Indirect Costs .....</i>	<i>44</i>
7.	<i>Administrative Costs .....</i>	<i>45</i>
8.	<i>Other Guidelines .....</i>	<i>47</i>
E.	MATCH .....	48
1.	<i>Requirements.....</i>	<i>48</i>
2.	<i>Cash Match.....</i>	<i>49</i>
3.	<i>In-kind Match.....</i>	<i>49</i>
4.	<i>Determining, Documenting, and Recordkeeping.....</i>	<i>50</i>
5.	<i>Examples of Match Calculations.....</i>	<i>54</i>
F.	PARTICIPATION OF INDIVIDUALS WITH LIVED EXPERIENCE.....	54
G.	PROJECT PERFORMANCE GOALS & EXPECTATIONS.....	55
1.	<i>System Performance Measures .....</i>	<i>55</i>
2.	<i>Local Performance Measures .....</i>	<i>56</i>
H.	PARTICIPANT ELIGIBILITY .....	56
1.	<i>Coordinated Entry.....</i>	<i>58</i>
2.	<i>Rapid Rehousing .....</i>	<i>58</i>
3.	<i>Permanent Supportive Housing .....</i>	<i>60</i>
I.	PROGRAM OPERATIONS & RELATED REQUIREMENTS .....	71
1.	<i>Acceptable Unit / Dwelling Sizes.....</i>	<i>71</i>
2.	<i>Rent Reasonableness and Fair Market Rent (FMR) .....</i>	<i>72</i>
3.	<i>Housing Quality Standards (HQS) .....</i>	<i>77</i>
4.	<i>Participant Rent and Occupancy Charges.....</i>	<i>79</i>



5.	<i>Annual Recertification Requirements</i> .....	85
6.	<i>Participant Grievance Policy</i> .....	87
7.	<i>Meal Preparation Facilities</i> .....	87
8.	<i>Services Requirements and Housing First</i> .....	87
9.	<i>Reporting Significant Violations</i> .....	89
10.	<i>Programs Serving Families with Children</i> .....	90
11.	<i>Institutionalization or Incarceration</i> .....	91
12.	<i>Changing Site Location</i> .....	91
13.	<i>Transfer Policy</i> .....	92
14.	<i>Housing Participants Outside of San Francisco</i> .....	105
15.	<i>Exit Requirements</i> .....	105
16.	<i>Recordkeeping Requirements</i> .....	107
J.	GRANT ADMINISTRATION .....	107
1.	<i>Technical Submission and Executing Contracts</i> .....	108
2.	<i>Line of Credit Control System (LOCCS)</i> .....	110
3.	<i>Reporting Requirements</i> .....	112
K.	CHANGES TO PROJECTS / AMENDING GRANTS .....	113
1.	<i>Significant Changes</i> .....	114
2.	<i>Minor Changes</i> .....	115
3.	<i>Grant Consolidation</i> .....	115
4.	<i>Communication with HUD</i> .....	116
L.	MONITORING .....	116
1.	<i>HUD Monitoring</i> .....	116
2.	<i>HSH Monitoring of Subrecipients</i> .....	119
3.	<i>Remedial Actions and Sanctions</i> .....	121
M.	GRANT RENEWAL .....	123
N.	GRANT CLOSE-OUT .....	124
O.	STATE OF EMERGENCY OR PUBLIC HEALTH CRISIS .....	125
III.	EMERGENCY SOLUTIONS GRANT PROGRAM .....	126
A.	ANNUAL ESG AWARD PROCESS.....	127
B.	ELIGIBLE PROJECTS.....	127
1.	<i>Homeless Prevention</i> .....	127
2.	<i>Street Outreach</i> .....	128
3.	<i>Emergency Shelter</i> .....	128
4.	<i>Rapid Rehousing</i> .....	129
5.	<i>HMIS</i> .....	132
C.	ELIGIBLE COSTS .....	132
1.	<i>Rental Assistance</i> .....	132
2.	<i>Housing Relocation &amp; Stabilization Services: Financial Assistance</i> .....	135
3.	<i>Housing Relocation &amp; Stabilization Services: Services</i> .....	138
4.	<i>Essential Services</i> .....	141
5.	<i>Shelter Operations</i> .....	148
6.	<i>HMIS</i> .....	150
7.	<i>Administrative Costs</i> .....	152
8.	<i>Indirect Costs</i> .....	155
D.	MATCH .....	155
1.	<i>Requirements</i> .....	155
2.	<i>Eligible Types of Matching Contributions</i> .....	156
3.	<i>Recognition of Matching Contributions</i> .....	156
4.	<i>Calculating the Amount of Non-cash Contributions</i> .....	156
5.	<i>Costs Paid by Program Income</i> .....	157
E.	PARTICIPANT ELIGIBILITY .....	157

1.	<i>Minimum Eligibility</i> .....	157
2.	<i>Definitions &amp; Documentation</i> .....	158
F.	PROGRAM OPERATIONS & RELATED REQUIREMENTS .....	162
1.	<i>Habitability Standards (excluding shelter)</i> .....	162
2.	<i>Lead-Based Paint Remediation and Disclosure</i> .....	164
3.	<i>Fair Market Rents and Rent Reasonableness</i> .....	164
4.	<i>Lease Agreement</i> .....	165
5.	<i>Rental Assistance Agreement</i> .....	166
6.	<i>Prohibition on Using ESG for Late Payments</i> .....	166
7.	<i>Habitability Standards for Emergency Shelters</i> .....	167
8.	<i>Participant Rent and Occupancy Charges</i> .....	168
9.	<i>HMIS Intake</i> .....	168
10.	<i>Recertification</i> .....	169
11.	<i>Annual Update in HMIS</i> .....	170
12.	<i>Income and Household Composition</i> .....	170
13.	<i>Annual Habitability Inspections</i> .....	171
14.	<i>Services Plan</i> .....	171
15.	<i>Coordination and Linkage Requirements</i> .....	171
16.	<i>Live-In Aides</i> .....	173
17.	<i>Exit Requirements</i> .....	176
G.	GRANT ADMINISTRATION .....	177
1.	<i>Confidentiality and Access to Records</i> .....	177
2.	<i>Recordkeeping</i> .....	178
H.	MONITORING .....	182
IV.	ADDITIONAL REGULATORY REQUIREMENTS .....	183
A.	FAIR HOUSING .....	183
1.	<i>Discrimination Based on Race, Color, or National Origin</i> .....	183
2.	<i>Discrimination Based upon Religion</i> .....	184
3.	<i>Discrimination Based on Sex</i> .....	184
4.	<i>Discrimination Based on Disability</i> .....	185
5.	<i>Affirmatively Furthering Fair Housing</i> .....	186
B.	SECTION 504 .....	186
1.	<i>Affirmative Accessibility Requirements</i> .....	186
2.	<i>Site Selection</i> .....	187
3.	<i>Effective Communication</i> .....	187
4.	<i>Reasonable Accommodation</i> .....	187
C.	FAITH-BASED ACTIVITIES .....	189
1.	<i>Equal Treatment</i> .....	189
2.	<i>Religious Identity</i> .....	189
3.	<i>Separation of Activities</i> .....	189
4.	<i>Alternative Provider</i> .....	190
D.	EQUAL ACCESS .....	190
1.	<i>Prohibition of Inquiries on Sexual Orientation or Gender Identity</i> .....	191
2.	<i>Families</i> .....	192
3.	<i>Dwelling Size</i> .....	192
E.	VIOLENCE AGAINST WOMEN ACT (VAWA) .....	192
1.	<i>Definitions</i> .....	193
2.	<i>Protections Provided under VAWA</i> .....	198
3.	<i>Limitations of VAWA Protections</i> .....	200
4.	<i>Eligibility for Emergency Transfer</i> .....	201
5.	<i>Provider Emergency Transfer Plans</i> .....	202



6.	<i>Emergency Transfer Timing and Availability</i> .....	204
7.	<i>Non-Discrimination</i> .....	205
8.	<i>Documentation</i> .....	205
9.	<i>Confidentiality</i> .....	207
10.	<i>Notification</i> .....	208
11.	<i>Contract, Lease, and/or Occupancy Agreement Provisions</i> .....	209
12.	<i>Additional Assistance</i> .....	209
13.	<i>Reporting</i> .....	209
F.	AGE DISCRIMINATION ACT OF 1975 .....	210
G.	SAN FRANCISCO FAIR CHANCE POLICY .....	210
<b>V.</b>	<b>GENERAL OPERATIONS</b> .....	<b>212</b>
A.	COST ALLOCATION .....	212
1.	<i>Basics of Cost Allocation</i> .....	212
2.	<i>The Cost Allocation Process</i> .....	214
B.	FINANCIAL MANAGEMENT OF GRANTS .....	220
1.	<i>Guiding Statutes, Regulations and Circulars</i> .....	220
2.	<i>Accounting Controls</i> .....	221
3.	<i>Regulatory Standards</i> .....	221
4.	<i>Basic Elements of Accounting Records</i> .....	221
5.	<i>Basic Elements of Source Documentation</i> .....	222
6.	<i>Fund and Cost Accounting</i> .....	223
7.	<i>Documenting CoC and ESG Matching Funds</i> .....	224
8.	<i>Subawards</i> .....	224
9.	<i>Subsidy Layering</i> .....	224
10.	<i>Transparency Act Reporting</i> .....	225
11.	<i>Equipment Records</i> .....	225
12.	<i>Disposition of Equipment and Supplies</i> .....	225
13.	<i>Relocation</i> .....	226
14.	<i>Section 3 of The Housing and Urban Development Act</i> .....	226
15.	<i>Davis-Bacon Act</i> .....	226
16.	<i>Uniform Administrative Requirements</i> .....	226
17.	<i>Anti-Lobbying</i> .....	227
18.	<i>Audit Requirements</i> .....	227
C.	CONFLICTS OF INTEREST .....	228
1.	<i>Procurement</i> .....	228
2.	<i>Codes of Conduct</i> .....	230
3.	<i>Contract Provisions</i> .....	230
4.	<i>Organizational Conflict</i> .....	230
5.	<i>Continuum of Care Board Members</i> .....	232
6.	<i>ESG Organizational Conflict</i> .....	232

# I. INTRODUCTION

The CoC and ESG Desk Guide (“Guide”) is a comprehensive resource for San Francisco grantees and subrecipients funded under the federal Continuum of Care (CoC) and the Emergency Solutions Grants (ESG) programs, as administered by the U.S. Department of Housing and Urban Development (HUD). The CoC and ESG Programs are governed under the McKinney-Vento Homeless Assistance Act, as amended by the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act).

The HEARTH Act consolidated three separate homeless assistance programs administered by HUD under the McKinney-Vento Homeless Assistance Act into the CoC Program, which are the Supportive Housing Program, Shelter Plus Care Program, and Section 8 Moderate Rehabilitation SRO Program. The HEARTH Act also codified into law the Continuum of Care planning process and revised the Emergency Shelter Grants Program and renamed it the Emergency Solutions Grants Program. All recipients of grants funds from these current and former programs should adhere to this guide.

The purpose of the Guide is to combine the relevant content from numerous rules and regulations into one place so that providers can more easily carry out their duties and navigate their responsibilities under the CoC and ESG Programs. The Guide is intended to support those receiving CoC and/or ESG funding in understanding and complying with federally imposed requirements as well as locally established policies implemented to meet those requirements.

Please note that a program’s grant agreement with HUD or the Department of Homelessness and Supportive Housing (HSH) may indicate different requirements or rules that must be adhered to for the specific program covered in the agreement. If there are any questions or concerns, direct recipients should contact the local HUD field office and subrecipients should contact their Program or Contract Manager at HSH.

**The Continuum of Care (CoC) Program** is designed to promote communitywide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers and State and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effect utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness. The CoC Program funds the following project component types: Permanent Supportive Housing, Rapid Rehousing, Transitional Housing, Joint Transitional Housing: Rapid Rehousing, Homeless Management Information System (HMIS) and Supportive Services for Coordinated Entry. Administrative activities are also eligible.



Under the CoC Program, the San Francisco Department of Homelessness and Supportive Housing (HSH) acts as the “Collaborative Applicant,” submitting an annual consolidated application of all programs on behalf of the City and County of San Francisco. HSH is also the direct recipient for a majority of the projects funded through this program, and contracts with nonprofit agencies known as “subrecipients,” to carry out the contracted activities. When HSH is not the direct recipient, a nonprofit agency receives a grant directly from HUD and operates as recipient of that grant, while following the policies and protocols as listed in this guide.

**The Emergency Solutions Grant (ESG) Program** is designed to assist people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. ESG is a formula block grant program, and eligible recipients generally consist of metropolitan cities, urban counties, territories, and states. HSH is the direct recipient of ESG funding for the City and County of San Francisco. ESG funds may be used for five project components: street outreach, emergency shelter, homelessness prevention, rapid rehousing, and HMIS. Administrative activities are also eligible.

Questions regarding any content of this Guide should be directed to a Contract Manager at the appropriate City department.

## **A. FREQUENTLY USED TERMS**

The following terms are used frequently throughout the Guide:

***Continuum of Care (CoC)*** is the group organized to carry out the responsibilities required under the Continuum of Care and Emergency Solutions Grants Programs. CoCs are composed of representatives of organizations, including nonprofit homeless providers, victim service providers, faith-based organizations, governments, businesses, advocates, public housing agencies, school districts, social service providers, mental health agencies, hospitals, universities, affordable housing developers, law enforcement, organizations that serve homeless and formerly homeless veterans, and homeless and formerly homeless persons to the extent these groups are represented within the geographic area and are available to participate. Its membership overlaps with the entities providing services and housing as part of the Homelessness Crisis Response System.

***Continuum of Care (CoC) Program*** is the Federal grant program for targeted homeless activities, including Rapid Rehousing and Permanent Supportive Housing. The program is administered federally by HUD, and locally by a nonprofit or governmental lead agency, which is then overseen by the CoC governing body or board. In San Francisco, the Local Homeless Coordinating Board (LHCB) is the CoC governing body and HSH is the lead agency.

***Continuum of Care (CoC) Program [Interim Rule](#)*** focuses on regulatory implementation of the CoC Program. The CoC Program was created through the [McKinney-Vento Homeless](#)

[Assistance Act As Amended by S.896 Homeless Emergency Assistance and Rapid Transition to Housing \(HEARTH\) Act of 2009.](#)

**Coordinated Entry (CE)** organizes the Homelessness Response System with a common population-specific assessment, centralized data system, and prioritization method that directs participants to the appropriate resources. This system allows for data-driven decision making and performance-based accountability. Coordinated Entry in San Francisco is organized to serve three subpopulations: Adults, Families, and Youth. The process is broken into four parts: access, assessment, prioritization, and referral.

**Emergency Solutions Grants (ESG) Program** means the program funded by HUD to provide emergency shelter for the homeless, essential services related to emergency shelters and street outreach for the homeless as well as homelessness prevention and rapid rehousing assistance.

**Family** is used in this document in accordance with longstanding local terminology for projects that serve households with children. A family is a household that includes at least one parent or guardian and one child under the age of 18, a pregnant woman, an individual in the process of securing legal custody of any person who has not attained the age of 18 years, an individual with a dependent child over the age of 18 who is mentally or physically disabled, or an individual who has actual custody of and is responsible for the care of a child.

Note: The HUD definition of **family** includes, but is not limited to, a group of persons residing together, regardless of actual or perceived sexual orientation, gender identity, or marital status. A child who is temporarily away from the home because of placement in foster care is considered a member of the family. Any group of people that present together for assistance and identify themselves as a family, regardless of age or relationship or other factors, are considered to be a family and must be served together as such.<sup>1</sup> The San Francisco Homeless Response System accepts all families as they present, in accordance, with HUD requirements.

**HEARTH Act** is the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009, which amended and reauthorized the McKinney-Vento Homeless Assistance Act of 1987.

**Homelessness Response System (HRS)** is the overall system of services to address homelessness managed by HSH. The goal of this system is to prevent homelessness when possible and to make it rare, brief, and one-time event. The system helps people exit homelessness by getting a house key into their hands as quickly as possible. Core components of the Homelessness Response System include Coordinated Entry, Problem Solving, Street Outreach, Temporary Shelter, Housing, and Housing Ladder.

---

<sup>1</sup> 24 CFR §5.105





**Local Homeless Coordinating Board (LHCB)** is the governing body for the San Francisco Continuum of Care. The Local Board works to ensure a unified homeless strategy is in place and is supported by the Mayor, the Board of Supervisors, City departments, nonprofit agencies, people who are homeless or formerly homeless, and the community at large. The LHCB serves as an advisory body to the Department of Homelessness and Supportive Housing.

**Online Navigation and Entry (ONE) System** is the Homeless Management Information System (HMIS) designated by the Continuum of Care to comply with HUD's data collection, management, and reporting standards. The system is used to collect participant-level data, data on the provision of housing and services to homeless individuals, and families and persons at-risk of homelessness. All projects receiving federal funding through the CoC or ESG program must participate in the ONE System.

**Household** means an individual or family receiving assistance as a single unit (see also the "Family" term).

**HSH** is the San Francisco Department of Homelessness and Supportive Housing, which oversees homeless services in the City of San Francisco. HSH is the unit of local government assigned as the Collaborative Applicant and Grantee for San Francisco's Continuum of Care program.

**HUD** is the US Department of Housing and Urban Development, the federal department responsible for the administration and management of both Continuum of Care (CoC) and ESG programs.

**NOFA** refers to a Notice of Funding Availability (a call for grant applications) issued by HUD for CoC funds.

**Participant** is a person seeking or receiving services from the Homelessness Response System.

**Problem Solving** is a strategy that prevents or diverts people from homelessness by helping identify immediate alternate housing arrangements and, if necessary, connecting them with services and short-term financial assistance to help them quickly return to housing. Problem Solving programs can reduce the number of people or families becoming homeless and reduce demand for shelter or other emergency services.

**Project** refers to a set of connected eligible programmatic activities identified in an application to HUD for Continuum of Care funds, and also identified by a single designation within the ONE System. A project can include structures that are leased, payments for operating costs, or funding for rental assistance. A project may also include supportive services connected to a site secured through one of the above means, or eligible supportive services that are not associated with a specific site. In common language, and within the ESG Program, a "project" is usually referred to as a "program", and in this Guide, the use of the

term “program” refers to a set of programmatic activities, which is the same as a HUD “project.”

**Project Component** is a particular project type as defined by HUD in the grant agreement under which a project is funded. In San Francisco, CoC-funded project components are permanent housing (which includes permanent supportive housing and rapid rehousing), transitional housing, Coordinated Entry, and HMIS. ESG-supported components are emergency shelter, homelessness prevention, and rapid rehousing.

**Project/Program Operator** is the entity(s) responsible for managing the HUD CoC or ESG project grant and complies with all regulations and grant agreement requirements.

**Recipient** is a non-profit or municipal agency that enters into a direct grant agreement with HUD. Under the CoC Program and the ESG Program, a recipient is a governmental entity. In the past, the term “grantee” was often used to describe a recipient.

**Recertification** means the annual review of eligibility for services required by HUD regulations in order to continue to provide assistance.

**Subcontractor** is an entity hired by a grantee agency to conduct a portion of responsibilities as listed under and grantee’s CoC award contract. Non-profit agencies receiving CoC funding are fully responsible to ensure that any and all subcontractors are secured with CoC funding maintain federal compliance as listed in this document. (Note that an entity that has a subcontract with HSH with primary responsibility for a CoC- or ESG-funded project is considered a subrecipient.)

**Subrecipient** means a private nonprofit organization, or unit of local government that receives a contract for CoC or ESG funds from a recipient to carry out a project.

## **B. APPLICABLE FEDERAL LAWS & REGULATIONS**

The table below summarizes important regulations and notices that currently apply to CoC and ESG grantees. Footnotes throughout the Guide cite relevant sections of the regulations. Other regulations can be found at [www.hudexchange.info](http://www.hudexchange.info).

Name & Code Section	Date	Description	Status & Applicability
Regulations			
Emergency Solutions Grant Program Interim Rule	Updated April 1, 2017	Incorporates the addition of section 576.409 regarding protections for	Rule is not yet final, but the Interim Rule applies to all



Name & Code Section	Date	Description	Status & Applicability
24 CFR 576		victims of domestic violence, dating violence, sexual assault, or stalking, which was established in response to the Violence Against Women Reauthorization Act of 2013.	recipients and subrecipients of ESG funds.
<b>Continuum of Care Program Interim Rule</b> 24 CFR 578	Updated December 6, 2016	<p>Establishes the regulations for the Continuum of Care Program, including requirements for the CoC planning process and regulations governing use of CoC funds.</p> <p>The 2016 version of the CoC Interim Rule includes revisions to section 578.51(c) to allow individuals and families to choose housing outside of a CoC's geographic area, subject to certain conditions, and to retain the tenant-based rental assistance under the CoC Program.</p> <p>The 2016 version also includes revisions to section 578.99(j), exempting recipients and subrecipients from compliance with all nonstatutory regulations when a program participant moves to flee domestic violence, dating violence, sexual assault, or stalking. This relaxation of conditions is consistent with the Violence Against Women Reauthorization Act of 2013.</p> <p>Finally, the 2016 version includes section 578.3, incorporating the final definition of chronically homeless.</p>	Rule is not yet final, but the Interim Rule applies to all recipients and subrecipients of CoC funds.
<b>Violence Against Women Reauthorization Act of 2013</b>	November 16, 2016	Provides enhanced protections and options for all victims of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, gender identity, or sexual orientation.	Final rule. Applies to all CoC and ESG grants. Must be applied consistently with all nondiscrimination and fair housing requirements.
<b>Equal Access in Accordance with Gender Identity Final Rule – 2016</b>	September 21, 2016	The final rule requires that recipients and subrecipients, as well as owners, operators, and managers of shelters, and other buildings and facilities and providers of services funded in	Final rule. Applies to all CoC and ESG grants.

Name & Code Section	Date	Description	Status & Applicability
		whole or in part by any CPD program to grant equal access to such facilities, and other buildings and facilities, benefits, accommodations and services to individuals in accordance with the individual's gender identity, and in a manner that affords equal access to the individual's family.	
<b>Chronically Homeless Definition Final Rule</b>	December 4, 2015	Establishes the final definition of "chronically homeless" that is now used in the U.S. Department of Housing and Urban Development's homeless assistance programs.	Final rule. Applies to all CoC and ESG grants.
<b>Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity</b> 24 CFR Part 5	February 3, 2012	Clarifies that programs cannot discriminate against a group of people presenting as a family based on the composition of the family, age, disability status, marital status, actual or perceived sexual orientation, or gender identity.	Applies to all HUD funded programs including CoC and ESG.
<b>Homeless Definition Final Rule</b>	December 5, 2011	Defines four categories of "homeless" and sets forth recordkeeping requirements for documentation of homelessness. Also establishes the definition and recordkeeping requirements for "homeless individual with a disability."	Final rule. Applies to all CoC and ESG grants.
<b>Notices</b>			
<b>CoC and ESG Program Competition Notices</b>	Annual	HUD's annual CoC and ESG competition Notices of Funding Availability (NOFAs) typically includes\ rules and guidelines governing grants renewed or awarded in that funding cycle.	Applies to any CoC or ESG grant funded through the particular NOFA. Grantees should read the NOFA each year at the time they apply for funding to ensure they are aware of any special rules or restrictions that will apply to their grant(s) if awarded.
<b>CPD-17-11: Determining a Program Participant's Rent</b>	October 23, 2017	Clarifies HUD's expectation that recipients and subrecipients will	Applies to CoC-funded TH, PSH, and RRH projects in



Name & Code Section	Date	Description	Status & Applicability
<b>Contribution, Occupancy Charge or Utility Reimbursement in the Continuum of Care (CoC) Program when the Program Participant is Responsible for the Utilities</b>		consider reasonable monthly utility costs when calculating rent contributions or occupancy charges for participants who are responsible for paying their own utilities.	which some or all of the costs of utilities are the responsibility of the program participant.
<b>Notice CPD-17-10: Sub-awarding Emergency Solutions Grants Program Funds to Public Housing Agencies and Local Redevelopment Authorities</b>	October 23, 2017	Provides guidance on how ESG funds can be sub-awarded to Public Housing Agencies (PHAs) and Local Redevelopment Authorities (LRAs) following the recent amendment to section 414(c) of the McKinney-Vento Homeless Assistance Act (McKinney-Vento Act) (42 U.S.C. 11373(c)).	Applies to all ESG recipients and subrecipients.
<b>Notice CPD-17-01: Notice Establishing Additional Requirements for a Continuum of Care</b>	January 3, 2017	Establishes new requirements that Continuums of Care (CoC) and recipients of CoC Program and Emergency Solutions Grants (ESG) Program funding must meet related to the development and use of a centralized or coordinated assessment system. It also provides guidance on additional policies that CoCs and ESG recipients should consider incorporating into written policies and procedures to achieve improved outcomes for people experiencing homelessness.	<p>All CoC and ESG recipients and subrecipients (except victim services providers) are required to use San Francisco's Coordinated Entry process to find participants for their programs.</p> <p>San Francisco established its Coordinated Entry Written Standards in January 2018. San Francisco also launched its HMIS, the Online Navigation and Entry (ONE) System in August 2018.</p>
<b>Notice CPD-16-11: Prioritizing Persons Experiencing Chronic Homelessness and Other Vulnerable Homeless Persons in Permanent Supportive Housing supersedes</b>	July 25, 2016	Provides guidance regarding the order in which eligible households should be served in all CoC-funded Permanent Supportive Housing (PSH). This Notice reflects the final definition of chronically homeless as defined in CoC Program interim rule as amended by the Final Rule on Defining "Chronically Homeless" and updates the orders of priority that were established under the prior Notice.	Applies to CoCs and CoC recipients and subrecipients providing PSH.

Name & Code Section	Date	Description	Status & Applicability
<b>Notice CPD 15-02: Appropriate Placement for Transgender Persons in Single-Sex Emergency Shelters and Other Facilities</b>	February 20, 2015	Provides guidance to communities and to single sex shelter programs on making shelter placement decisions and other consideration based on participant identification and preference.	Applies to ESG funded single sex shelters and to coordinated entry programs.
<b>Notice CPD-14-012: Notice on Prioritizing Persons Experiencing Chronic Homelessness and Other Vulnerable Homeless Persons in Permanent Supportive Housing and Recordkeeping Requirements for Documenting Chronic Homeless Status</b>	July 28, 2014	Provides guidance to Continuums of Care (CoCs) and recipients of CoC funding for permanent supportive housing (PSH) regarding the order in which eligible households should be served in all CoC Program-funded PSH. Also establishes recordkeeping requirements for documenting chronic homelessness.	Requirements relating to establishing systems for prioritization impact CoC Lead Agency and CoC governing body. Policies adopted by CoC must apply to all CoC-funded PSH projects in a CoC. Chronic homeless documentation requirements apply to CoC funded PSH projects.
<b>Notice CPD 12-001: Notice on Limitation on Use of Funds to Serve Persons Defined as Homeless Under Other Federal Laws</b>	January 17, 2012	Provides guidance to CoCs on the limitations imposed on serving people in “Category 3” of the homeless definition – people defined as homeless under other federal laws.	Applies to all CoC lead agencies and governing bodies, as well as all recipients of HUD CoC funding.

## C. SNAPSHOT OF KEY PROJECT COMPONENT TYPES



*Use the tables below for an overview of project component requirements.*

The applicable rules for any specific project depend on both the source of funds and the particular project component for which the funds are designated. As such, not every section of this Guide is applicable to every program. The tables below highlight key sections of the Guide that are most relevant to each project component type in order to provide easy access to applicable sections for any given provider. They are not inclusive of all requirements that are located within the Guide.



## Continuum of Care – Permanent Supportive Housing (PSH)

Topic	Requirement
<b>Eligibility</b>	Limited to literally homeless and individuals fleeing domestic violence who meet the definition of chronically homeless or the requirements under DedicatedPLUS. Must have a documented disability of a long and continued nature for which suitable housing would be required. Homeless status must be documented.
<b>Rent</b>	Recipients and subrecipients may charge rent in the amount of 30% of household's adjusted gross income. Projects receiving rental assistance must charge rent to participants. Specific guidelines apply for calculating and documenting income. Rent and income must be reassessed annually or at change in family composition or income.
<b>Intake/ occupancy rules</b>	CoC funding requires all participants hold a lease agreement for a minimum of one year. Dwelling size restrictions, HQS inspection requirements, and rent reasonableness requirements apply. When leasing funds are used, CoC funds used for leasing cannot exceed Fair Market Rent (FMR). Rental assistance funds may exceed FMR if Rent Reasonable. ONE System intake (or record in a comparable system for DV providers) required at entry.
<b>Ongoing program operations</b>	Support services must be provided on a voluntary basis. Program fees are prohibited. HQS inspections must take place at move-in and annually thereafter.
<b>Exit</b>	Due process required for termination. ONE System record (or record in a comparable system for DV providers) must be updated at exit.
<b>Recordkeeping</b>	Programs must maintain records regarding participant eligibility and income, services provided, HQS inspections incl. Lead-based paint, rent reasonableness, documentation of match funds, documentation of expenditures, and required agency policies.
<b>Annual recertification</b>	Rent/income, HQS inspection, ONE System record (or record in a comparable system for DV providers), and services plan must be updated annually.
<b>Expense guidelines</b>	Can include leasing, rental assistance, supportive services, operating costs, ONE System and/or administrative costs as allowed in the project grant agreement. When a unit is vacated, payment of rental assistance may continue through the end of the current month and for up to 30 days after, upon approval; payment of leasing assistance may continue through the term of the contract/lease. Any damages by participant in a rental assistance project can be paid for up to the amount of one month's rent (one time only per participant, not unit) incurred at the time a participant exits a housing unit. Leasing or rental assistance funds can also be used to pay for security deposits (total not to exceed 2 months of rent), as well as first and last month's rent.
<b>Match</b>	HUD funds (other than leasing costs) must be matched by no less than a 25% cash or in-kind contribution. Cash match is highly preferred.
<b>Financial management</b>	Project must comply with fiscal management guidelines including cost allocation and personnel time tracking requirements consistent with OMB Omni-circular. All expenditures must be documented.
<b>Grant management</b>	Recipient must provide technical submission, follow local and federal invoicing protocols, submit Annual Performance Report, submit all required close-out documentation upon

	completion of the grant and are subject to monitoring by HUD and/or HSH. Significant changes to the grant can only be made in consultation with HUD and HSH.
<b>General policies</b>	Agency must include homeless individuals on board of directors or similar policy-making body. Project must comply with fiscal management guidelines including cost allocation and personnel time tracking requirements. Project is subject to San Francisco fair chance policy; fair housing, equal access, reasonable accommodation, and non-discrimination provisions; conflict of interest restrictions; confidentiality restrictions; drug free workplace requirements; and faith-based activity limitations.

## Continuum of Care – Rapid Rehousing (RRH)

Topic	Requirement
<b>Eligibility</b>	Limited to literally homeless and fleeing domestic violence. Homeless status must be documented. Youth Projects may serve unaccompanied youth and parenting or pregnant youth who will lose their primary nighttime residence 14 days of the date of application for homeless assistance as well as literally homeless and fleeing domestic violence. <sup>2</sup> There is no HUD disability requirement for RRH.
<b>Rent</b>	Participants may be charged rent in relation to their income, expenses, and other considerations, such as savings. All participants should be charged using the same criteria determined by the project and in line with CoC Written Standards. Rent and income must be reassessed annually, or in the event of a significant change in circumstances, to determine if services are still needed.
<b>Duration of assistance</b>	Short-term rental assistance may be provided for up to 3 months and medium-term may be provided for 3 to 24 months.
<b>Intake/ occupancy rules</b>	Lease agreement for a minimum of one year, that is renewable and terminable only for cause, is required. Dwelling size restrictions, HQS inspection requirements and rent reasonableness requirements apply. ONE System intake (or record in a comparable system for DV providers) required at entry.
<b>Ongoing program operations</b>	Programs must offer monthly case management. Program fees are prohibited. HQS inspections must take place at move-in and annually thereafter. Need for continued assistance must be reevaluated at least annually. Recipients and subrecipients may provide supportive services for up to 6 months after rental assistance stops.
<b>Exit</b>	Due process required for termination. ONE System record (or record in a comparable system for DV providers) must be updated at exit.
<b>Recordkeeping</b>	Programs must maintain records regarding participant eligibility and income, services provided, HQS inspections and rent reasonableness, documentation of match funds, documentation of expenditures, and required agency policies.
<b>Annual recertification</b>	Rent/income, HQS inspection and a services plan must be updated annually. Need for assistance must be reevaluated annually. ONE System record (or record in a comparable system for DV providers) must be updated annually.

<sup>2</sup> HUD, Youth Homelessness Demonstration Project Notice of Funding Availability Appendix A, Section II(C)(2) (2019), available at <https://files.hudexchange.info/resources/documents/YHDP-NOFA-Appendix-A.pdf>. Youth Homeless Demonstration Projects also may serve unaccompanied youth and parenting or pregnant youth that meet Category 3 of the homeless definition with explicit permission from HUD.





<b>Expense guidelines</b>	Can include rental assistance, support services, ONE System and/or administrative costs as allowed in the project grant agreement. When a unit is vacated, payment of rental assistance may continue through the end of the current month and for up to 30 days after, upon approval. Any damages by participant can be paid for up to the amount of one month's rent (one time only per participant, not unit). Funds can also be used to pay for security deposits (total not to exceed 2 months of rent), as well as first and last month's rent.
<b>Match</b>	HUD funds must be matched by a 25% cash or in-kind contribution. Cash match is highly preferred.
<b>Financial management</b>	Project must comply with fiscal management guidelines including cost allocation and personnel time tracking requirements consistent with OMB Omni-Circular. All expenditures must be documented.
<b>Grant management</b>	Recipient must follow local and federal invoicing protocols, submit Annual Performance Report, submit all required close-out documentation upon completion of the grant and are subject to monitoring by HUD and/or HSH. Significant changes to the grant can only be made in consultation with HUD and HSH.
<b>General policies</b>	Agency must include homeless individuals on board of directors or similar policy-making body. Project is subject to San Francisco fair chance policy; fair housing, equal access, reasonable accommodation and non-discrimination provisions; conflict of interest restrictions; confidentiality restrictions; drug free workplace requirements; and faith-based activity limitations, which must be detailed in agency policies and procedures.

## Continuum of Care – Transitional Housing (TH)

Topic	Requirement
<b>Eligibility</b>	Limited to literally homeless, at imminent risk of homelessness and fleeing DV. Designated Youth Projects may serve unaccompanied youth and parenting or pregnant youth who will lose their primary nighttime residence 14 days of the date of application for homeless assistance as well as literally homeless and fleeing domestic violence. <sup>3</sup> Homeless status must be documented.
<b>Rent</b>	Recipients and subrecipients may charge rent in the amount of 30% of adjusted participant income. Projects receiving rental assistance must charge rent to participants. Specific guidelines apply for calculating and documenting income. Rent and income must be reassessed annually or at change in family composition.
<b>Occupancy rules</b>	Lease agreement with a minimum term of one month is required. Residency in program limited to 24 months. Dwelling size restrictions, HQS inspection requirements and rent reasonableness requirements apply. When leasing funds are used, CoC funds used for leasing cannot exceed FMR. Recipients must take the educational needs of children into account when families are placed in transitional housing.
<b>Ongoing program operations</b>	Support services must be provided, and participation may be required. Program fees are prohibited. HQS inspections must take place annually. When a unit is vacated, payment of rental assistance may continue for a maximum of 30 days from the end of the month in which the unit was vacated.
<b>Exit</b>	Due process required for termination. ONE System record (or record in a comparable system for DV providers) must be updated at exit.

<sup>3</sup> *Id.*

<b>Recordkeeping</b>	Programs must maintain records regarding participant eligibility and income, services provided, HQS inspections and rent reasonableness, documentation of match funds, documentation of expenditures, and required agency policies.
<b>Annual recertification</b>	Rent/income, HQS inspection, HMIS record (or record in a comparable system for DV providers), and services plan must be updated annually.
<b>Expense guidelines</b>	Can include leasing, rental assistance, support services, operating costs, ONE System and/or administrative costs as allowed in the project grant agreement.
<b>Match</b>	HUD funds (other than leasing costs) must be matched by a 25% cash or in-kind contribution.
<b>Financial management</b>	Project must comply with fiscal management guidelines including cost allocation and personnel time tracking requirements consistent with OMB Omni-Circular. All expenditures must be documented.
<b>Grant management</b>	Recipient must provide technical submission, follow local and federal invoicing protocols, submit Annual Performance Report, submit all required close-out documentation upon completion of the grant and are subject to monitoring by HUD and/or HSH. Significant changes to the grant can only be made in consultation with HUD and HSH.
<b>General policies</b>	Agency must include homeless individuals on board of directors or similar policy-making body. Project is subject to San Francisco fair chance policy; fair housing, equal access, reasonable accommodation and non-discrimination provisions; conflict of interest restrictions; confidentiality restrictions; drug free workplace requirements; and faith-based activity limitations.

## Emergency Solutions Grant – Homelessness Prevention and Rapid Rehousing

Topic	Requirement
<b>Eligibility</b>	RRH limited to literally homeless and fleeing DV (if also literally homeless). Prevention limited to fleeing DV, at imminent risk of homelessness or at risk of homelessness and must have income below 30% AMI. Homeless status and income must be documented.
<b>Intake</b>	Participants must be entered into the ONE System (or a comparable system for DV and legal service providers).
<b>Rent amount</b>	ESG subrecipients may provide shallow subsidies (payment of a portion of costs), payment of 100 percent of the costs, a set dollar amount, or graduated or declining subsidies.
<b>Housing requirements</b>	When provided with rental assistance, participants must have a lease, units must meet rent reasonableness standards and be below FMR, and programs must enter into a rental assistance agreement with owners before making any rental assistance payments. All assisted units must meet habitability standards.
<b>Ongoing program operations</b>	Services limited to housing stability case management, housing search and placement, mediation, credit repair and legal services. Housing stability case management services cannot exceed 30 days during the period the program participant is seeking permanent housing. Programs must coordinate with other homeless services and mainstream resources.



<b>Exit</b>	A formal process is required for termination. ONE System record (or record in a comparable system for DV and legal service providers) must be updated at exit.
<b>Recordkeeping</b>	Programs must maintain records regarding participant eligibility and income, services provided, unit inspections and rent reasonableness determinations, documentation of match funds, documentation of expenditures, and required agency policies.
<b>Recertification</b>	ONE System record must be updated annually. Homelessness prevention programs must reevaluate eligibility every 3 months. RRH must reevaluate eligibility annually.
<b>Expense guidelines</b>	Funds may be used for rental assistance (including up to 6 months arrears), direct financial assistance related to Housing Relocation and Stabilization (rental application fees, security deposits/last month's rent, utility deposits and payments, moving costs) and services related to Housing Relocation and Stabilization, as allowed in the project grant agreement.
<b>Match</b>	The federal ESG program requires a 100% match.
<b>Financial management</b>	Project must comply with fiscal management guidelines including cost allocation and personnel time tracking requirements consistent with OMB Omni-Circular. All expenditures must be documented.
<b>General policies</b>	Agency must include homeless individuals on board of directors or similar policy-making body. Project is subject to San Francisco fair chance policy; fair housing, reasonable accommodation and non-discrimination provisions; conflict of interest restrictions; confidentiality restrictions; drug free workplace requirements; and faith-based activity limitations.

## Emergency Solutions Grant – Emergency Shelter

Topic	Requirement
<b>Eligibility</b>	Limited to literally homeless, at imminent risk of homelessness and fleeing DV. Homeless status must be documented, however more flexibility in documentation requirements is allowed than other programs. Shelters that serve families with minor children under the age of 18 may not refuse to serve a family based on the age of children in the household.
<b>Intake</b>	Participants must be entered into the ONE System (or a comparable system for DV and legal service providers).
<b>Ongoing program operations</b>	Buildings must meet minimum habitability standards. Programs must coordinate with other homeless services and mainstream resources.
<b>Exit</b>	A formal process is required for termination. ONE System record (or record in a comparable system for DV and legal service providers) must be updated at exit.
<b>Recordkeeping</b>	Programs must maintain records regarding participant eligibility and income, services provided, documentation of match funds, documentation of expenditures, and required agency policies.
<b>Annual recertification</b>	ONE System record (or record in a comparable system for DV and legal service providers) must be updated annually.

<b>Expense guidelines</b>	Costs limited to Shelter Operations and Essential Services as allowed in the project grant agreement.
<b>Match</b>	The federal ESG program requires a 100% match.
<b>Financial management</b>	Project must comply with fiscal management guidelines including cost allocation and personnel time tracking requirements consistent with OMB Omni-Circular. All expenditures must be documented.
<b>General policies</b>	Agency must include homeless individuals on board of directors or similar policy-making body. Project is subject to San Francisco fair chance policy; fair housing, reasonable accommodation and non-discrimination provisions; conflict of interest restrictions; confidentiality restrictions; drug free workplace requirements; and faith-based activity limitations.



## II. CONTINUUM OF CARE PROGRAM

The Continuum of Care (CoC) is a funding source authorized by Congress under the HEARTH Act and managed by the Department of Housing and Urban Development (HUD). CoC Program funds are designed to:

- Promote community-wide commitment to the goal of ending homelessness;
- Provide funding for efforts by nonprofit providers, states, and local governments to quickly rehouse homeless individuals (including unaccompanied youth) and families, while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness;
- Promote access to and effective utilization of mainstream programs by homeless individuals and families; and
- Optimize self-sufficiency among individuals and families experiencing homelessness.<sup>4</sup>

Under the CoC Program, HUD awards funds to nonprofit organizations, states, units of local governments, and/or instrumentalities of state or local government, collectively known as **recipients**. Recipients may directly carry out the activities in the funded application, or they may contract with other organizations or government entities, known as **subrecipients**, to carry out day-to-day project operations.

To receive CoC funds, recipients do not apply directly to HUD. Instead, each community must establish a process and oversight body, also known as a **CoC Board**. The CoC has a range of planning responsibilities as set forth in the CoC Interim Rule. The CoC must designate a lead agency to serve as the community's **Collaborative Applicant** for CoC funds. The Collaborative Applicant must submit a single collaborative application to HUD that includes all the funding requests from applicants to support their projects. CoC funds can be used for a variety of projects providing housing and services to homeless people.

### A. ANNUAL COC COMPETITION & APPLICATION PROCESS

Each year the U.S. Department of Housing and Urban Development (HUD) releases a **Notice of Funding Availability (NOFA)**, signifying the beginning of a funding competition between hundreds of CoCs across the county, which are community stakeholder groups that guide local responses to homelessness. The information in the NOFA sets forth the competition rules and processes for that competition year and announces policy priorities for the Program.

Traditionally, the CoC Consolidated Application, which HSH submits annually to HUD on behalf of the San Francisco Continuum of Care, consists of three parts:

---

<sup>4</sup> 24 CFR §578.1

- The CoC Application, which describes the CoC planning body, governance structure, overall performance, and the strategic planning process;
- The CoC Project Listing, which ranks the project applications for HUD and identifies any rejected applications, showing the CoC's priorities for funding; and
- Project Applications, each of which reflects individual projects seeking funding.

Before the application is submitted to HUD, the San Francisco Continuum of Care holds a local competition to determine which project applications will be included in the Consolidated Application, along with their relative priority. The results of the local competition dictate how CoC projects will be prioritize.

As the Collaborative Applicant, HSH conducts the annual local CoC Program competition process along with LHCB. Project applicants must participate in the local review and rank process and have their project selected for submission with the CoC Consolidated Application in the national competition, in order to be eligible for potential upcoming funding. All project applicants must follow local CoC procedures and submit required documents, and meet timelines as outlined by the SF CoC process. HUD requires the use of a web-based application and grants management system called *e-snaps*; all project applicants are required to register in *e-snaps* and comply with HUD deadlines.

For more information about the San Francisco CoC application process, please contact HSH's Local Homeless Coordinating Board Manager.

## B. SAN FRANCISCO COC STRUCTURE

The Continuum of Care Interim Rule calls on potential CoC and ESG Program recipients to establish a ***Continuum of Care*** for the geographic area. Continuums of Care are networks of relevant organizations including nonprofit homeless assistance providers, victim service providers, faith-based organizations, governments, businesses, advocates, public housing agencies, school districts, social service providers, mental health agencies, hospitals, universities, affordable housing developers, law enforcement, and organizations that serve veterans and homeless and formerly homeless individuals in the geographic region.

### 1. CoC Collaborative Applicant

In San Francisco, the San Francisco Department of Homelessness and Supportive Housing (HSH) has been designated as the ***Collaborative Applicant*** on behalf of the San Francisco Continuum of Care for both CoC and ESG funding. A collaborative applicant is the only entity that can apply for a grant from HUD on behalf of the Continuum of Care that the collaborative applicant represents.



## 2. CoC Primary Direct Recipient

In addition to serving as the Collaborative Applicant, HSH is the direct recipient of the vast majority of the CoC grants and enters into a grant agreement with HUD for each project for which it is the direct recipient. In many cases, HSH contracts with providers (subrecipients) to carry out the grant functions.

## 3. CoC Board (LHCB)

HSH supports the [Local Homeless Coordinating Board](#) (LHCB), which serves as the governing board for the San Francisco Continuum of Care. The LHCB works to ensure a unified homeless strategy that is supported by the Mayor, the Board of Supervisors, City departments, nonprofit agencies, people who are experiencing homelessness or were formerly homeless, and the community at large. The LHCB performs the CoC planning functions required under the CoC Interim Rule, including:

- Establishing and updating a governance charter;
- Evaluating the performance of projects funded by the CoC and ESG programs; and
- Developing and adopting CoC policies and procedures (including policies relating to coordinated assessment and referral, written standards for assistance, performance measurement, and HMIS operation), and overseeing the bi-annual Point-in-Time homeless count.<sup>5</sup>

The LHCB meets on the first Monday of every month from 11:00 AM – 1:30 PM. Meeting information can be found [here](#). Meetings are held in person in City Hall or online via Cisco Webex during a state of emergency or public health crisis.

## 4. CoC Recipient – Subrecipient Monthly Convenings

HSH convenes CoC Program recipients and subrecipients on a monthly basis to share ideas and suggestions to improve the CoC Program. This forum is used to discuss policy changes, compliance issues, and best practices, as well as to learn from community-based and governmental agencies who are invited to present on topics directly related to services rendered by CoC projects. The CoC Program strongly encourages all CoC recipients and subrecipients to attend all meetings. At times, these meetings are mandatory when they are related to required CoC compliance trainings. Meetings are held in person (or online via Zoom during a state of emergency or public health crisis) on the first Friday of every month from 10:00 AM to 12:00 PM. More information can be found [here](#).

---

<sup>5</sup> 24 CFR §§ 578.7 and 578.9.

## C. ELIGIBLE PROJECTS

This section outlines eligible project component types and costs under the CoC Program. The CoC Program Interim Rule, the governing regulatory framework for CoC projects, provides that CoC Program funds may be used for projects under five program components: permanent housing (PH), transitional housing, supportive services only, HMIS, and, in some cases, homelessness prevention, as well as CoC planning activities. Administrative costs are eligible under all components listed above, except CoC planning activities. In addition, HUD has permitted additional component types under new initiatives (e.g., Joint TH:RRH via Bonus Funds; Host Homes via YDHP), while eliminating the option to start standalone Transitional Housing projects. Where possible, the components set forth in the CoC Program are consistent with the components allowable under the Emergency Solutions Grants program.

Below is an outline of both existing legacy and new project component types eligible under the CoC Program. This includes the most recently eligible project component types funded through the CoC NOFA, which may not be contained in the Interim Rule.

1. Permanent Housing – Permanent Supportive Housing
2. Permanent Housing – Rapid Rehousing
3. Transitional Housing
4. Joint Transitional Housing: Rapid Rehousing
5. Supportive Services Only – Coordinated Entry (CE)
6. HMIS (ONE System)
7. Host Homes (initially YHDP)
8. CoC Planning

### 1. **Permanent Supportive Housing (PSH)**

PSH is a Permanent Housing model that offers housing with an indefinite length of stay paired with supportive services to help homeless individuals and families with disabilities achieve housing stability. PSH is made available only to individuals or families that meet [chronically homeless](#) or [DedicatedPLUS](#) requirements. Supportive services designed to meet the needs of the participants must be made available to the participants to engage in on a voluntary basis. PSH programs must adhere to Housing First principles.<sup>6</sup> In San Francisco, PSH programs secure units either through leasing or rental assistance funds.

#### a. **Leasing - PSH**

When leasing funds are used, the program leases a property, or portions of a property, not owned by the recipient/subrecipient. The program in turn has an occupancy

---

<sup>6</sup> See HUD, *Housing First in Permanent Supportive Housing*, available at <https://files.hudexchange.info/resources/documents/Housing-First-Permanent-Supportive-Housing-Brief.pdf>.





agreement or sublease with the program participant. Leasing funds are used to make lease payments to the property owner. The sublease between the program and the program participant may require an occupancy payment, which is considered program income. Programs are not required to impose occupancy payments (resident rent payments), but if they do, the rent must be calculated in accordance with HUD requirements.

## **b. Rental Assistance - PSH**

PSH using Rental Assistance may be tenant-based, project-based or sponsor-based.

- In ***tenant-based rental assistance (TBRA)***, participants are responsible for locating housing in the private rental market. If a program participant later moves to another unit, s/he can take the rental assistance and use it in the new unit.
- In ***project-based rental assistance (PBRA)***, participants must reside in housing provided through a contract with the owner of existing specific structure(s) whereby the owner agrees to rent subsidized units to participants. Participants do not retain the rental assistance if they relocate to a unit outside the project; the subsidy remains with the project.
- In ***sponsor-based rental assistance (SBRA)***, participants must reside in housing owned or leased by a sponsor organization and arranged through a contract between the recipient and the sponsor organization (subrecipient). A sponsor may be a private, nonprofit organization, or a community mental health agency established as a public nonprofit organization.<sup>7</sup>

The program must sign occupancy agreements (which may also be referred to as rental agreements, leases or subleases) with all participants. Participants must enter into an occupancy agreement for a term of at least one year, which is terminable for cause. The occupancy agreement must be terminable only for cause, and automatically renewable on a month to month basis upon lease expiration.

Under the PSH components, grant funds may be used for any eligible activity (rental assistance, leasing, operations, services, HMIS and/or administration), although not always all at once. However, annually, the CoC NOFA may impose additional restrictions on how grant funds may be spent.

---

<sup>7</sup> HUD, CoC FAQ #1528 What are the characteristics of tenant-based rental assistance? (2014), *available at* <https://www.hudexchange.info/faqs/1528/what-are-the-characteristics-of-tenant-based-rental-assistance/>; HUD, CoC FAQ #1530 What are the characteristics of project-based rental assistance? (2014), *available at* <https://www.hudexchange.info/faqs/1530/what-are-the-characteristics-of-project-based-rental-assistance/>; HUD, CoC FAQ #1531 What are the characteristics of sponsor-based rental assistance? (2014), *available at* <https://www.hudexchange.info/faqs/1531/what-are-the-characteristics-of-sponsor-based-rental-assistance/>

## 2. Rapid Rehousing (RRH)

RRH is a Permanent Housing program model that emphasizes housing search and relocation services and short- and medium-term rental assistance to move homeless people as rapidly as possible into permanent housing. Funds may be used to provide supportive services and up to 24 months of rental assistance as necessary to help a homeless household, with or without disabilities, move as quickly as possible into permanent housing and achieve stability in that housing.

Grant funds may only be used for rental assistance, supportive services, and administrative costs. The program must follow the CoC's policies about who is eligible to receive RRH assistance and the program must establish written standards describing the maximum amount and duration of rental assistance. Other key features include:

- The program may provide supportive services for up to six months after rental assistance ends;
- The program must reevaluate participants at least annually to ensure they still need RRH assistance; and
- Participants must be offered monthly meetings with a case manager.

## 3. Transitional Housing (TH)

The TH project component may be used to cover the costs of up to 24 months of housing with accompanying supportive services, providing a period of stability to enable homeless people to transition successfully to and maintain permanent housing. TH programs may provide up to six months of supportive services to participants after they leave the housing portion of the program.

Grant funds may be used for leasing, rental assistance, operating costs, and/or supportive services. Eligible uses of grant funds for any particular project are specified in the grant agreement.

TH program operators must sign occupancy agreements with all participants residing in housing. When CoC leasing funds are used to pay rent on units, there must be a lease between the program operator and the property owner, with a sublease or occupancy agreement with the program participant. Program operators may not use CoC funds to lease units they own.



## 4. Joint Transitional Housing: Rapid Rehousing (TH:RRH)

A Joint TH and RRH Component project is a project type that includes two existing program components – TH and RRH – in a single project to serve individuals and families experiencing homelessness.

Grant funds may be used for leasing and operating costs to provide transitional housing, tenant-based rental assistance for the rapid rehousing portion of the project, supportive services, HMIS, and project administrative costs.

Recipients or subrecipients must be able to provide both components, including the units supported by the transitional housing component and the tenant-based rental assistance and services provided through the RRH component, to all program participants up to 24 months as needed by the program participants. For example, a program participant may only need the temporary stay in transitional housing unit, but the recipient or subrecipient must be able to make available the financial assistance and supportive services that traditionally comes with rapid rehousing assistance to that program participant. This does not mean, however, that the applicant is required to request funding from the CoC Program for both portions of the project (e.g., the applicant may leverage other resources to pay for the transitional housing portion of the project).

A project's TH and RRH components must each comply with the relevant TH and RRH portions in the Guide.

## 5. Coordinated Entry (CE)

HUD requires that Continuums of Care establish a Coordinated Entry System (CES). HUD also requires that all projects funded by either the CoC Program or the ESG Program take all of their program referrals from their local CES.<sup>8</sup> More detailed information and guidance on CE can be found in the CE Written Standards for the CoC linked [here](#).

Coordinated Entry (CE) is a key component of the Homeless Response System. CE is a consistent, communitywide process to match people experiencing homelessness to available community resources that are the best fit for their situation. The CE process covers the CoC's entire geographic area of the City and County of San Francisco. CE constitutes physical access points, a standardized method to assess and prioritize persons needing assistance, and a streamlined process to rapidly connect people to a housing solution. All people experiencing homelessness in San Francisco complete a standardized assessment that considers the household's situation, and prioritizes its HRS placement based on vulnerability, barriers to

---

<sup>8</sup>24 CFR §578.7(a)(8); 24 CFR §576.400(d); HUD Notice CPD 17-01: Notice Establishing Additional Requirements for a Continuum of Care Centralized or Coordinated Assessment System, *available at* <https://files.hudexchange.info/resources/documents/Notice-CPD-17-01-Establishing-Additional-Requirements-or-a-Continuum-of-Care-Centralized-or-Coordinated-Assessment-System.pdf>

housing, and chronicity. The most intensive housing interventions are provided to those people in highest need.

Permanent housing programs—including permanent supportive housing (PSH) and rapid rehousing (RRH) fill all vacancies from a community pool of Housing Referral Status households generated from the standard assessment process. The CES of Record is the Online Navigation and Entry System (ONE), which is San Francisco’s version of HMIS. The assessment is entered directly into ONE and referrals to transitional and permanent housing are made through ONE. This coordinated process drastically reduces the burden on people experiencing homelessness; sparing the rigor of seeking assistance from every individual provider and instead streamlining access to all resources in the HRS.

The goal of Coordinated Entry is to make homelessness a rare, brief, and one-time occurrence. To accomplish this goal, Coordinated Entry prioritizes the most intensive interventions for those with the highest needs.

#### **a. CE Access Points**

Access Points offer direct services or provide warm hand-offs to services that assist eligible San Francisco households in resolving their homelessness or housing crisis. Separate Access Points have been established for adults, families, and youth. Locations can be found online [here](#). The population specific Access Points are designed to facilitate access and improve the quality of information gathered in the assessment process. The same general assessment approach is utilized at all Access Points. For more information, see the CE Written Standards linked [here](#).

#### **b. Prioritization**

Access Points conduct an interview with each household to collect all responses to assessment questions into the ONE System. Based on those responses, the ONE System generates a prioritization score. If a prioritization score meets or exceeds the predefined housing prioritization threshold as established by HSH, then the household is Housing Referral Status: prioritized to be matched and referred to available opportunities in Rapid Rehousing, or Permanent Supportive Housing programs. Households whose score is lower than the Housing Referral Status threshold will be advised that they are Problem Solving Status and will be re-engaged in Problem Solving Status. For more information, see the CE Written Standards linked [here](#).

#### **b. Equal Access & Nondiscrimination**

HSH requires that all housing providers that receive funding from San Francisco and participate in Coordinated Entry must affirmatively market their housing and supportive services to eligible persons regardless of race, color, national origin, religion, sex, age,



familial status, or disability and who are least likely to apply without targeted outreach. Housing providers must maintain records of those marketing activities. Housing assisted with Continuum of Care (CoC) funds must also be made available to people and families without regard to actual or perceived sexual orientation, gender identity, or marital status in accordance with 24 CFR 5.105 (a)(2).

## 6. HMIS (ONE System)

All projects funded with CoC or ESG funds, except those that are specifically for survivors of domestic violence, must participate in the *Online Navigation and Entry (ONE) System*. The ONE System is a local *Homelessness Management Information System (HMIS)* database covering all HUD-funded homeless-serving programs within the Continuum of Care geography, and often other programs as well. In San Francisco, this database was developed by Clarity Human Services. The ONE System is administered by HSH. Data from the ONE System is necessary to meet several federal reporting requirements, including the production of Annual Performance Reports for each project, as well as system-wide reporting such as the Longitudinal Systems Analysis report, the bi-annual Point-in-Time count, and other reports.

Most San Francisco providers are expected to have staff who are licensed users of the ONE System collect the required information from participants at specified times and enter the information directly into the database. Some providers have been given permission to use a different approved database and periodically upload specific required information from their own data systems into the ONE System.

Domestic violence providers are exempted and prohibited from entering data into the general HMIS system and must maintain a comparable database that collects similar information in order to provide aggregate data to HSH for reporting purposes.

Additionally, some legal service providers may determine that entering participant data into HMIS violates the attorney/participant privilege of their participants. These providers may decide to use a comparable database to maintain records and maintain attorney/participant privilege upon HSH approval.

All new project entries must be recorded in HMIS, ensuring that the date of entry corresponds correctly to the date that the participant was found to be eligible and admitted to the program in question.

For more detailed guidance on how to work in the ONE System to do tasks such as [entering data](#) and obtaining [release of information](#), please see the [ONE System Help and User Guide](#).

For information on the ONE System *Continuous Data Quality Improvement Process*, please click [here](#).

## 7. Host Homes (HH)

Host homes operate through an arrangement between a community member and a service provider in which the community member (“host”) provides youth and young adults (YYA) experiencing homelessness with shelter, food, and sometimes transportation, while the service provider provides program coordination, host support, and case management services. Host homes provide the opportunity for youth to build long-term relationships with a caring adult while they are safe and stably housed in a non-institutional, home-like environment. The model enables housing stability, fosters community connections, and supports youth agency and youth choice by giving them leading role in identifying the host home that works for them.

Point Source Youth, a national technical assistance (TA) provider that works to scale-up solutions for preventing and ending youth homelessness, has created a [Host Homes Handbook](#) to help capture key components and emerging practices around host homes.

Information about San Francisco’s Host Home program can be found [here](#).

## 8. CoC Planning

Collaborative applicants may use up to 3 percent of their Final Pro Rata Need (FPRN),<sup>9</sup> or a maximum amount to be established by the NOFA, for costs of:

1. Designing and carrying out a collaborative process for the development of an application to HUD;
2. Evaluating the outcomes of projects for which funds are awarded in the geographic area under the Continuum of Care and the Emergency Solutions Grants programs; and
3. Participating in the [consolidated plan](#)(s) for the geographic area(s).

### a. CoC Planning Activities

Eligible planning costs include the costs of:

- i. Developing a communitywide or regionwide process involving the coordination of nonprofit homeless providers, victim service providers, faith-based organizations, governments, businesses, advocates, public housing agencies, school districts, social service providers, mental health agencies, hospitals, universities, affordable housing developers, law enforcement, organizations that serve veterans, and homeless and formerly homeless individuals;

---

<sup>9</sup> See 24 CFR § 578.1.



- ii. Determining the geographic area that the CoC will serve;
- iii. Developing a CoC system;
- iv. Evaluating the outcomes of projects for which funds are awarded in the geographic area, including the ESG program;
- v. Participating in the consolidated plan for the City & County of San Francisco; and
- vi. Preparing and submitting an application to HUD on behalf of the entire CoC membership, including conducting a sheltered and unsheltered Point-in-Time count and other data collection as required by HUD.

## **b. Monitoring Costs**

The costs of monitoring recipients and subrecipients and enforcing compliance with program requirements are eligible.

## **D. ELIGIBLE COSTS**

The [CoC Interim Rule](#) sets forth the requirements relating to allowable uses of CoC funds. Below is a detailed description of allowable CoC expenses for these eligible costs:

1. Leasing
2. Rental Assistance
3. Operations
4. Supportive Services
5. HMIS
6. Indirect Costs
7. Administrative Costs

**NOTE: Projects often have additional limitations beyond those included here due to their project design or the NOFA under which they are funded. For existing projects – always check the grant agreement for approved costs.**

### **1. Leasing**

Leasing structures or individual units to provide supportive housing or supportive services to homeless persons during the period covered by the grant is an eligible cost under the CoC program. In a leasing project, the lease is between the owner and the recipient/subrecipient. Leasing is an eligible cost category under the PH (PSH & RRH), TH, and SSO project components.

**NOTE: Leasing funds may not be used to lease units or structures owned by the recipient, subrecipient, their parent organization(s), any other related organization(s), or organizations that are members of a partnership, where the partnership owns the structure, unless HUD authorized an exception for good cause.**

## a. Uses of Leasing Funds

The grantee or project sponsor may use grant funds to pay up to 100 percent of the rent charged by a property owner (within rent limitations described below). If electricity, gas, and water are included in the rent, these utilities may be paid from leasing funds, but not cable, phone, or internet. For more information, click [here](#).

Recipients and subrecipients may also use leasing funds to pay **security deposits** in an amount not to exceed 2 months of actual rent. An advance payment of **the last month's** rent may be provided to the landlord, in addition to the security deposit and payment of **first month's** rent. Leasing may also be used to conduct Housing Quality Standards (**HQS**) inspections. (Please see the section on Transportation in Supportive Services for guidance on costs for travel to an inspection.)

## b. Rent Reasonableness and Fair Market Rents

When grants are used to pay rent for individual housing units, the rent paid must be reasonable in relation to rents being charged for comparable units, taking into account the location, size, type, quality, amenities, facilities, and management services. In addition, the **rents may not exceed rents currently being charged for comparable units AND the rent paid may not exceed HUD-determined fair market rents (FMRs)**. HUD has helpful resource on this topic, including how to conduct rent reasonableness studies, linked [here](#). Projects should use city boundaries lines, at a minimum, for their studies (e.g., San Francisco, Oakland, Richmond). See [Rent Reasonableness Worksheet](#) and upcoming section, *Rent Reasonableness and Fair Market Rents*, below for detailed guidance.

## c. Occupancy Charges and Rent

Leasing programs *may* charge occupancy charges or rent to program participants. Occupancy charges and rent from program participants must be calculated as provided in § 578.77 of the CoC Interim Rule. Occupancy charges and rent collected from program participants are program income. Program income earned during the grant term must be used for eligible activities under the grant and can be used as match. Costs incident to the generation of program income may be deducted from gross income to calculate program income, provided that the costs have not been charged to grant funds. In addition, rents and occupancy charges collected from residents of transitional housing may be reserved, in whole or in part, to assist the residents from whom they are collected to move to permanent housing. For more HUD guidance on tracking all units, calculating rent, adhering to rent reasonableness, and including utility allowances, click [here](#).

***More detailed information on how to do rent and income calculations in San Francisco can be found below in the Participant Rent and Occupancy Charges section.***





#### d. Leases

Leasing projects are required to have occupancy agreements and/or subleases. Program participants in permanent housing must enter into a lease agreement for a term of at least one year, which is terminable for cause. The leases must be automatically renewable upon expiration for terms that are a minimum of one month long, except on prior notice by either party. Program participants in transitional housing must enter into a lease agreement or occupancy agreement for a term of at least one month. The agreement must be automatically renewable upon expiration, except on prior notice by either party, up to a maximum term of 24 months.



*Sample lease and occupancy agreements can be found at*  
<https://www.hudexchange.info/resource/2894/coc-program-leasing-rental-assistance-examples-of-lease-agreements/>

#### e. Housing Quality Standards

Housing leased with Continuum of Care program funds must meet the applicable housing quality standards (HQS). Before any assistance is provided on behalf of a program participant, the recipient, or subrecipient, must physically inspect each unit to assure that the unit meets HQS. Assistance will not be provided for units that fail to meet HQS, unless the owner corrects any deficiencies within 30 days from the date of the initial inspection and the recipient or subrecipient verifies that all deficiencies have been corrected. Recipients or subrecipients must inspect all units at least annually during the grant period to ensure that the units continue to meet HQS. See *Housing Quality Standards* section below.

#### f. Limitations on Leasing Assistance

If grant funds are used for leasing assistance, the project may not receive rental assistance for the same single structure or housing unit. In addition, if grant funds are used for leasing, the project may not receive acquisition, rehabilitation or new construction assistance.

## 2. Rental Assistance

Grant funds may be used for rental assistance for homeless individuals and families. Except for Sponsor-based Rental Assistance (see description below), in rental assistance, the lease is between the program participant and the owner. Rental assistance is an eligible cost category under the PH and TH project components. Rental assistance differs from leasing in that the program pays a rental subsidy to a property owner (landlord) on behalf of a tenant in a unit in which the tenant has his or her own lease.

## a. Types of Rental Assistance

The rental assistance may be short-term, up to 3 months of rent; medium-term, for 3 to 24 months of rent; or long-term, for longer than 24 months of rent. **Please note that CoC-funded rapid rehousing projects are limited to 24 months** (short- or medium-term rental assistance, and any tenant-based rental assistance, cannot be used in properties supported with CoC acquisition, rehabilitation, or new construction funds.) The rental assistance may be tenant-based, project-based, or sponsor-based, and may be for transitional or permanent housing.

- **Tenant-based Rental Assistance** is rental assistance in which program participants choose housing of an appropriate size in which to reside. To facilitate services, program participants may be required to live in a specific area or in some cases, in a specific structure. Program participants who have complied with all program requirements during their residence retain the rental assistance if they move. Certain households with domestic violence experience may retain the assistance outside the CoC's area. Other program participants may also choose housing outside the CoC's geographic area, if the recipient is able to meet all CoC requirements in the area where the participant chooses housing. If unable to meet the requirements, the recipient may refuse to permit the participant to retain TBRA if the participant moves outside of the geographic area.
- **Sponsor-based Rental Assistance** is rental assistance provided through contracts between the recipient and a sponsor organization. Program participants must reside in housing owned or leased by the sponsor. A sponsor may be a private, nonprofit organization, or a community mental health agency established as a public nonprofit organization.
- **Project-based Rental Assistance** is rental assistance provided through a contract with the owner of an existing structure, where the owner agrees to lease the subsidized units to program participants. Program participants will not retain rental assistance if they move.

## b. Uses of Rental Assistance

Grant funds may be used for rental assistance for homeless individuals and families. Utilities that are not included in the program participant's rent may be paid using rental assistance funds. For more information about utility funds, click [here](#). Grant funds may also be used for **security deposits** in an amount not to exceed 2 months of rent. An advance payment of the **last month's** rent may be provided to the landlord, in addition to the security deposit and payment of **first month's** rent. If a unit is **vacated** before the expiration of the lease, the assistance for the unit may continue for a maximum of 30 days



from the end of the month in which the unit was vacated, unless occupied by another eligible person. No additional assistance will be paid until the unit is occupied by another eligible person. Brief periods of stays in institutions, not to exceed 90 days for each occurrence, are not considered vacancies. Recipients and subrecipients (excluding rapid rehousing providers) may use grant funds in an amount not to exceed one month's rent to pay for any **damage** to housing due to the action of a program participant. This shall be a one-time cost per participant, incurred at the time a participant exits a housing unit. Rental assistance may also be used to conduct Housing Quality Standards (**HQS**) inspections. (Please see the section on Transportation in Supportive Services for guidance on costs for travel to an inspection.) Finally, for tenant-based rental assistance, rental assistance may be used to pay amounts owed for **breaking the lease** if the family qualifies for an emergency transfer under VAWA.

#### c. **Rental Assistance Administrator**

Rental assistance may be administered by a state, unit of general local government, a public housing agency, or a nonprofit agency.

#### d. **Grant Amount**

The amount of rental assistance in each project will be based on the number and size of units proposed by the recipient to be assisted over the grant period. The amount of rental assistance in each project will be calculated by multiplying the number and size of units proposed by the FMR of each unit on the date the application is submitted to HUD, by the term of the grant.

#### e. **Rent Reasonableness and Fair Market Rents**

Although awards are made based on FMR, HUD will only provide rental assistance for a unit if the rent is reasonable. The recipient or subrecipient must determine whether the rent charged for the unit receiving rental assistance is reasonable in relation to rents being charged for comparable unassisted units, taking into account the location, size, type, quality, amenities, facilities, and management and maintenance of each unit. Reasonable rent must not exceed rents currently being charged by the same owner for comparable unassisted units. HUD has helpful resource on this topic, including how to conduct rent reasonableness studies, linked [here](#). Projects should use city boundaries lines, at a minimum, for their studies (e.g., San Francisco, Oakland, Richmond). See **Rent Reasonableness Worksheet** and upcoming section, *Rent Reasonableness and Fair Market Rents*, below for detailed guidance.

## f. Resident Rent

**PSH** rental assistance programs *must* charge rent to program participants as provided in § 578.77 of the CoC Interim Rule, whereas RRH projects are not subject to that occupancy charge and rent contribution requirement.

Instead, **RRH** projects must follow the written policies and procedures established by the CoC, including standards for determining what percentage or amount of rent each program participant must pay while receiving rapid rehousing assistance. This means that CoCs have broad discretion over the amount of rental assistance that can be provided to a program participant receiving RRH assistance.

Rent collected from program participants is program income if it goes to the provider (rather than to a landlord). Program income earned during the grant term must be used for eligible activities under the grant and may be used as match. Costs incident to the generation of program income may be deducted from gross income to calculate program income, provided that the costs have not been charged to grant funds. In addition, rents collected from residents of transitional housing may be reserved, in whole or in part, to assist the residents from whom they are collected to move to permanent housing. For more HUD guidance on tracking all units, calculating rent, adhering to rent reasonableness, and including utility allowances, click [here](#).

***More detailed information on how to do rent and income calculations in San Francisco can be found below in the Participant Rent and Occupancy Charges section.***

## g. Leases

Program participants in permanent housing must enter into a lease agreement for a term of at least one year, which is terminable for cause. The leases must be automatically renewable upon expiration for terms that are a minimum of one month long, except on prior notice by either party. Program participants in transitional housing must enter into a lease agreement for a term of at least one month. The lease must be automatically renewable upon expiration, except on prior notice by either party, up to a maximum term of 24 months.



Sample lease and occupancy agreements can be found at <https://www.hudexchange.info/resource/2894/coc-program-leasing-rental-assistance-examples-of-lease-agreements/>



#### **h. Restrictions**

Rental assistance cannot be provided to a program participant who is already receiving rental assistance or living in a housing unit receiving rental assistance or operating assistance through other federal, state, or local sources.

#### **i. Housing Quality Standards**

Housing for which rental assistance payments are made must meet the applicable housing quality standards (HQS), except that 24 CFR 982.401(j) applies only to housing occupied by program participants receiving tenant-based rental assistance. Before any assistance will be provided on behalf of a program participant, the recipient, or subrecipient, must physically inspect each unit to assure that the unit meets HQS. Assistance will not be provided for units that fail to meet HQS, unless the owner corrects any deficiencies within 30 days from the date of the initial inspection and the recipient or subrecipient verifies that all deficiencies have been corrected. Recipients or subrecipients must inspect all units at least annually during the grant period to ensure that the units continue to meet HQS. See *Housing Quality Standards* section below.

#### **j. CoC Written Standards**

Rental assistance must be administered in accordance with the policies and procedures established by the Continuum for providing Continuum of Care assistance, including about evaluating individuals' and families' eligibility for assistance, determining and prioritizing which eligible individuals and families will receive transitional housing, rapid rehousing, or permanent supportive housing, and what percentage or amount of rent each program participant must pay while receiving rapid rehousing assistance.

#### **k. Payment of Grant**

The amount of rental assistance in each project will be reserved for rental assistance over the grant period. Recipients will make draws from the grant funds to pay the actual costs of rental assistance for program participants. A recipient must serve at least as many program participants as shown in its application for assistance. If the amount in each grant reserved for rental assistance over the grant period exceeds the amount that will be needed to pay the actual costs of rental assistance, due to such factors as contract rents being lower than FMRs and program participants being able to pay a portion of the rent, recipients or subrecipients may use the excess funds for covering the costs of rent increases, certain staffing costs related to rental assistance, or for serving a greater number of program participants.

## **I. Limitations on Rental Assistance**

If grant funds are used for rental assistance, the project may not receive leasing or operating assistance for the same single structure or housing unit. In addition, if grant funds are used for short- or medium-term rental assistance or tenant-based rental assistance, the project may not receive acquisition, rehabilitation or new construction assistance.

## **3. Supportive Services**

Supportive Services, as outlined below, are an eligible cost under the CoC Program.

### **a. Uses of Supportive Services Funds**

Grant funds may be used to pay the eligible costs of supportive services that address the special needs of the program participants. If the supportive services are provided in a supportive service facility not contained in a housing structure, the costs of day-to-day operation of the supportive service facility, including maintenance, repair, building security, furniture, utilities, and equipment are eligible as a supportive service.

### **b. Need for Services**

Supportive services must be necessary to assist program participants obtain and maintain housing. Recipients and subrecipients shall conduct an annual assessment of the service needs of the program participants and should adjust services accordingly.

### **c. Duration of Services**

For a transitional housing project, supportive services must be made available to residents throughout the duration of their residence in the project. Permanent supportive housing projects must provide supportive services for the residents to enable them to live as independently as is practicable throughout the duration of their residence in the project. Rapid rehousing projects must require the program participant to meet with a case manager not less than once per month as set forth in § 578.37(a)(1)(ii)(F), to assist the program participant in maintaining long-term housing stability. Services may also be provided to former residents of transitional housing and current residents of permanent housing who were homeless in the prior 6 months, for no more than 6 months after leaving transitional housing or homelessness, respectively, to assist their adjustment to independent living.



#### d. Eligible Costs

**Any cost that is not described as an eligible cost under this section is not an eligible cost of providing supportive services using Continuum of Care program funds.**

Eligible costs include:

- **Annual Assessment of Service Needs**
- **Assistance with moving costs**
- **Case management** – costs of assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant(s). Eligible component services and activities consist of: counseling, coordinating services, using the centralized or coordinated assessment system, obtaining benefits, monitoring participant progress, providing referrals, providing risk assessment/safety planning with victims of domestic violence, and developing individualized housing and service plans.
- **Childcare** – costs of establishing and operating childcare, and providing child-care vouchers, for children under the age of 13 (unless disabled, then under 18) from families experiencing homelessness, including providing meals and snacks, and comprehensive and coordinated developmental activities. *The child-care center must be licensed by the jurisdiction in which it operates in order for its costs to be eligible.*
- **Education services** – costs of improving knowledge and basic educational skills. Eligible services include instruction or training in consumer education, health education, substance abuse prevention, literacy, English as a Second Language, and General Educational Development (GED). Eligible component services or activities are screening, assessment and testing; individual or group instruction; tutoring; provision of books, supplies, and instructional material; counseling; and referral to community resources.
- **Employment assistance and job training** – costs of establishing and operating employment assistance and job training programs, including classroom, online and/or computer instruction, on-the-job instruction, services that assist individuals in securing employment, acquiring learning skills, and/or increasing earning potential. The cost of providing reasonable stipends to program participants in employment assistance and job training programs is also an eligible cost.
- **Food** – cost of providing meals or groceries to program participants.
- **Housing search and counseling services** – costs of assisting eligible program participants to locate, obtain, and retain suitable housing. Eligible component services or activities are tenant counseling; assisting individuals and families to understand leases; securing utilities; and making moving arrangements. Other eligible costs are: mediation with property owners and landlords on behalf of eligible program participants; credit counseling, accessing a free personal credit report, and resolving personal credit issues; and the payment of rental application fees.

- **Legal services** – fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with the homeless individual or family’s ability to obtain and retain housing. Eligible subject matters are child support; guardianship; paternity; emancipation; legal separation; orders of protection and other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking; appeal of veterans and public benefit claim denials; landlord tenant disputes; and the resolution of outstanding criminal warrants. Eligible component services or activities may include receiving and preparing cases for trial, provision of legal advice, representation at hearings, and counseling. Fees based on the actual service performed (i.e., fee for service) are also eligible, but only if the cost would be less than the cost of hourly fees. Filing fees and other necessary court costs are also eligible. If the subrecipient is a legal services provider and performs the services itself, the eligible costs are the subrecipient’s employees’ salaries and other costs necessary to perform the services. *Legal services for immigration and citizenship matters and issues related to mortgages and homeownership are ineligible. Retainer fee arrangements and contingency fee arrangements are ineligible.*
- **Life skills training** – costs of teaching critical life management skills that may never have been learned or have been lost during the course of physical or mental illness, domestic violence, substance abuse, and homelessness. These services must be necessary to assist the program participant to function independently in the community. Component life skills training are the budgeting of resources and money management, household management, conflict management, shopping for food and other needed items, nutrition, the use of public transportation, and parent training.
- **Mental health services** – the direct outpatient treatment of mental health conditions that are provided by licensed professionals. Eligible component services are crisis interventions; counseling; individual, family, or group therapy sessions; the prescription of psychotropic medications or explanations about the use and management of medications; and combinations of therapeutic approaches to address multiple problems.
- **Outpatient health services** – the direct outpatient treatment of medical conditions when provided by licensed medical professionals including: Providing an analysis or assessment of an individual’s health problems and the development of a treatment plan; Assisting individuals to understand their health needs; Providing directly or assisting individuals to obtain and utilize appropriate medical treatment; Preventive medical care and health maintenance services, including in-home health services and emergency medical services; Provision of appropriate medication; Providing follow-up services; and Preventive and non-cosmetic dental care.
- **Outreach services** – costs of activities to engage persons for the purpose of providing immediate support and intervention, as well as identifying potential program participants. Eligible costs include the outreach worker’s transportation costs and a cell phone to be used by the individual performing the outreach. Eligible component activities and services consist of: initial assessment; crisis counseling; addressing





urgent physical needs, such as providing meals, blankets, clothes, or toiletries; actively connecting and providing people with information and referrals to homeless and mainstream programs; and publicizing the availability of the housing and/or services provided within the CoC's area.

- **Substance abuse treatment services** – costs of program participant intake and assessment, outpatient treatment, group and individual counseling, and drug testing. Inpatient detoxification and other inpatient drug or alcohol treatment are ineligible.
- **Transportation** – the costs of program participant's travel on public transportation or in a vehicle provided by the recipient or subrecipient to and from medical care, employment, childcare, or other eligible services; mileage allowance for service workers to visit program participants and to carry out housing quality inspections; the cost of purchasing or leasing a vehicle in which staff transports program participants and/or staff serving program participants; the cost of gas, insurance, taxes, and maintenance for the vehicle; the costs of recipient or subrecipient staff to accompany or assist program participants to utilize public transportation; and if public transportation options are not sufficient within the area, the recipient may make a one-time payment on behalf of a program participant needing car repairs or maintenance required to operate a personal vehicle, subject to certain restrictions.
- **Utility deposits** – this form of assistance consists of paying for utility deposits. Utility deposits must be a one-time fee, paid to utility companies.
- **Direct provision of services** – if the service described above is being directly delivered by the recipient or subrecipient, eligible costs for those services also include the costs of labor or supplies, and materials incurred by the recipient or subrecipient in directly providing supportive services to program participants; and the salary and benefit packages of the recipient and subrecipient staff who directly deliver the services.

***Staff training and the costs of obtaining professional licenses or certifications needed to provide supportive services are not eligible supportive services costs.***

#### **e. Limits on Requiring Participation in Services**

Recipients and subrecipients may not require program participants to take part in disability-related services. Examples of disability-related services include, but are not limited to, mental health services, outpatient health services, and provision of medication, which are provided to a person with a disability to address a condition caused by the disability. However, if the purpose of the project is to provide substance abuse treatment services, recipients and subrecipients may require program participants to take part in such services as a condition of continued participation in the program.

## **4. Operating costs**

Operations funds may be used to pay the costs of the day-to-day operation of transitional and permanent housing in a single structure or individual housing units.

## a. Eligible Uses of Operations Funds

- The maintenance and repair of housing
- Property taxes and insurance
- Scheduled payments to a reserve for replacement of major systems of the housing (provided that the payments must be based on the useful life of the system and expected replacement cost)
- Building security for a structure where more than 50 percent of the units or area is paid for with grant funds
- Electricity, gas, and water
- Furniture (which cannot be retained by program participants at the end of the program)
- Equipment

### Examples of Eligible and Ineligible Operating Costs for a Supportive Housing Facility

#### Eligible Operating Costs

Costs associated with staff involved in operations (not delivering services), such as a maintenance person or security guard

Utilities costs: gas, heat, electric, etc. not provided by landlord

Desks, computers, telephones used by staff involved in operating the housing

Furnishings (beds, chairs, dressers, etc.) for use by participants. Furniture is intended for the operation of the housing; therefore, the furniture in projects must be retained for use in the project and cannot be kept by the program participant upon exiting the project.

Equipment such as refrigerators, ranges, etc.

Playground – a playground structure is a piece of equipment

Landscaping – CoC operating funds can be used for maintenance and repair costs, including landscaping, walkways, and grading. Landscaping for beautification is not eligible.

Workers' compensation and employers' liability insurance

Replacement reserve payments

Purchase of a vehicle to move furniture, appliances, and maintenance equipment. The vehicle must be used to support the function and operation of the housing project. Purchase of a vehicle for supportive services (e.g., for outreach, and to transport participants) remains an eligible supportive services cost.

#### Ineligible Operating Costs

Mortgage payments



Recruitment or ongoing training of staff
Rent (may be eligible as a leasing cost)
Depreciation
Costs associated with the organization rather than the project such as fundraising efforts, pamphlets about organizations, etc.
Cable TV costs for participants

#### b. Not Allowed in Rental Assistance or SSO Projects

**CoC Program funds may not be used for rental assistance and operating costs in the same project.** CoC Program funds may not be used for the operating costs of emergency shelter- and supportive service-only facilities. CoC Program funds may not be used for the maintenance and repair of housing where the costs of maintaining and repairing the housing are included in the lease.

### 5. Homeless Management Information System (HMIS)

HMIS funds may be used to pay the costs of contributing data to the HMIS designated by the Continuum of Care. Activities funded under this section must comply with the HMIS requirements. The staff time dedicated to eligible HMIS-funded costs can be calculated as a proportion of that staff's overall time and billed accordingly.<sup>10</sup>

#### a. Eligible HMIS Costs

- Purchasing or leasing computer hardware
- Purchasing software or software licenses
- Purchasing or leasing equipment, including telephones, fax machines, and furniture
- Obtaining technical support
- Leasing office space
- Paying charges for electricity, gas, water, phone service, and high-speed data transmission necessary to operate or contribute data to the HMIS
- Paying salaries for operating HMIS, including: Completing data entry; Monitoring and reviewing data quality; Completing data analysis; Reporting to the HMIS Lead; Training staff on using the HMIS; and Implementing and complying with HMIS requirements
- Paying costs of staff to travel to and attend HUD-sponsored and HUD-approved training on HMIS

---

<sup>10</sup> HUD, CoC FAQ #494 Are the salaries of staff conducting data entry into HMIS and other HMIS-related overhead costs eligible as project administrative costs? (2012), *available at* <https://www.hudexchange.info/faqs/494/are-the-salaries-of-staff-conducting-data-entry-into-hmis-and-other-hmis/>

- Paying staff travel costs to conduct intake
- Paying participation fees charged by the HMIS Lead, as authorized by HUD, if the recipient or subrecipient is not the HMIS Lead.

#### **b. HMIS Lead Eligible HMIS Costs**

HSH, as the CoC-designated HMIS Lead (the only entity that may receive a grant in the HMIS component), may also use HMIS funds to pay the costs of:

- Hosting and maintaining HMIS software or data
- Backing up, recovering, or repairing HMIS software or data
- Upgrading, customizing, and enhancing the HMIS
- Integrating and warehousing data, including development of a data warehouse for use in aggregating data from subrecipients using multiple software systems
- Administering the system
- Reporting to providers, the Continuum of Care, and HUD
- Conducting training on using the system, including traveling to the training.

#### **c. Victim Services and Legal Services Provider**

If the recipient or subrecipient is a victim services provider, or a legal services provider, it may use HMIS funds to establish and operate a comparable database that complies with HUD'S HMIS requirements.

### **6. Indirect Costs**

Indirect costs (also known as “facilities and administrative costs” defined at 2 CFR 200.56) are those costs incurred for a common or joint purpose benefiting more than one cost objective, and not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved. Refer to HUD’s [Indirect Cost Toolkit for CoC and ESG Programs](#) for additional information on determining if costs charged to the award are direct or indirect.

#### **a. Use of Funds**

Projects may charge indirect costs to the award in accordance with the following:

- Recipients with an approved federally negotiated indirect cost rate must submit with their application a copy of their approved Indirect Cost Rate Proposal to substantiate their request.
- Recipients that do not have an approved federally negotiated indirect cost rate may charge a maximum rate of 10 percent of modified total direct costs. 2 CFR 200.414(f) states that nonfederal entities that have never received a negotiated indirect cost rate



(except a governmental department or agency unit that receives more than \$35 million in direct Federal funding) may elect to charge a de minimis rate of 10 percent of [modified total direct costs](#), which may be used indefinitely. If chosen, this methodology must be used consistently for all federal awards until the entity chooses to submit an indirect cost rate proposal and negotiate for a rate.

- If a recipient chooses to negotiate for an indirect cost rate, the recipient must contact the designated cognizant agency for indirect costs. For information about cognizant agencies for indirect cost rates, see 2 CFR 200.19.

## 7. Administrative Costs

The recipient or subrecipient may use up to 10 percent of the grant amount awarded for the payment of project administrative costs related to the planning and execution of CoC activities.



*Costs for staff and other overhead expenses directly associated with carrying out other eligible CoC activities are not considered administrative costs. Instead, they are considered eligible costs under the applicable CoC project component (e.g., rental assistance or leasing to provide PSH or RRH).*

### a. Use of Administrative Funds

Administrative costs include expenses related to the overall administration of the grant such as management, coordination, monitoring, and evaluation activities and environmental review. Specific eligible activities include:

General management, oversight, coordination, monitoring and evaluation

1. Salaries and related costs of staff engaged in program administration, which may include the entire salary, wages, and related costs allocable to the program of each person whose primary responsibilities involve program administration assignments, or the pro rata share of the salary, wages, and related costs of each person whose job includes any program administration assignments. Program administration assignments include the following:
  - a. Preparing program budgets and schedules, and amendments to those budgets and schedules;
  - b. Developing systems for assuring compliance with program requirements;
  - c. Developing agreements with subrecipients and contractors to carry out program activities;
  - d. Monitoring program activities for progress and compliance with program requirements;
  - e. Preparing reports and other documents directly related to the program for submission to HUD;

	<ul style="list-style-type: none"> <li>f. Coordinating the resolution of audit and monitoring findings;</li> <li>g. Evaluating program results against stated objectives; and</li> <li>h. Managing or supervising persons whose primary responsibilities include such assignments the activities above.</li> </ul> <ul style="list-style-type: none"> <li>2. Travel costs incurred for monitoring of subrecipients.</li> <li>3. Administrative services performed under third-party contracts or agreements, including general legal services, accounting services, and audit services; and</li> <li>4. Other costs for goods and services required for administration of the program, including rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance (but not purchase) of office space.</li> </ul>
<b>Training on Continuum of Care requirements</b>	Costs of providing training on Continuum of Care requirements and attending HUD-sponsored Continuum of Care trainings.
<b>Costs of carrying out environmental review responsibilities</b>	The costs incurred related to conducting environmental reviews.

The chart below provides additional information about the eligibility and ineligibility of certain costs under the administrative cost type.

<b>Eligible Administrative Costs</b>
General bookkeeping & recordkeeping
Program budgets and schedules preparation and amendment
Establishing procedures and conducting monitoring and evaluation
Audit expense
Training on CoC requirements
Conducting environmental reviews
Staff time to document service match requirements
Staff time to prepare HUD APRs and HUD LOCCS draws
Portion of Program Director time spent overseeing program – but not involved directly in participant services
<b>Ineligible Administrative Costs</b>
Staff time to conduct annual tenant income and rent certifications (may be eligible as a rental assistance or operating cost)



Staff time to help participants identify housing units (may be eligible as a supportive services cost)
Staff time to conduct housing inspections (may be eligible as a rental assistance or operating cost)
Staff time to process landlord rent payments (may be eligible as a rental assistance cost)
Portion of Program Director time spent directly serving participants (may be eligible as a supportive services cost)

## **b. Allocation of Costs**

In charging costs to this category, the recipient may include the entire salary, wages, and related costs allocable to the program of each person whose primary responsibilities with regard to the program involve program administration assignments, or the pro rata share of the salary, wages, and related costs of each person whose job includes any program administration assignments. The recipient may use only one of these methods for each fiscal year grant.

## **c. Sharing Requirement**

Recipients must share at least 50% of project administrative funds with its subrecipients. Direct HUD grantees with no subrecipients retain 100%.

# **8. Other Guidelines**

## **a. Restrictions on Combining Funds<sup>11</sup>**

In a single structure or housing unit, the following types of assistance may not be combined:

- Rental Assistance and Leasing
- Rental Assistance and Operating

## **b. Use of Program Income<sup>12</sup>**

Program income is the income received by the recipient or subrecipient directly generated by a grant-supported activity.

Program income earned during the grant term must be added to funds committed to the project by HUD to be used for eligible activities. Programs may use program income on any eligible costs, even if the cost was not documented in the approved grant agreement. However, programs must document that the program income was expended in

---

<sup>11</sup> 24 CFR §578.87(c)

<sup>12</sup> 24 CFR §578.97

accordance with the requirements of the CoC program. Programs are prohibited from using program income on any costs that would not be eligible to be charged to the CoC program grant.

Under the CoC Interim Rule, program income may be used as match for CoC activities. This includes the value of tenant rents.

In addition, rents and occupancy charges collected from residents of *transitional housing* may be reserved, in whole or in part, to assist the residents from whom they are collected in moving to permanent housing.

### c. Pro-Rating Costs Use for Multiple Purposes<sup>13</sup>

Structures used to provide housing, supportive housing, supportive services, or as a facility for HMIS activities may also be used for other purposes. However, CoC assistance will be available only in proportion to the use of the structure for supportive housing or supportive services.



*If eligible and ineligible activities are carried out in the same structure, the costs should be prorated based on the amount of time that the space is used for eligible versus ineligible activities.*

## E. MATCH

### 1. Requirements

HUD requires that CoC funding is matched with no less than a **25 percent cash or in-kind contribution**. No match is required for leasing. The match requirements apply to rental assistance, supportive services, HMIS, administrative costs, and operations. Matching funding must be well documented. ***Matching dollars must be used on CoC participants.***



*It is not recommended that program operators commit to more than the minimum required match amount. Any additional funds declared as match beyond the minimum required become subject to HUD restrictions.*

Match requirements must be met on an annual basis. All costs paid for with matching funds must be for activities that are eligible under the CoC program, even if the recipient is not receiving CoC program grant funds for that activity.

---

<sup>13</sup> 24 CFR §578.37(c)





***NOTE: If FMRs for your geographic area have risen, you may need to increase your matching funding in accordance.***

The 25% match that needs to be documented is the amount of eligible and allowable CoC funds that were **actually** spent and drawn down by the CoC project during the grant year. Proposed match in a CoC application remains the proposed amount, rather than the actual amount that must be documented.

The PDF slideshow linked [here](#) is a useful reference for understanding how match works in San Francisco and what is required from HSH and other direct recipients.

## 2. Cash Match

**Cash match** refers to funds that are received by the program from another source and used to provide eligible activities in the project. A program may use funds from any source, including any other federal sources (excluding Continuum of Care Program funds), as well as state, local, and private sources, provided that funds from the source are not prohibited by law to be used as a match. Match may not be double counted, i.e., used as a match for any other federally assisted project or program. Any program income generated from grant supported activities (e.g., rent or occupancy charges collected by the program) may be considered as match.

In general, participant mainstream benefits to participants, such as Medi-Cal or CalWORKs, are not considered match in the CoC Program because the benefits are not committed to the program for the activities funded through the project. Instead, benefits are provided directly to the program participant and are based on participant eligibility for the benefit program.

## 3. In-kind Match

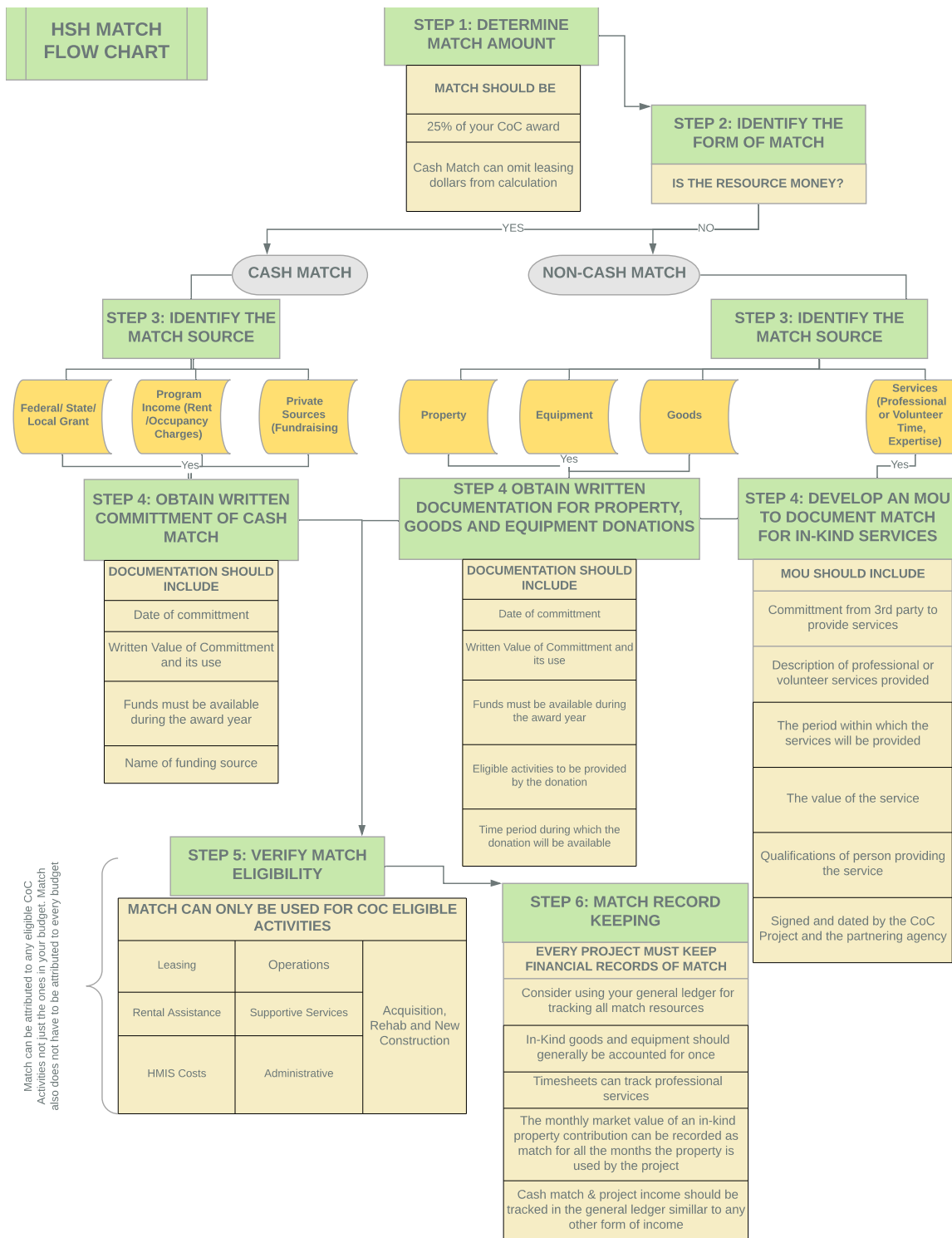
**In-kind match** refers to real goods, services, activities, or other non-cash resources that are provided to the program by another entity and constitute eligible activities:

- Programs may use the value of any real property, equipment, goods, or services contributed to the project as match, provided that if the recipient or subrecipient had to pay for them with grant funds, the costs would have been eligible.
- Before grant execution, services to be provided by a third party must be documented by a Memorandum of Understanding (MOU) between the recipient or subrecipient and the third party that will provide the services. The MOU should adhere to the following:
  - Services provided by individuals must be valued at rates consistent with those ordinarily paid for similar work in the program operator's organization.

- The cost of donated supplies or equipment may not exceed the fair market value of the property at the time of the donation.
- The MOU must establish the unconditional commitment, except for selection to receive a grant, by the third party to provide the services, the specific services to be provided, the profession of the persons providing the services, and the hourly cost of the services to be provided.
- During the term of the grant, the program must keep, and make available for inspection, records documenting the service hours provided. The records must show how the value placed on third party in-kind contributions was derived. To the extent feasible, volunteer services must be supported by the same methods that the organization uses to support the allocation of regular personnel costs.

#### 4. Determining, Documenting, and Recordkeeping

***Below is the HSH Match Flow Chart*** to help determine what type of match (cash or in-kind) you have and then how to document and keep records of it. The **HSH Match Verification Worksheet** follows the Flow Chart.





## SH MATCH VERIFICATION WORKSHEET

SH SUB-RECIPIENTS WILL BE REQUIRED TO DOCUMENT AND VERIFY ALL MATCH SOURCES PROVIDED AT THE TIME OF THE SUBMISSION OF THE EX. 2 APPLICATION AND THEN AGAIN AT THE MID-POINT OF THE GRANT YEAR.

AGENCY NAME:

PROJECT NAME:

**PART 1: PROJECT BUDGET** Please fill in the project budget as it was submitted to HUD. If the project has amended the budget please make those changes and highlight the change in the notes section

1a. COC ELIGIBLE ACTIVITY	1b. DOCUMENT HUD FUNDING REQUEST	1c. NOTES
ACQUISITION/REHAB		
OPERATING EXPENSES		
RENTAL ASSISTANCE		
SUPPORTIVE SERVICES		
HMIS		
ADMINISTRATIVE		Administrative funds should be no more than 3.5% of the overall budget
LEASING		Leasing funds do not need to be matched
TOTAL HUD FUNDING REQUEST		
TOTAL MATCH ELIGIBLE FUNDING		
HUD REQUIRED MATCH CONTRIBUTION	\$0.00	
MATCH FROM THE PROJECT SPONSO	\$0.00	

**PART 2: CASH MATCH** Please document all of the cash resources your project is using as match.

2a. DOCUMENT THE CASH MATCH SOURCE	2b. VALUE OF THE COMMITMENT	2c. IDENTIFY THE CoC ELIGIBLE ACTIVITIES SUPPORTED WITH CASH MATCH	2d. AFFIRM CASH MATCH RECORD KEEPING IN GENERAL LEDGER	2e. WRITTEN COMMITMENT OF CASH MATCH ON HAND
Ex. HSH General Fund grant	\$200,000.00	SUPPORTIVE SERVICES	YES	YES
CASH MATCH CONTRIBUTION	\$0.00			

**PART 3: IN-KIND PROFESSIONAL/VOLUNTEERS SERVICES MATCH** Please document any in-kind professional or volunteer services your project uses as match.

3a. DOCUMENT IN-KIND MATCH SOURCE: PROFESSIONAL & VOLUNTEER SERVICES ONLY	3b. IDENTIFY THE VALUE OF THE PROFESSIONAL SERVICES PROVIDED	3c. IDENTIFY THE CoC ELIGIBLE ACTIVITIES SUPPORTED WITH IN-KIND SERVICE MATCH	3d. IDENTIFY IN-KIND SERVICES MATCH RECORD KEEPING	3e. SIGNED MOU OF IN-KIND MATCH ON HAND
Ex. Americorp Volunteers				
VALUE OF PROFESSIONAL/VOLUNTEER IN KIND SERVICES MATCH CONTRIBUTION	\$0.00			

**PART 4:** Please document any in-kind match sources goods or services your project uses as match.

4a. DOCUMENT IN-KIND MATCH SOURCE: PROPERTY, EQUIPMENT, DONATIONS	4b. IDENTIFY THE VALUE OF THE PROPERTY, EQUIPMENT AND DONATIONS	4c. IDENTIFY THE CoC ELIGIBLE ACTIVITIES SUPPORTED WITH NON-CASH MATCH	4d. AFFIRM IN-KIND MATCH RECORD KEEPING IN GENERAL LEDGER	4e. DOCUMENTATION OF PROPERTY/EQUIPMENT/DONATION AND ITS VALUE ON HAND
Mattress King: new mattresses for units	\$63,750.00	OPERATING EXPENSES	YES	YES
VALUE OF IN KIND MATCH GOODS	\$0.00			

### PART 5. Agency Verification

I acknowledge my agency's commitment to providing the following match resources to meet my Continuum of Care funding responsibilities.

EXECUTIVE DIRECTOR SIGNATURE:

DATE :



### **a. Cash Match Documentation**

If the agency is an HSH subrecipient, when the anticipated source of match is cash, written documentation must be submitted to HSH with the grant application on the source agency's letterhead, signed and dated by an authorized representative, and at a minimum, should include the following:

- Amount of cash to be provided to the recipient for the project;
- Specific date the cash will be made available;
- The actual grant and fiscal year to which the cash match will be contributed;
- Time period during which funding will be available; and
- Allowable activities to be funded by the cash match.

Programs must keep records of the source and use of contributions made to satisfy the match requirement (e.g., in a general ledger).

### **b. In-kind Match Documentation**

If the agency is an HSH subrecipient, when the anticipated source of match is the donation of in-kind goods and/or equipment, thorough documentation must be provided to HSH with the grant application on the source agency's letterhead, signed and dated by an authorized representative of the source agency, and must, at a minimum, include the following:

- Value of donated goods to be provided to the recipient for the project;
- Specific date the goods will be made available;
- The actual grant and fiscal year to which the match will be contributed;
- Time period during which the donation will be available;
- Allowable activities to be provided by the donation; and
- Value of commitments of land, buildings, and equipment — the value of these items is one-time only and cannot be claimed by more than one project or by the same project in another year.

If in-kind services are used to fulfill part of the match, the recipient must keep a copy of the Memorandum of Understanding (MOU) executed between the recipient or subrecipient and the third party that will provide the services. The program must maintain documentation of the actual in-kind services provided to participants and in-kind contributions to the project throughout the grant period. The records must evidence how the value placed on third-party in-kind contributions was derived.

To the extent feasible, in-kind match represented by volunteer services must be documented using the same methods used by the program operator to support the allocation of regular personnel costs. Services provided by individuals must be valued at rates consistent with those ordinarily paid for similar work in the program's organization. If employees of the organization do not perform similar work, the rates must be

consistent with those ordinarily paid by other employers for similar work in the same labor market.

## 5. Examples of Match Calculations

Actual match is calculated by taking the total amount of the HUD award spent, minus any leasing, and multiplying by 0.25. The box below provides examples.

### Example A (no Leasing component)

Total HUD funding spent = \$100,000

- Rental Assistance = \$95,000
- Administrative Costs = \$5,000

Total HUD funding spent x .25 = Minimum Match Requirement

- \$100,000 x .25 = \$25,000 Match

### Example B (with Leasing component)

Total HUD funding spent = \$100,000

- Leasing = \$40,000
- Supportive Services = \$55,000
- Administrative Costs = \$5,000

Total HUD funding spent (minus Leasing) x .25 = Minimum Match Requirement

- \$100,000 (total) - \$40,000 (leasing) = \$60,000
- \$60,000 x .25 = \$15,000 Match

## F. PARTICIPATION OF INDIVIDUALS WITH LIVED EXPERIENCE

All CoC recipients and subrecipients must document compliance with the homeless participation requirements of the CoC Interim Rule.<sup>14</sup> Specifically, recipients and subrecipients must provide for the participation of not less than one homeless individual or formerly homeless individual on their board of directors or other equivalent policymaking entity, to the extent that such entity considers and makes policies and decisions regarding any project, supportive services, or the provision of CoC program assistance.

This requirement is waived if a recipient or subrecipient is unable to meet such requirement and obtains HUD approval for a plan to otherwise consult with homeless or formerly homeless persons when considering and making policies and decisions.

---

<sup>14</sup> 24 CFR §§578.75(g)



In addition, projects should involve homeless individuals and families in as many aspects of project implementation as practical, including employment, provision of volunteer services, or otherwise, in constructing, rehabilitating, maintaining, and operating facilities for the project and providing supportive services for the project.

## **G. PROJECT PERFORMANCE GOALS & EXPECTATIONS**

The following subsections outline the federal and local performance expectations for the CoC and local projects, respectively.

### **1. System Performance Measures**

HUD has developed the following seven system-level performance measures to help communities gauge their progress in preventing and ending homelessness in the CoC:

- i. Length of time persons remain homeless;
- ii. The extent to which persons who exit homelessness to permanent housing destinations return to homelessness;
- iii. Number of homeless persons;
- iv. Jobs and income growth for homeless persons in CoC Program-funded projects;
- v. Number of persons who become homeless for the first time;
- vi. Homelessness prevention and housing placement of persons defined by Category 3 of HUD's homeless definition in CoC Program-funded projects; and
- vii. Successful housing placement.

A guide on SPMs can be found [here](#).

The full set of measures compliment and balance one another. Communities should not look at just one measure but the full set. See the graphic below to view this dynamic.



## 2. Local Performance Measures

The San Francisco CoC local competition utilizes community-created scoring tools to help drive System Performance Measures, as well as local priorities such as increasing participant access to and enrollment in educational services. The San Francisco CoC, with oversight from the LHCB, has established objective scoring factors for each project component type (e.g., RRH, PSH) and/or special population served. The local scoring tools measure performance data directly from Annual Progress Reports and through other supplemental questions of performance as a factor in the rating and ranking of projects in the annual CoC application for funding. The scoring tools and competition processes are reviewed and revised on an annual basis through the LHCB's public Funding Committee. More information on meeting times and past scoring tools and processes can be found [here](#).

## H. PARTICIPANT ELIGIBILITY

HSH is responsible for ensuring that all housing and supportive services participants meet relevant eligibility criteria from initial Access Point intake through program enrollment. HSH will ensure the coordinated entry process prioritizes those most in need in our community for all available program openings.





Once HSH Coordinated Entry staff identifies a potential referral for a program, HSH CE Staff works with CE Access Point staff to confirm the participant's eligibility.

All participants' eligibility to participate in the CoC Program will have been confirmed by the time that the participant is referred for program enrollment. However, all recipients and subrecipients are responsible for ensuring that proper documentation of each participant's eligibility is maintained for at least five years after the expenditure of all funds from the grant under which the program participant was served, including by keeping such files online in the participant's ONE System profile.<sup>15</sup>

Once a participant's eligibility has been confirmed, they maintain their homeless status for the purpose of eligibility for other permanent housing programs – including chronic homelessness status for those in rapid rehousing – so long as they continue meet any other additional eligibility criteria for these programs.<sup>16</sup>



*CoC-funded programs should be aware that each year the CoC NOFA may further restrict or define who may be served in which project components. Program operators should be familiar with both the regulations regarding the applicable homeless definition and with any specific requirements imposed by the NOFA under which their grant is operating. These requirements may change as grants are renewed, so program operators should carefully read NOFA requirements each year when they submit their renewal applications to be in compliance with participant eligibility requirements.*

**Below are the standards that HSH and the Access Points use to verify participant eligibility in the primary CE and Permanent Housing project component types actively accepting referrals:**

1. Coordinated Entry
2. Rapid Rehousing
3. Permanent Supportive Housing

---

<sup>15</sup>24 CFR §578.103(c)(1)

<sup>16</sup> HUD, CoC FAQ #530, Is an individual or family that is receiving Rapid Rehousing Assistance considered chronically homeless for purposes of remaining eligible for permanent housing placements dedicated to serving the chronically homeless?, available at <https://www.hudexchange.info/faqs/530/is-an-individual-or-family-that-is-receiving-rapid-rehousing-assistance/> Note, however, that although the participants in rapid rehousing are considered chronically homeless for purposes of eligibility for other programs, the housing itself is still considered permanent housing; therefore, these participants are not considered chronically homeless (or homeless) for counting purposes, and must not be included in the CoC's sheltered point-in-time count.

## 1. Coordinated Entry

[People experiencing homelessness in San Francisco](#) are eligible for Coordinated Entry. People who are not experiencing homelessness will be redirected to other services, and people who are not living in San Francisco will be redirected to services in the community where they live.

## 2. Rapid Rehousing

All CoC-funded programs must receive all participant referrals through San Francisco's Coordinated Entry process. While Access Points will work to determine and document participant eligibility before program referral, program operators are responsible for checking all eligibility documentation provided by the Access Points to ensure all HUD requirements are satisfied.

### a. Universal Permanent Housing Application

HSR verifies RRH participant eligibility using the **Universal Permanent Housing Application**. Relevant Forms are listed below:

- Form A: Homelessness Response System Authorization for Use or Disclosure of Information
- Form B: Certification of Homelessness
- Form C1: Third-Party Homeless Certification OR
  - Form C2: Self-Certification of Homelessness
- Form E1: Household Composition + Income Certification Form
  - Form E2: Declaration of No Income (if applicable)

### b. CoC RRH Homelessness Eligibility

HUD defines four categories of homeless status. CoC RRH programs must only serve individuals and families who fall into categories 1 and 4 of HUD's definition of homelessness.<sup>17</sup> Youth Homelessness Demonstration Projects may serve unaccompanied youth and parenting or pregnant youth that fall under category 2, as well as 1 and 4.<sup>18</sup> CoC rules require documentation at intake of the evidence relied upon to establish and verify homeless status.<sup>19</sup>

---

<sup>17</sup> 24 CFR §578.37(a)(1)(ii)

<sup>18</sup> Youth Homelessness Demonstration Project Notice of Funding Availability Appendix A, Section II(C)(2). Youth Homeless Demonstration Projects also may serve unaccompanied youth and parenting or pregnant youth that meet Category 3 of the homeless definition with explicit permission from HUD.

<sup>19</sup> 24 CFR §578.103(a)(3); 24 CFR 576.500(b)



**Category 1** includes, “An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

- An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
- An individual or family living in a supervised publicly or privately-operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, State, or local government programs for low-income individuals); or
- An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.”<sup>20</sup>

**Category 2** includes, “An individual or family who will imminently lose their primary nighttime residence, provided that:

- The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
- No subsequent residence has been identified; and
- The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, needed to obtain other permanent housing.”<sup>21</sup>

**Category 4** includes, “Any individual or family who:

- Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual’s or family’s primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
- Has no other residence; and
- Lacks the resources or support networks, e.g., family, friends, and faith-based or other social networks, to obtain other permanent housing.”<sup>22</sup>

### c. Household Income

Although income is not a factor in determining eligibility for CoC programs, income at program entry must be calculated by all CoC programs because this is a required ONE

---

<sup>20</sup> 24 CFR §578.3

<sup>21</sup> Ibid.

<sup>22</sup> Ibid.

System data element.<sup>23</sup> Programs that charge rent also collect income information in order to calculate the participant's rental portion.<sup>24</sup>

As a condition of participation in the program, each participant must agree to supply the information or documentation necessary to verify the participant's income.<sup>25</sup>

Once HUD program eligibility is determined and applicants are offered participation in an HSH HUD-funded program, designated program staff will calculate participant portion of rent for each participant based on the household's income and expenses.

#### d. Immigration Status

Immigration requirements for the receipt of public benefits are governed by Title IV of the [Personal Responsibility and Work Opportunity Reconciliation Act of 1996](#) (PRWORA).<sup>26</sup> The Act generally provides that undocumented immigrants may not receive public benefits. However, rapid rehousing is among the few enumerated federally-funded housing programs that are exempt from verifying immigration status.<sup>27</sup> In addition, nonprofit organizations, that are recipients of CoC or ESG Program funds, are not required to verify the immigration status of applicants for federal, state, or local public benefits.

### 3. Permanent Supportive Housing

City and County of San Francisco CoC-funded programs must receive all participant referrals through San Francisco's Coordinated Entry process. While Access Points and emergency shelter staff will work to determine and document participant eligibility before program referral, program operators are still responsible for checking any eligibility documentation provided by the Access Points and emergency shelter staff to ensure all HUD requirements are satisfied.

#### a. Universal Permanent Housing Application

HSH verifies CoC Permanent Supportive Housing (PSH) participant using the **Universal Permanent Housing Application**. Relevant Forms are listed below:

---

<sup>23</sup> 2017 HMIS Data Standards

<sup>24</sup> 24 CFR §578.37(a)(1)(ii)(B)

<sup>25</sup> 24 CFR §578.77(c)

<sup>26</sup> <https://www.congress.gov/104/plaws/publ193/PLAW-104publ193.pdf>. See also HUD, HHS, and DOJ, *Joint Letter Regarding Immigrant Access-to-Housing and Services*, August 5, 2016.

<sup>27</sup> Transitional housing is also exempt, so long as the recipient or subrecipient is not making rental assistance payments on behalf of participants (due to an exception for programs required by regulation to limit assistance based on the participant's income). See HUD Office of Special Needs Assistance Programs, *"The Personal Responsibility and Work Opportunity Act of 1996 and HUD's Homeless Assistance Programs,"* August 16, 2016.



- **Form A:** Homelessness Response System Authorization for Use or Disclosure of Information
- **Form B:** Certification of Homelessness
  - Must show that the client meets the definition of Chronically Homeless
- **Form C1:** Third-Party Homeless Certification OR
  - **Form C2:** Self-Certification of Homelessness
- **Form D:** Verification of Disability
- **Form E1:** Household Composition + Income Certification Form
  - Source documents as listed in the form
  - **Form E2:** Declaration of No Income (if applicable)
- **One of the following:**
  - Proof of citizenship or legal resident status (i.e., US Birth Certificate, official printout from SSA, DD214<sup>28</sup>, current permanent resident card, etc.);
  - A valid social security number from the Social Security Administration:
    - If obtaining a social security card is not possible, HSH may accept official documents with the full social security number included (i.e., DD214, proof of income printout from an official source, SSA printout, etc.); and
  - A valid form of US Government-issued photo ID (i.e., CA State ID, Out of State ID, US Passport, Permanent Resident Card, Work Visa, etc.):
  - In extreme circumstances where the client is a US citizen/legal resident, but is unable to get a Government ID, the project may accept alternative forms of ID (i.e., CHANGES printout, Jail ID, etc.)
    - The project may accept alternative forms of ID only when all other options to obtain a US Government Issued ID have been exhausted.

## **b. CoC PSH Homelessness Eligibility**

PSH is made available only to individuals or families that meet [chronically homeless](#) or [DedicatedPLUS](#) requirements. Project grant agreements (or grant amendments/waivers) with HSH or HUD will indicate the required target population.

### **Chronically Homeless**

A “homeless individual with a disability,” or chronically homeless individual, is one who:

1. Lives in a place not meant for human habitation, a safe haven, or in an emergency shelter;

---

<sup>28</sup>For more information about verification and the veteran exemption, see Department of Justice, Interim Guidance on Verification of Citizenship, Qualified Alien Status and Eligibility Under Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, 62 Fed. Reg. 61344, 61345 (Nov. 17, 1997)

2. Has been homeless (as described in 1 above) continuously for at least 12 months or on at least 4 separate occasions in the last 3 years where the combined occasions must total at least 12 months; and
  - Occasions separated by a break of at least seven nights
  - Stays in institution of fewer than 90 days do not constitute a break
  - A **family** with an adult head of household (or if there is no adult in the family, a minor head of household) who meets all of the criteria in paragraphs 1 or 2 of this definition, including a family whose composition has fluctuated while the head of household has been homeless
3. Has a qualifying disability.

HUD's [Flowchart on the Chronically Homeless definition](#) is a useful tool, which provides an interactive way to help understand who meets the definition of homelessness and what documentation requirements apply.

- **Breaks in Homelessness**

A single occasion of homelessness may total any number of days. HUD considers an occasion to be any period of homelessness where the household resided in a place not meant for human habitation, an emergency shelter, or a safe haven, where that period was demarcated by a break of at least seven or more consecutive nights not residing in a place not meant for human habitation, in shelter, or in a safe haven.

In general, when individuals and families gain permanent housing, they are no longer considered homeless. Persons in HUD-funded transitional housing continue to meet the definition of literal homelessness but do not qualify as chronically homeless under the current definition and are therefore not eligible to enter any PSH project or program that is restricted to serving chronically homeless people. However, participants transferring from a permanent housing placement maintain eligibility to the CoC funded PSH portfolio provided the program participant was eligible when they enrolled.<sup>29</sup>

Veterans residing in VA-funded transitional housing, including the VA Grant and Per Diem program (GPD), do maintain their homeless and/or chronic homeless status for the purpose of determining eligibility for RRH or PSH.<sup>30</sup> Note that this differs from non-veterans living in transitional housing, who are not considered chronically homeless, regardless of their status upon entry into transitional housing.

---

<sup>29</sup> 24 CFR §11383(f)

<sup>30</sup> HUD Memo, "Guidance for Determining Eligibility for Permanent Supportive Housing for Persons Participating in Certain Department of Veterans Affairs Programs." June 25, 2013.



Participants who receive RRH, including CoC- and ESG-funded RRH participants as well as those in the Supportive Services for Veterans Families (SSVF) program, maintain their homeless status, including chronic homelessness if applicable at entry, for the purpose of eligibility for PSH programs funded through the CoC Program or HUD-VASH, provided that they meet other eligibility requirements for those programs. Participants maintain their homeless status during the time period in which they are receiving the rapid rehousing assistance.

In addition, participants receiving rapid rehousing assistance from HUD or VA who met the definition of chronically homeless upon entry into the project may also maintain their status as chronically homeless during the period in which they are receiving rapid rehousing assistance. Therefore, these individuals and families remain eligible for PSH units that have been dedicated to serve chronically homeless people.

- **Institutional Stays**

Chronically homeless individuals and households also include those currently residing in institutional care facilities:

- Whose current stay in institution is fewer than 90 days; **AND**
- Where the individual or head of household was staying in place not meant for human habitation, safe haven, or emergency shelter immediately before entering the facility

An individual who has been residing in an institutional care facility, including a jail, substance abuse or mental health treatment facility, hospital, or other similar facility, for fewer than 90 days and who met all of the criteria for chronic homelessness before entering that facility also qualifies. In addition, a family whose composition has fluctuated while the head of household has been homeless also qualifies as long as the head of household meets the definition of chronic homelessness.

- **Chronic Homeless Status for Veterans**

Please note that people who served in the US military are considered to be chronically homeless if they were chronically homeless during their current period of VA care, even if they have now entered a transitional housing or residential treatment program.

HUD recognizes the chronic status of veterans who were identified as chronically homeless by the VA at initial intake and are still in that episode of care with the VA for all PSH programs, not limited to HUD-Veterans Affairs Supportive Housing (HUD-VASH). HUD recognizes that the way the VA serves its homeless veterans is to conduct an initial verification of status but that the subsequent services are all considered part of a single service package, even when services are provided by different providers

and in different programs, referred to as an episode of care. Thus, HUD allows a veteran to maintain his/her chronic status for the purpose of those in VA's homeless response system. If a veteran was identified as chronically homeless through the VA's initial intake and continues to be served under a single episode of care, HUD would recognize that veteran's chronically homeless status for eligibility into its HUD permanent housing programs.<sup>31</sup>

- **Disability Requirements**

The term "homeless individual with a disability," Includes a person who is experiencing homelessness, as described above, and has one or more of the following:

- A physical, mental, or emotional impairment, including an impairment caused by alcohol or drug abuse, post-traumatic stress disorder, or brain injury, that:
  - Is expected to be long-continuing or of indefinite duration; and
  - Substantially impedes the individual's ability to live independently.

**OR**

- A developmental disability that:
  - is severe and chronic; **AND**
  - is manifested before the individual attains age 22; **AND**
  - is likely to continue indefinitely; **AND**
  - results in substantial functional limitations in 3 or more of the following areas of major life activity:
    - Self-care;
    - Receptive and expressive language;
    - Learning;
    - Mobility;
    - Self-direction;
    - Capacity for independent living; or
    - Economic self-sufficiency.

**OR**

- HIV or AIDS and/or another disease of acquired immunodeficiency syndrome or any condition arising from the etiologic agency for acquired immunodeficiency syndrome.<sup>32</sup>

---

<sup>31</sup> HUD FAQ #1837, February 2015.

<sup>32</sup> HUD FAQ #1837, February 2015.





- **Documentation**

Person(s) must be licensed/credentialed to perform mental health assessments (for example: LCSW, MFCC, LPHA, etc.) and substance use assessments (for example: LCSW, LPHA, CAADAC, etc.). If an Access Point employs licensed/credentialed personnel to perform mental health and/or substance use assessments, these staff may complete the *Verification of Disability* that can be found in the **Universal Permanent Housing Application**. If an Access Point does not have internal access to appropriately licensed/credentialed staff, HSH will contact a licensed/credentialed staff member to coordinate a time and place to perform an evaluation of the participant.

### DedicatedPLUS

A DedicatedPLUS project is a PSH project where the entire project will serve individuals and families that meet one of the following criteria at project entry:

- Experiencing chronic homelessness as defined above;
- Residing in a TH project that will be eliminated and meets the definition of chronically homeless in effect at the time in which the individual or family entered the TH project;
- Residing in a place not meant for human habitation, emergency shelter, or safe haven; but the individuals or families experiencing chronic homelessness had been admitted and enrolled in a permanent housing project within the last year and were unable to maintain a housing placement;
- Residing in TH funded by a Joint TH and RRH component project and who were experiencing chronic homelessness prior to entering the project;
- Residing and has resided in a place not meant for human habitation, a safe haven, or emergency shelter for at least 12 months in the last three years, but has not done so on four separate occasions; or
- Receiving assistance through a Department of Veterans Affairs (VA)-funded homeless assistance program and met one of the above criteria at initial intake to the VA's homeless assistance system.

### **c. Household Income**

Although income is not a factor in determining eligibility for CoC programs, income at program entry must be calculated by all CoC programs because is required by the ONE System data element.<sup>33</sup> Programs that charge rent also collect income information in order to calculate the participant's rental portion.<sup>34</sup>

---

<sup>33</sup> 2017 HMIS Data Standards.

<sup>34</sup> 24 CFR 578.37(a)(1)(ii)(B)

Once HUD program eligibility is determined and applicants are offered participation in an HSH HUD-funded program, HSH eligibility workers will calculate participant portion of rent for each participant based on the household's income and expenses. HUD requires CoC PSH participants that receive rental assistance (except RRH) to contribute towards rent. Participant rent portions may not exceed the highest of:

- 30 percent of the household's monthly adjusted income (adjustment factors include the number of people in the family, age of family members, medical expenses, and child-care expenses);
- 10 percent of the household's monthly gross income; or
- The portion of the household's welfare assistance, if any, that is designated for the payment of housing costs.<sup>35</sup>

If a participant's share of rent is equal to or higher than the contract rent, the subsidy will equal \$0 until the household's income decreases. The program participant will not be removed from the CoC Program because of an increase in income.

Below is an image of HSH's **CoC Subsidy and Rent Calculation Worksheet**, which includes an income evaluation form.

---

<sup>35</sup> 24 CFR § 578.77



Effective October 30, 2020 (Revised 01/15/2021)

**Occasion:**

Income Source	Family Member	Amount		Period	=	Annual Total	
	Add family member name		X		=	\$ -	
	Add family member name		X		=	\$ -	
	Add family member name		X		=	\$ -	
	Add family member name		X		=	\$ -	
	Add family member name		X		=	\$ -	
	Add family member name		X		=	\$ -	
	Add family member name		X		=	\$ -	
	Add family member name		X		=	\$ -	
<b>Income Exclusion</b>	Add family member name		X		=	\$ -	
	Add family member name		X		=	\$ -	
	Add family member name		X		=	\$ -	
	Add family member name		X		=	\$ -	
	Add family member name		X		=	\$ -	
	Add family member name		X		=	\$ -	
	Add family member name		X		=	\$ -	
	Add family member name		X		=	\$ -	
						<b>Income Subtotal</b>	\$ -
						<b>Income Exclusion</b>	\$ -
						<b>TOTAL</b>	\$ -
<b>Asset Source</b>	<b>Cash Value</b>					<b>Earned income</b>	
Total Cash Value:	\$	-	(A) Total Earned Income:	\$	-		
(B) If total is \$5K or more, x .44	\$	-	(D) Greater of B and C			\$ -	
<b>TOTAL ANNUAL INCOME</b>						\$ -	

**CoC PROVIDER: IS THE HOUSEHOLD INELIGIBLE BECAUSE TOTAL ANNUAL INCOME EXCEEDS THE INCOME LIMITATIONS FOR OCCUPANCY?** [See Guide Responsibility 2, Step 1, last tip for more information and instructions on editing this document to include local income limits]

## Agency Name:

Add agency name

2.e	Family member earnings from work which are dependent on child care		
<i>Childcare Subtotal: (I) if child care allows household to work only, c from d, but not higher than line e; (II) if child care allows household to further education, d from Line b; if child care allows both, sum of (I) and (II)</i>			
<b>Total</b>			\$ -
<b>3 Disabled (Or Handicapped) Assistance Allowance</b>			
	Disabled assistance expenses (attendant care plus auxiliary apparatus)		
3.a	Total amount of disabled assistance expenses		
3.b	reimbursed		
3.c	Net disabled assistance expenses (3a-b)		
3.d	(Multiply total annual income by 0.03)	\$ -	
3.e	(Subtract d from c)	\$ -	
3.f	Family member earnings dependent on the disabled assistance		
Disabled Assistance/Adjusted Income Subtotal - lesser of e or f			
<b>Total</b>			\$ -
<b>4 Medical Expenses of Elderly or Disabled Allowance</b>			
4.a	Medical expenses		
4.b	Total amount of medical expenses reimbursed		
4.c	Net medical expenses (4a-b)	\$ -	
Medical Expenses Subtotal: if 3.e is more than 0, enter the amount from 4.c; otherwise add 3.c and 4.c and subtract 3.d			
<b>Total</b>			\$ -
<b>5 Elderly or Disabled Persons Household (Family) Allowance</b>			
	Is Elderly/Disabled/Handicapped? (Y/N)		
<b>Total</b>			\$ -
<b>TOTAL ALLOWANCES</b>			\$ -
<b>TOTAL TENANT PAYMENT (TTP)</b>			
Annual Adjusted Income (Total Annual Income - Total Allowances)			\$ -
30% of Monthly Adjusted Income			\$ -
10% of Monthly Income			\$ -
If applicable: lesser amount of rent the program has chosen to charge- Insert Monthly Rental Amount calculated per your programs' formula [See Guide Responsibility 2, Step 7]			
(Larger of Lines 33 or 34 except for SHP programs which choose to charge less, then Line 35)			
<b>AMOUNT PER MONTH TO BE CHARGED FOR RESIDENT RENT</b>			\$ -
<b>RENT DETERMINATION</b>			
<b>Gross Rent (contract rent + utility allowance)</b>			\$ -
	Contract Rent (Rent to Owner)		
	Utility Allowance		
<b>Maximum Voucher Subsidy (lesser of the two - TPP)</b>			\$ -
	Applicable Payment Standard		
	Gross Rent	\$ -	
	(lesser of the applicable payment standard & gross rent)	\$ -	
<b>Total Family Contribution (gross rent - maximum subsidy)</b>			\$ -
<b>Housing Voucher Subsidy (equals the lesser of gross rent minus family contribution; maximum subsidy; or contract rent)</b>			\$ -
<b>Tenant Rent (contract rent - housing voucher subsidy)</b>			\$ -
<b>Utility Allowance Payment</b>			\$ -



- **Documentation<sup>36</sup>**

For each participant who receives housing assistance where rent is paid by the participant, HSH must keep the following documentation of annual income<sup>37</sup> that goes to the family head or spouse (even if temporarily absent) or to any other family member **during the 12-month period following admission or annual recertification** effective date:

- Income evaluation form within the **CoC Subsidy and Rent Calculation Worksheet** (shown above);

**AND**

- Source documents (e.g., most recent wage statement, unemployment compensation statement, public benefits statement, bank statement, letter from employer) for the assets held by the participant and income received before the date of the evaluation that would be predictive of the next 12 months of income.

**OR**

- To the extent that source documents are unobtainable, a written statement by the relevant third party (e.g., employer, government benefits administrator) or the written certification by HSH intake staff of the oral verification by the relevant third party of the income the participant received over the most recent period that would be predictive of the next 12 months of income;

**OR**

- To the extent that source documents and third-party verification are unobtainable, the written certification by the participant of the amount of income that the participant is reasonably expected to receive over the 12-month period following the evaluation.

**OR**

- Declaration of no income. (Contained in the **Universal Permanent Housing Application**).

#### **d. Immigration Status**

The [Personal Responsibility and Work Opportunity Reconciliation Act of 1996](#) provides that undocumented immigrants may not receive public benefits. CoC PSH programs

---

<sup>36</sup>24 USC 578.103(a)(6)

<sup>37</sup> Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

overseen by HSH must comply with this law by restricting undocumented immigrants' access to CoC-funded PSH.<sup>38</sup>

However, there are several exceptions to PRWORA. *Lawful Permanent Residents* may receive public housing benefits, including PSH, under PRWORA. "*Qualified aliens*" are also exempted from PRWORA's citizenship requirements and may be eligible for PSH. A qualified alien is defined as, "an alien who, at the time the alien applies for, receives, or attempts to receive a Federal public benefit, is:

- An alien who is lawfully admitted for permanent residence under the Immigration and Nationality Act;<sup>39</sup>
- An alien who is granted asylum under section 208 of such Act;<sup>40</sup>
- A refugee who is admitted to the United States under section 207 of such Act;<sup>41</sup>
- An alien who is paroled into the United States under section 212(d)(5) of such Act<sup>42</sup> for a period of at least 1 year;
- An alien whose deportation is being withheld under section 243(h) of such Act<sup>43</sup> or section 241(b)(3) of such Act;<sup>44</sup>
- An alien who is granted conditional entry pursuant to section 203(a)(7) of such Act;<sup>45</sup> or
- An alien who is a Cuban and Haitian entrant;<sup>46</sup> as well as
- [A]n alien who...has been battered or subjected to extreme cruelty in the United States by a spouse or a parent, or by a member of the spouse or parent's family residing in the same household as the alien and the spouse or parent consented to, or acquiesced in, such battery or cruelty, but only if (in the opinion of the agency

---

<sup>38</sup> <https://www.congress.gov/104/plaws/publ193/PLAW-104publ193.pdf>. Nonprofit charitable organizations are not required under PRWORA "to verify the immigration status of applicants" for benefits. However, if a government entity "performs verification for benefits provided through a nonprofit charitable organization," the exception does not apply. We understand this provision to mean that the nonprofit subrecipients of the San Francisco of Homelessness and Supportive Housing's CoC funds are bound by the government's obligation to ascertain documentation status for benefits, consistent with 8 U.S.C. § 1642. *See also 62 Fed. Reg. 61344.*

<sup>39</sup> 8 U.S.C. 1101 et seq.

<sup>40</sup> 8 U.S.C. 1158

<sup>41</sup> 8 U.S.C. 1157

<sup>42</sup> 8 U.S.C. 1182(d)(5)

<sup>43</sup> 8 U.S.C. 1253 as in effect immediately before the effective date of section 307 of division C of Public Law 104–208

<sup>44</sup> 8 U.S.C. 1231(b)(3) as amended by section 305(a) of division C of Public Law 104–208

<sup>45</sup> 8 U.S.C. 1153(a)(7) as in effect prior to April 1, 1980

<sup>46</sup> As defined in section 501(e) of the Refugee Education Assistance Act of 1980



providing such benefits) there is a substantial connection between such battery or cruelty and the need for the benefits to be provided...."<sup>47</sup>

- **Documentation**

Access Point workers must collect the following forms of proof of immigration status:

- Proof of citizenship or legal resident status (i.e., US Birth Certificate, official printout from SSA, DD214,<sup>48</sup> current permanent resident card, etc.);
- A valid social security number from the Social Security Administration:
  - If obtaining a social security card is not possible, HSH may accept official documents with the full social security number included (i.e., DD214, proof of income printout from an official source, SSA printout, etc.); and
- A valid form of US Government-issued photo ID (i.e., CA State ID, Out of State ID, US Passport, Permanent Resident Card, Work Visa, etc.):
  - In extreme circumstances where the participant is a US citizen/legal resident, but is unable to get a Government ID, the project may accept alternative forms of ID (i.e., CHANGES printout, Jail ID, etc.)
  - The project may accept alternative forms of ID only when all other options to obtain a US Government Issued ID have been exhausted.

## **I. PROGRAM OPERATIONS & RELATED REQUIREMENTS**

The following section describes CoC-required initial and ongoing activities, operations, and evaluations.

### **1. Acceptable Unit / Dwelling Sizes<sup>49</sup>**

Each dwelling unit must have at least one bedroom or living/sleeping room for each two persons. Children of opposite sex, other than very young children, must be able to stay in separate bedrooms or living/sleeping rooms. Studios are acceptable.

---

<sup>47</sup> 8 U.S.C. § 1641

<sup>48</sup>For more information about verification and the veteran exemption, see Department of Justice, Interim Guidance on Verification of Citizenship, Qualified Alien Status and Eligibility Under Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, 62 Fed. Reg. 61344, 61345 (Nov. 17, 1997)

<sup>49</sup> 24 CFR §578.75(c)(1)

**Note on live-in aides:** HUD regulations require program operators to include any approved live-in aide(s) when determining the family unit size. A live-in aide is someone who is needed to provide assistance to a qualified individual with a disability.

## 2. Rent Reasonableness and Fair Market Rent (FMR)

Although CoC awards are made based on local FMRs, HUD will only provide CoC assistance for a housing unit if the rent is reasonable.

### a. Definitions

**Rent reasonableness** means that the total rent charged for a unit must be reasonable in relation to the rents being charged for similar units in the private market. These rents also must not be more than rents being charged by the same owner during the same time period for comparable units not assisted with federal funds.

To make this determination, the recipient or subrecipients must consider:

- Location, quality, size, type, and age of the unit; and
- Any amenities, housing services, maintenance and utilities to be provided by the owner.

**Fair Market Rent (FMR)** represents the rent amount for a unit, determined by HUD annually, based on unit size and geographic location.



*FMRs for each fiscal year can be found by visiting HUD's website [here](#) and clicking on the current "Individual Area Final FY20XX FMR Documentation" link.*

### b. Leasing v. Rental Assistance

#### **Rules for Leasing**

Funds can only be used to pay for units that are determined to be rent reasonable. FMR cannot be exceeded.

#### **Rules for Rental Assistance**

Funds can only be used to pay for units that are determined to be rent reasonable. Funds can be used to pay for units that exceed FMR if they are determined to be rent





reasonable.<sup>50</sup> *Please keep in mind that projects must still serve the number of participants they were awarded to serve.*

### c. Comparing Rents and Rent Studies

In order to determine if a unit is rent reasonable, the program operator must check comparable unit rents by using a market study of rents charged for units of different sizes in different locations or by reviewing advertisements for comparable rental units. Generally, a program participant's case file will include the unit's rent and description, a printout of three comparable units' rents, and evidence that these comparison units shared the same features (location, size, amenities, quality, etc.). Another acceptable method of documentation is written verification signed by the property owner or management company, on letterhead, affirming that the rent for a unit assisted with CoC Program funds is comparable to current rents charged for similar unassisted units managed by the same owner.



***HSH and/or its subrecipients must complete the **Rent Reasonableness Worksheet** to document rent reasonableness. (See screenshot of worksheet below.) No CoC funding may be used otherwise.***

**HUD has helpful resource** on this topic, *including how to conduct rent reasonableness studies*, linked [here](#).



**For rent studies, projects should use city boundaries lines, at a minimum (e.g., San Francisco, Oakland, Richmond), and include at least 3 units in rent studies.**

### d. Rent Study Examples

#### **Example 1**

A case manager is looking to house a mother and son in a rapid rehousing program and has identified a 2-bedroom unit at a rent of \$1,600 per month, not including utilities (the tenant's responsibility). The utility allowance established by the SFHA is \$150. Therefore, the gross rent is \$1,750. A check of three similar units in the neighborhood through Craigslist reveals that the average rent for the three comparable units (without utilities) is \$1,800 for a gross comparable rent of \$1,950. The program may use rental assistance funds to subsidize the unit for the family.

#### **Example 2**

A case manager is looking to house a mother with two small children in a rapid rehousing program and has identified a 2-bedroom unit at a rent of \$2,000 per month, not including utilities (the tenant's

<sup>50</sup> HUD, CoC FAQ #1538, May CoC Program funds for rental assistance be used to pay rent for units above the FMR? (2014), available at <https://www.hudexchange.info/faqs/1538/coc-program-funds-for-rental-assistance-be-used-to-pay-rent-for-units/>.

responsibility). The utility allowance established by the SFHA is \$150. Therefore, the gross rent is \$2,150. A check of three similar units in the neighborhood through Craigslist reveals that the average rent for the three comparable units in this neighborhood (without utilities) is \$1,800, for a gross comparable rent of \$1,950. The program may not use rental assistance funds to subsidize the unit for the family as the gross rent for the unit exceeds the rent-reasonableness standard.

### **Example 3**

A permanent supportive housing program is looking to lease a 3-bedroom unit for a family. The program finds a housing unit for \$2,400, including all utilities. A check of three similar units in the neighborhood through Craigslist reveals that the average rent for the three comparable units is \$2,500. The FMR for 3-bedroom units, however, is only \$2,200. Since CoC Program leasing funds may only provide assistance up to the FMR, the recipient would either need to identify additional resources to make up the difference between the gross rent and the FMR (i.e.,  $\$2,400 - \$2,200 = \$200$ ) or another unit would need to be identified.



## Housing Subsidy Programs Rent Reasonableness Worksheet

<b>Subject Unit:</b>	
<b>Bedroom Size:</b>	<input type="checkbox"/> SRO <input type="checkbox"/> Studio <input type="checkbox"/> One <input type="checkbox"/> Two <input type="checkbox"/> Three <input type="checkbox"/> Four
<b>Bathrooms:</b>	<input type="checkbox"/> Shared <input type="checkbox"/> One <input type="checkbox"/> Two <input type="checkbox"/> Three <input type="checkbox"/> Four
<b>Square ft.:</b>	
<b>Utilities Included:</b>	<input type="checkbox"/> PG&E <input type="checkbox"/> Water <input type="checkbox"/> Garbage <input type="checkbox"/> Sewer <input type="checkbox"/> Trash Collection
<b>Requested Rent:</b>	\$
<b>HUD Fair Market:</b>	\$

	Comparable #1	Comparable #2	Comparable #3
<b>Address</b>	2091 California Street, Berkeley, CA 94703	2255 Hearst Street, Berkeley CA, 94709	2451 Le Conte Ave. Berkeley, CA, 94709
<b># of Bedroom/Bathroom</b>	Studio/1 ba.	Studio/1 ba.	Studio/1 ba.
<b>Monthly Rent</b>	\$1,750	\$1,795	\$1,695
<b>Location (describe how location makes unit comparable: district, street, etc.)</b>	Central Berkeley	Downtown Berkeley	Downtown Berkeley
<b>Year Built</b>	Unknown	Unknown	Unknown
<b>Size (est. square feet)</b>	Unknown (not ideal)	378	Unknown
<b>Unit Type (SRO, studio, etc.)</b>	Studio	Studio	Studio
<b>Other Amenities (list amenities that make this unit comparable)</b>			

**Comparable #1**

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

Owner Name (if applicable): \_\_\_\_\_

Owner Name &amp; Phone: \_\_\_\_\_

**Comparable #2**

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

Owner Name (if applicable): \_\_\_\_\_

Owner Name &amp; Phone: \_\_\_\_\_

**Comparable #3**

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

Owner Name (if applicable): \_\_\_\_\_

Owner Name &amp; Phone: \_\_\_\_\_

**Certification**

<b>Effective Date:</b>	<b>11/9/2020</b>
<b>Reasonable Rent (average of three comparable rents):</b>	<b>\$1,746.66</b>
<b>Estimated monthly rent :</b>	
<b>Approved Rent:</b>	

- ☐ Rent Increase Request   ☐ Comparable Details   ☐ Fiscal Consideration  
☐ Approval/Denial Letter

<b>Certified by:</b>	
<b>Title:</b>	
<b>Signature:</b>	
<b>Date:</b>	
<b>Note:</b>	



### 3. Housing Quality Standards (HQS)

In order to ensure that all households receiving CoC-funded housing assistance reside in safe, adequate housing, HUD requires that each unit pass a *Housing Quality Standard (HQS) Inspection* before a new participant moves in (AND at least annually thereafter). These standards are the same as the ones used for the *Housing Choice Voucher (HCV)* program, so inspection forms and guidance may be marked as such. The linked [HQS Inspection Form](#) provides additional guidance and is appropriate for recording the results of an inspection.

#### a. Initial HQS Inspection

All housing leased with CoC Program funds, or where rental assistance payments are made with CoC Program funds, must meet HQS prior to participant move in. The 13 HQS categories are:

1. Sanitary facilities
2. Food preparation and refuse disposal
3. Space and security
4. Thermal environment
5. Illumination and electricity
6. Structure and materials
7. Interior air quality
8. Water supply
9. Lead-based paint
10. Access
11. Site and neighborhood
12. Sanitary condition
13. Smoke detectors

**For PSH**, HSH is responsible for the scheduling and completion of each HQS inspection. Absolutely no funds will be made available on units that have not completed and passed the HQS inspection process. Housing providers will contact HSH staff to schedule a unit inspection when a unit is posted as vacant in the ONE System.

**For RRH**, subrecipients are responsible for completion of each HQS inspection. Absolutely no funds can be made available to units that have not completed and passed the HQS inspection.

#### b. Lead-Based Paint Standards

HQS sets standards to address potential lead-based (LBP) paint hazards in HUD-assisted housing. The standards apply to any housing constructed prior to 1978, except housing for the elderly or persons with disabilities (unless any child who is less than six years of age resides or is expected to reside in such housing) or any 0-bedroom dwelling or SRO unit.

Properties that have been inspected according to HUD regulations and certified as having no lead paint and properties in which all lead-based paint was identified and removed according to HUD standards are also exempt.<sup>51</sup>

All housing projects are required to provide an EPA-approved lead hazard information pamphlet entitled [\*Protect Your Family from Lead in Your Home\*](#) or its equivalent to prospective residents. ***Projects should maintain proof of the LBP information pamphlet that was provided to participants (e.g., participant signs copy of pamphlet for file).***

If the project is classified as tenant-based rental assistance and the dwelling unit will be occupied by a child less than six years of age, the HQS inspector must conduct a visual inspection in order to identify any deteriorated paint. If the visual inspection shows deteriorated paint that exceeds the limits listed on the [HQS Inspection Form](#), the property owner must stabilize any deteriorated paint, and the unit must be cleared for occupancy by a trained or certified inspector. Ongoing LBP maintenance activities must be incorporated into regular building operations. Further actions are required if a child less than six is identified as having an environmental intervention blood lead level.<sup>52</sup>

For project-based or sponsor-based rental assistance, if a project receives an average of \$5,000 or less per unit per year, as with TBRA, recipients or subrecipients must take steps to identify and stabilize deteriorated paint, obtain clearance, and incorporate ongoing LBP maintenance activities. If the rental assistance is greater than \$5,000 per unit per year, the recipient or subrecipient must do a more comprehensive risk assessment and conduct internal controls.<sup>53</sup> As with TBRA, clearance must be obtained, and ongoing LBP maintenance activities must be incorporated into regular building operations. These rules apply to all units in target housing, not just units which a child less than six is about to occupy.<sup>54</sup>

For properties using CoC funds for leasing, services, or operating costs, program operators must take steps to identify and stabilize deteriorated paint, obtain clearance and incorporate ongoing LBP maintenance activities. The program should work with HSH to determine whether the cost of evaluation and hazard reduction is to be borne by the owner, the program or a combination of the owner and the program, based on program requirements and local program design.<sup>55</sup>

In all cases, if inspection, testing, stabilization, or remediation is required, it must be done in accordance with detailed standards beyond the scope of this Guide which can be found in 24 CFR Part 35, Subparts B and R.

---

<sup>51</sup> 24 CFR §35.115

<sup>52</sup> 24 CFR Part 35 subpart M, as referenced in 24 CFR 982.401(j) and in 24 CFR §578.75(b)

<sup>53</sup> 24 CFR §35.86

<sup>54</sup> 24 CFR §35 subpart H, as referenced in 24 CFR §578.75(b)

<sup>55</sup> 24 CFR §35 subpart K, as referenced in 24 CFR §578.75(b)



*An online training for conducting visual Lead-Based Paint inspections can be found [here](#).*

### c. Abatement

Units for which HSH is the direct subrecipient of CoC assistance are allowed three opportunities to pass an HQS inspection. Units that fail their third inspection are placed into abatement. HSH shall not issue CoC leasing or rental assistance funds for units that have not been inspected, have failed inspection, or that are in abatement. Program operators may not collect a tenant's share of rent for a unit that has been put into abatement because of an owner's failure to address HQS inspection concerns.<sup>56</sup>

### d. Annual HQS Inspection

Program operators must ensure that all units are inspected before initial occupancy and at least annually during the grant period to ensure that the units continue to meet HQS.

Households completing their annual recertification and inspection process will be contacted directly by HSH staff to schedule an appointment for the annual HQS inspection. Participants whose units are funded with CoC funds must permit initial and annual HQS inspections of their unit. Units that do not complete or pass an annual inspection successfully are not eligible for ongoing rental assistance until completed and passed.

In order to provide continuity and safety to households receiving CoC-funded HSH housing assistance, HSH asks providers to assist in ensuring that the HQS process can be completed. Participants and/or landlords/property management/a representative of the housing sponsor agency must be present to open the door for the staff person conducting the HQS inspection. Participants that miss more than two (2) HQS inspection appointments will be in jeopardy of losing their subsidy, given assistance cannot be provided for uninspected or failed units.

## 4. Participant Rent and Occupancy Charges

Depending on the project component type (e.g., PSH, RRH) or eligible cost line item (i.e., rental assistance vs. leasing), program operators may or may not be required to charge rent or occupancy charges.

---

<sup>56</sup> 24 CFR § 578.75(b)(1)

**HSH is responsible for calculating PSH participant rent, regardless of whether using Leasing or Rental Assistance.** Once a referral has been made to a program, HSH Federal Housing Subsidy Intake Specialists will calculate these amounts using the policies and procedures below. HSH PSH subrecipients shall not independently calculate tenant rent. In contrast, **RRH Rental Assistance subrecipients should calculate rent** consistent with the methodologies outlined below for RRH projects.

**Leasing** programs (PSH or TH) *may* charge occupancy charges or rent to program participants. Occupancy charges and rent from program participants must be calculated as provided in § 578.77 of the CoC Interim Rule. More info on that below.

### **Rental Assistance**

- **PSH and TH:** Participants receiving rental assistance must pay rent as provided in § 578.77 of the CoC Interim Rule.<sup>57</sup> More info on that below.
- **RRH** projects must follow the written policies and procedures established by the CoC, including standards for determining what percentage or amount of rent each participant must pay while receiving RRH assistance.<sup>58</sup> CoCs have broad discretion over the amount of rental assistance that can be provided to a program participant receiving RRH assistance. More info on that below.

### **a. Calculating Participant Rent<sup>59</sup>**



Click [here](#) for HSH's **CoC Subsidy & Rent Calculation Worksheet**

### **PSH Rent Calculation**

The amount of rent charged (or occupancy charge) to participants is based on the expected household income to be received over the next 12 months. If rent is charged, the amount may not exceed the highest of:

- 30 percent of the family's monthly adjusted income
- 10 percent of the family's monthly gross income

***The process for determining income for a participant is in the next section.***

If the participant pays some or all utility costs, an allowance for these costs must be deducted from the rent. Utilities include gas, electricity, water, sewage, and trash disposal. Utilities do not include the cost of a telephone line, Internet or cable television.

<sup>57</sup> 24 CFR § 578.77(c); 42 USC §1437a(a)(1)

<sup>58</sup> 24 CFR § 578.37(a)(1)(ii)(A))

<sup>59</sup> 24 CFR §578.77(b)





The monthly allowance for utilities depends on the types of utilities used and the size of the apartment. The 2021 [utility allowances](#) are established by the San Francisco Housing Authority (SFHA) and are updated annually. These must be adhered to if a participant is responsible for rent.

For HUD guidance on calculating rent and including utility allowances, click [here](#).

### **RRH Rent Calculation**

RRH programs in San Francisco can use the following methods for calculating participant rent:

- Each program participant pays a fixed percentage of income toward rent;
- Each program participant pays a rent contribution based on an incremental, sliding scale;
- Each program participant pays a fixed amount or percent of the rent (e.g., \$1000 per month or 50% of the monthly rent); or
- Each program participant pays a rent contribution that increases over time until the program participant is paying 100% of the monthly rent.

For HUD guidance on calculating rent and including utility allowances, click [here](#).

For CoC and ESG RRH components, ***specific populations*** (i.e., *Youth, Families*) should have their rent calculated in the same fashion regardless of if it is CoC- or ESG-funded. Below is a table showing the current sources of funding (CoC or ESG) for each population:

Population	CoC	ESG
Youth	✓	n/a
Families	✓	✓
Adults	n/a	✓
Domestic Violence	✓	n/a

### **b. Determining Income<sup>60</sup>**

Use HSH's **CoC Subsidy & Rent Calculation Worksheet** to record income, exclusions, and allowances.

Gross income includes total income and revenue from all sources. For individuals, it means total income before tax deductions and tax charges. For multi-person households, income should include the total of all gross income received by any household member except live-in aids and children under the age of 18.

---

<sup>60</sup> 24 CFR §5.609

Typically, gross income will be estimated based on recent past income. However, the rental calculation should be based on the expectation of income to be received over the next 12 months, so if a household's income has recently changed, or is anticipated to change, this should be taken into consideration. Income should be calculated using the instructions below.

### ***Step 1: Determine gross annual income***

Gross income includes wages, disability benefits, unemployment benefits, social security or other retirement benefits, CalWORKs benefits, and County Adult Assistance Programs (CAAP) benefits, as well as various other less common income sources. Employment income includes the gross income prior to any payroll deductions and including any bonuses, tips, overtime pay or other compensation. Note that if an SSI/SSDI recipient is having money withheld due to an overpayment or other penalty, the amount of the grant before the deduction is the amount that should be used when calculating income.

The following forms of income are specifically **excluded**:

Lump sum retroactive SSI payments
Employment income that is disregarded for SSI recipients under the PASS program
Food stamps and WIC <sup>61</sup>
Income of a live-in aide
Temporary non-recurring payments—this includes gifts and employment income that is not expected to be available in the future, such as income from being a census worker (seasonal employment such as summer employment or holiday employment is, however, included)
Income from job training programs or resident services stipends (up to \$200 per month)
Income from employment of children under the age of 18
Financial aid (grants, school loans, work-study program) as long as a participant is school

### ***Step 2: Determine deductions<sup>62</sup>***

In order to determine the adjusted income, certain deductions must be taken:

- If the program participant has any dependents, the annual income amount should be reduced by \$480.

---

<sup>61</sup> HUD, Occupancy Requirements of Subsidized Multifamily Housing Programs (Rev. 2013), Chapter 5, available at <https://www.hud.gov/sites/documents/43503C5HSGH.PDF>.

<sup>62</sup> 24 CFR §5.611(a)



- All households with a member who is 62 years or older or disabled are entitled to a deduction of \$400 from their annual income.
- Child-care costs that are necessary to maintain employment are deductible.
- The sum of the following should be deducted, to the extent the sum exceeds three percent of annual income:
  - Unreimbursed medical expenses of any elderly family or disabled family member
  - Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each disabled family member, to the extent necessary to enable any member of the family (including the person with disabilities) to be employed. This deduction may not exceed the earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus.

The amount of the deductions for medical and attendant care should be based on expected expenses during the following year, not the expenses of the previous year. Anticipated medical expenses may be guided, however, by the medical expenses the participant paid in the 12 months preceding the certification less any one-time non-recurring expenses. Written documentation such as a medical bill that shows the patient co-pay amount or a receipt of payment must be provided verifying the anticipated amount of these expenses.

### c. Documenting Income<sup>63</sup>

For each program participant who pays rent, the program operator must maintain:

- An income evaluation form (Use HSH's *CoC Subsidy & Rent Calculation Worksheet*); and
- Source documents (e.g., most recent wage statement, unemployment compensation statement, public benefits statement, and bank statement) for all assets and income.

**If source documents are unobtainable**, obtain a written statement by the relevant third party (e.g., employer, government benefits administrator) or written certification by the intake staff of oral verification by a third party of the income received.

**If source documents and third-party verification are unobtainable:** Obtain a written certification by the program participant of the amount of income that the program participant is reasonably expected to receive over the coming 12-month period.

---

<sup>63</sup> 24 CFR §578.103(6)

**Below are examples of acceptable proof of income.** This is not a complete list of all acceptable documentation types but describes many of the most common sources of income:

- **Bank statements:** Two months of most current bank statements from all adult members of the household.
- **Public benefits statement:** Verification letter/statement from a caseworker of the benefits agency (i.e., CalWORKs, SSI, CAAP, SSDI, Child Support, Veterans benefits) indicating the number of benefits received, and the start date of the benefit.
- **Employment wages:** Two months of most current consecutive paystubs.
- **New employment wages:** If a participant recently started a new job and has not received at least one month of paystubs, an employment verification letter from employer, stating gross wages and hours, overtime pay for this year, or annual salary.
- **Seasonal/irregular employment:** If a participant is seasonally/irregularly employed, the most current Federal Income Tax Return Form 1040 AND most current two months of paystubs for the employment AND employment verification from employer, which indicates the period of the year that the participant will work as a seasonal employee, or discontinued employment.
- **Self-reported income:** When self-reporting income, from activities such as recycling, day labor, etc., most current Federal Income Tax Return Form 1040 with 1040 Schedule C and/or Form 8829 and self-declaration verification letter from customer/participant or certified self-affidavit letter.
- **Self-employment:** Verification letter from customer/participant to prove continuing, discontinued, or temporarily discontinued self-employment services (i.e., housekeeping, childcare, contract labor).
- **Unemployment benefits:** Unemployment benefits verification letter from EDD.
- **No income** – All adults in the household who currently have no income must complete and sign Form E2, *Declaration of No Income*, contained in the **Universal Permanent Housing Application**.
- **Note on Financial Aid:** If a student age 18 or older is receiving financial aid, it is recommended that the program operator obtain a current school schedule and school year financial aid letter. Although financial aid (grants, school loans, work-study programs) is not considered income, as long as a participant is attending school, the program operator should obtain financial aid statements for their records.

#### d. Reassessment of Income<sup>64</sup>

Program operators must examine a program participant's income initially, annually, and any time there is a change in family composition (e.g., birth of a child) or other significant change that could affect income. If there is a decrease in the resident's income during the

---

<sup>64</sup> 24 CFR §577(c)(2)



year, the resident may request an interim reexamination, and the rental amount should be adjusted accordingly.

#### e. Prohibition on Charging Program Fees<sup>65</sup>

Although rent or occupancy charges are allowed, programs are not permitted to impose program fees on participants. Any amount charged above the allowable rent or occupancy charge is considered a fee and is not allowed. Examples of such prohibited fees include fees for laundry or cleaning services, childcare, transportation, or case management.

### 5. Annual Recertification Requirements

CoC recipients must re-evaluate, not less than once annually, that each enrolled program participant lacks sufficient resources and support networks necessary to retain housing without Continuum of Care assistance and the types and amounts of assistance that the program participant needs to retain housing. This section describes the recertification protocols that all CoC recipients and subrecipients must follow.

#### a. Income & Rent

Within 30 days of each participant's enrollment anniversary (on either side of the anniversary date), direct recipients and HSH subrecipients shall collect current income information for the participant's entire household. Programs should upload **Form E1: Household Composition + Income Certification Form** and **Form E2: Declaration of No Income** as applicable into the participant's profile in the ONE System, inclusive of all source documents (e.g., most recent wage statement, unemployment compensation statement, public benefits statement, bank statement), third party statements (e.g., employer, government benefits administrator), or other the written certification by the program participant of the amount of income that the program participant is reasonably expected to receive over the 12-month period following the income evaluation.<sup>66</sup>

For **PSH** projects, once all income and household documentation has been collected, HSH Federal Housing Subsidy Intake Specialists will calculate a new rent for the household.

For **RRH** projects, once all income and household documentation has been collected, the program operator should calculate a new rent for the household.

---

<sup>65</sup> 24 CFR §578.87(d)

<sup>66</sup> 24 CFR §578.103(a)(6)

## b. HQS Inspection

All CoC-funded units must be inspected at least annually during the grant period to ensure that the units continue to meet HQS.<sup>67</sup> For more information about HQS inspection requirements, please see this Guide's section above on *Housing Quality Standards*.

## c. Services Plan

Each program must conduct an annual assessment of services for participants who remain in the project for more than a year and adjust the service package accordingly.<sup>68</sup> Such assessments should be logged into the ONE System directly.

## d. Annual Assessment in ONE System

Within 30 days of each participant's enrollment anniversary (on either side of the anniversary date), direct recipients and HSH subrecipients must enter required information in the ONE System regarding active participants. This includes household income, receipt of benefits/health insurance, and housing status (if changed). Changes such as the development of a disabling condition or a change in household composition should be recorded at this time if not previously recorded.

Summary of Annual Recertification Requirements	
<b>Income &amp; Rent</b>	<p>Participants must have annual recertifications of income, and the participant's rent should be adjusted accordingly.<sup>69</sup></p> <p>In addition to continue to receive CoC RRH assistance, a program participant's recertification must demonstrate continued eligibility based on:</p> <ul style="list-style-type: none"><li>• <b>Lack of resources and support networks</b> – The program participant's household must continue to lack sufficient resources and support networks to retain housing without CoC program assistance.</li><li>• <b>Need</b> – The program must determine the amount and type of assistance that the individual or family will need to (re)gain stability in permanent housing.<sup>70</sup></li></ul>
<b>HQS</b>	<p>Program operator must inspect all units at least annually during the grant period to ensure that the units continue to meet HQS.<sup>71</sup></p>

<sup>67</sup> 24 CFR §578.75(b)(2)

<sup>68</sup> 24 CFR §578.53(a)(2)

<sup>69</sup> 24 CFR §578.77(c)(2)

<sup>70</sup> 24 CFR §578.37(a)(1)(ii)(E)

<sup>71</sup> 24 CFR §578.75(b)(2)



<b>Services plan</b>	Each program must conduct an annual assessment of services for participants who remain in the project for more than a year and adjust the service package accordingly. <sup>72</sup>
<b>Annual Assessment in ONE System</b>	At least annually, while a participant is enrolled in a program, certain information must be updated in the ONE System. Information that must be confirmed at the time of the update and revised if there has been a change includes income, benefits receipt, and employment status. Other changes such as the development of a disabling condition or a change in household composition should be recorded at this time if not previously recorded.

## 6. Participant Grievance Policy

All services contracted by the Department of Homelessness and Supportive Housing (HSH) must comply with all Federal, State, and local laws and regulations, including Fair Housing. Further, the San Francisco Homelessness Response System does not tolerate discrimination on the basis of any protected class—including actual or perceived race, ethnicity, color, religion, national origin, sex, age, familial status, disability, sexual orientation, gender identity, or marital status— during any phase of the Coordinated Entry or housing assistance. Additionally, all participants are entitled to fair, respectful, and equitable treatment. This [policy](#) outlines the steps a participant should take to inform HSH of any unresolved grievance.

## 7. Meal Preparation Facilities<sup>73</sup>

Each program operator that provides permanent supportive housing for homeless persons with disabilities must ensure that meal preparation facilities are available to residents. This requirement is satisfied either by each unit having its own kitchen or by having communal kitchens that are shared among several residents (as is sometimes the case in SRO projects). If the site does not have meal preparation facilities, the program must provide meals.

## 8. Services Requirements and Housing First<sup>74</sup>

To the extent practicable, each project must provide supportive services for participants, which may be designed by the recipient or participants, in accordance with [Housing First](#). Each program must conduct an ongoing assessment of the supportive services needed by the residents of the project, the availability of such services, and the coordination of services needed to ensure long-term housing stability and must make adjustments as appropriate.

Only projects whose primary purpose is to provide substance use treatment services may require participants to take part in substance use treatment services as a condition of continued program participation.

---

<sup>72</sup> 24 CFR §578.53(a)(2)

<sup>73</sup> 24 CFR §578.75(d)

<sup>74</sup> 24 CFR §578.75(e) and (h)

## a. Case Notes

To support participants' efforts to gain housing stability and reach other goals, case managers or other staff must meet periodically with the participant. The frequency and content of these meetings will vary from participant to participant and program to program. To be able to track the agreements made with the participant, and to be able to demonstrate that services have been provided as required, service providers must keep records of each of their interactions with participants and other organizations or persons connected to supporting the participant. These records are usually referred to as "case notes" and may be kept on paper in a confidential participant file, or may be recorded in a program database, including in the ONE System, as long as participant confidentiality is protected.

HUD does not have specific case note requirements but, in order to ensure that the notes demonstrate that the requirements for the particular program have been met, the notes should minimally include:

- The name of the participant
- The name of the person making the note
- The date and time of the interaction or activity
- The names and organizations of any other persons involved in the interaction, such as an eligibility worker from another program with whom the case manager has spoken about the participant
- A brief summary of the interaction or activity undertaken
- A summary of any next steps agreed to or anticipated response or information from another party

Agencies should be very careful about sharing information about a participant's disability, domestic violence status, or other confidential information. For example, in a permanent supportive housing program, service provision notes should be kept separately from tenancy files and should not be shared with property management staff.

An agency that works with disabled participants may wish to produce summary forms for participant interactions and record detailed case notes separately to further protect participant confidentiality. A monitoring agency may not need to see the detailed notes if the information above is included in a summary format. Program operators are encouraged to have their own policies and procedures for case noting and to periodically self-monitor their records.





### Sample Case Note – Rapid Rehousing Program

Participant: Jon Doe

Date: 3/31/2021, 2:30 pm

Met with Jon to discuss his housing search activities. Jon reports seeing two listings for units he can afford but is not sure about the neighborhood. We discussed how he could find out more using the internet and talking to other participants who are familiar with the neighborhood. Jon also mentioned that he has a lead on a job with a roofing company. He asked how he could get new work boots. I made a referral to Salvation Army Clothing for Work program. We will meet again on 4/2/2021 to complete applications that are being sent here.

*Signed by Jane Lane, Case Manager*

### b. Supportive Services Coordination<sup>75</sup>

Each program must provide residential supervision “as necessary to facilitate the adequate provision of supportive services to the residents of the housing.” This means that for any CoC-funded program or project that provides any type of housing assistance (i.e., TH, RRH, or PSH), there must be staff or a staff person who is responsible for supervising the direct delivery of services to ensure they are adequate and appropriate. Staff must have sufficient knowledge to provide or to supervise the provision of supportive services to the residents.

## 9. Reporting Significant Violations

All project sponsors must provide information regarding significant incidents involving participants using the **Critical Incident Report Form**. If there are problems at a housing site, it is best to report these problems to the HSH Federal Subsidy Team as soon as it is reasonably possible.

### a. Justification for Reporting Significant Violations

Reports should be submitted if there is an incident that is intolerable to the point that continuation of CoC financial assistance is at stake. It is important to communicate major incidents to HSH to ensure that appropriate steps are taken and so that HSH can monitor potential problems.

---

<sup>75</sup> 24 CFR §578.75(f)

## b. Types of Violations

The following types of violations must be reported:

- Incidents involving violence or harm against, or threat to well-being of, one or more participants, staff, visitors, or third-party vendors;
- Incidents involving other serious violations of CoC Program rules;
- Incidents involving significant landlord/tenant disputes that are not reaching speedy resolution through the program operator's own internal grievance/complaint processes (this does not include nonpayment of rent); and
- Other incidents that may receive public attention.

## c. Process for Reporting Violations

Any incident involving a violation listed above must be documented on the **Critical Incident Report Form**. Any warning letters and/or other supporting documentation referencing the violation should be attached to the *Critical Incident Report* form. All *Critical Incident Report* forms must be reviewed and signed by a supervisor prior to sending them to HSH.

Forms should be sent to the [HSH Federal Subsidy Team Manager](#). All incidents must be reported to HSH within five (5) business days of their occurrence.

For other types of incidents, program operators may send copies of relevant documentation on the forms currently used by their agency, such as building incident reports or case notes.

## 10. Programs Serving Families with Children

Programs serving families with children under 18 must comply with the following:

### a. Educational Needs of Children<sup>76</sup>

Program operators must take the educational needs of children into account when families are placed in housing. To the extent practicable, families with children should be placed close to their school of origin so as not to disrupt a child's education. Any barriers should be documented in both the program participant and project files.

---

<sup>76</sup> 24 CFR §578.23(c)(7)



## **b. Prohibition Against Involuntary Family Separation<sup>77</sup>**

The age and gender of a child under age 18 must not be used as a basis for denying any family's admission to a project. For example, families with teenage children of either gender may not be denied a place in a housing program that serves families with children under the age of 18.

## **11. Institutionalization or Incarceration**

Participants who are occupying units subsidized with CoC funds may enter an institution (jail, hospital, treatment program) for up to 90 days and continue to receive assistance on their unit. After 90 days, the unit must be considered vacant and the program may no longer expend CoC funds to hold the unit for the participant.

## **12. Changing Site Location<sup>78</sup>**

Participants receiving tenant-based rental assistance (TBRA) that maintain communication with the program, should retain their rental assistance if they move as long as the location does not prohibit the facilitation and coordination of supportive services.

### ***Belief of imminent threat of harm***

Participants who have been a victim of domestic violence, dating violence, sexual assault, or stalking; and who reasonably believe they are imminently threatened by similar harm (incl. include threats from a third party, such as a friend or family member of the perpetrator of the violence) if they remain in the assisted unit; and are able to document the violence and basis for their belief; may retain the rental assistance and move to a different Continuum of Care geographic area if they are moving to protect their health and safety.

For each program participant receiving tenant-based rental assistance who has moved to a different CoC geographic area in response to imminent threat of further domestic violence, dating violence, sexual assault, or stalking, each program operator must retain the following:

- Documentation of the original incident of domestic violence, dating violence, sexual assault, or stalking, only if the original violence is not already documented in the program participant's case file
- Documentation of the reasonable belief of imminent threat of further domestic violence, dating violence, sexual assault or stalking

---

<sup>77</sup> 24 CFR §578.93(e)

<sup>78</sup> 24 CFR §578.51(c) and §578.103(5)

This may be written observation by the housing or service provider; a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom the victim has sought assistance; medical or dental records; current restraining order; recent court order or other court records; law enforcement report or records; communication records from the perpetrator of the violence or family members or friends of the perpetrator of the violence, including emails, voicemails, text messages, and social media posts; or a written certification by the program participant to whom the violence occurred or the head of household.

### 13. Transfer Policy

This policy covers San Francisco CoC permanent housing projects, including Permanent Supportive Housing (PSH) and Rapid Rehousing (RRH) for which placements are made through the Coordinated Entry process.<sup>79</sup>

#### a. Purpose

The San Francisco Department of Homelessness and Supportive Housing (HSH) provides funding, services and referrals to a range of different supportive housing sites and programs. Tenants of these sites or programs may from time to time require a transfer to a different site or program. This policy outlines the circumstances under which a Tenant may qualify for an inter-property transfer (“transfer”) and the process for such a transfer to be requested, documented, approved and implemented.

#### b. Definitions

- **Authorized Provider Staff:** The property manager or other staff of a CoC program who is specifically authorized to submit a Transfer Request on behalf of the agency.
- **Housing Opportunity Pool:** The list kept by HSH of open and soon to be open permanent housing options and programs that are available for those in need of a transfer outside of their current program or site.
- **Program Manager:** HSH Manager authorized to review and approve or reject transfer requests.
- **Program Analyst:** HSH staff person who may follow up on incomplete requests, and who may advise authorized Provider staff when a transfer opportunity becomes available.

---

<sup>79</sup> The CoC only has one longstanding Transitional Housing (TH) project so there are no others to transfer to within the CoC, however an Authorized TH provider staff should contact their Program Manager to ensure transfers out of TH can be made if necessary.



- **Provider Staff:** Property management and/or supportive services staff who may interact with a Tenant to assist in problem solving, facilitate an inter-program transfer, support the completion of a Transfer Request, and support a Tenant to move.
- **Reasonable Accommodation:** A Reasonable Accommodation is a change, exception, or adjustment to a rule, policy, or practice that provides a tenant with a disability an equal opportunity to use and enjoy a dwelling, public and common use areas of a housing property. For the purposes of this policy, a reasonable accommodation occurs when a transfer is requested to accommodate an eligible tenant's request that cannot be reasonably accommodated at their current housing.
- **Tenant:** A resident household of one or more persons within a permanent housing project or program. Unless otherwise noted, "Tenant" in this policy refers to the entire household eligible to live at the site or participate in the PSH program.
- **VAWA:** The Violence Against Women Act which covers certain aspects of transfer prioritization and practice. While the title of the Act refers to women, it applies to all individuals who are survivors of domestic violence, dating violence, sexual assault or stalking.

### c. Policy

Tenants may request, and if approved according to this policy, receive, a transfer from their PSH unit to another PSH unit OR from their RRH unit to another RRH unit.

1. **Life Safety:** A transfer due to life safety may be initiated if:
  - A tenant is in danger due to a severe medical crisis or condition that cannot be addressed or is exacerbated by where they are living;
  - Any member of the tenant household faces imminent danger in their current placement due to violence, or believes there is a threat of imminent harm from further violence if the tenant remains in the same dwelling unit;
  - The tenant or any member of the tenant's household was the victim of a sexual assault that occurred on the premises during the 90-calendar-day period preceding the date of the request for transfer; or
  - The tenant's unit has been deemed uninhabitable and no safe habitable unit is available within the same site.
2. **Reasonable Accommodation:** A tenant with a verified disability does not have equal opportunity to use and enjoy the dwelling and/or public and common use areas due to conditions at the site or unit that cannot be reasonably accommodated while remaining at the same location.
3. **Change in Household Size or Eligibility Factor:** The Tenant no longer qualifies for the program or unit in which they are living but continues to qualify for PSH or RRH. This may be due to change in household size through adoption or birth of child, change in custody status, or other household change that cause the housing to be outside the occupancy range or household composition requirements for the current unit.

In all cases (except 1b or 1c above), the referring Provider must determine that the situation cannot be reasonably or safely addressed in a reasonable amount of time through an intra-property transfer (also known as an *internal transfer*) or other means. If no safe or reasonable resolution is possible within the property or program, the Tenant may initiate a transfer request with support from the Provider (also known as an *external transfer*), using the required forms and with appropriate supporting documentation, following the procedure outlined in the next section.

For situations under 1b or 1c, VAWA permits a client to seek an internal and external emergency transfer at the same time if a safe unit is not immediately available. The program will take reasonable steps to support them in securing a new safe unit as soon as possible.

HSH will review all completed requests and respond within 10 days, or sooner where there are imminent life safety issues.

Tenants approved for transfer are placed in the Housing Opportunity Pool and receive referrals to appropriate openings as they become available, per the procedure below. Under most circumstances, Tenants approved for transfer may reject two housing offers before the request will be considered closed.

There is no limit on the number of transfer requests that can be initiated by a Tenant if new or recurring circumstances justify the request.

#### **d. Procedure**

##### **i. Initial Requirements**

Providers must provide a [Notice of Occupancy Rights](#) and a [5382 Certification form](#) at each of the following times:

- The household is denied assistance
- The household is admitted to the program
- The household receives notification of eviction
- The household is notified of termination of assistance

The *Notice of Occupancy Rights* explains VAWA protections, including the right to confidentiality & limitations of the protections.

The *5382 Certification Form* is to be completed by the survivor to document an incident of domestic violence, dating violence, sexual assault, or stalking.



## ii. Transfer Request Process

### Provider Responsibilities

- Prior to preparing a Transfer request, Provider will engage with Tenant to discuss changes to the Tenant's needs. If the situation cannot be resolved in a reasonable amount of time through an intra-property transfer or other means, authorized Provider staff provide the Tenant with the **Tenant Transfer Referral Form** and support the Tenant to obtain required documentation.<sup>80</sup> Transfers based on VAWA eligibility should use the **Life Safety Transfer Referral Form: VAWA**.
  - Providers will ensure strict confidentiality measures are in place to prevent disclosure of the location of the client's new unit to a person who committed or threatened to commit an act of domestic violence, dating violence, sexual assault, or stalking against the client.
- Once the authorized staff has received and validated any required documentation from the Tenant, the Provider completes the *Provider Request Transfer Referral Form*. All Reasonable Accommodation transfer referrals must go through the Provider's 504 coordinator or similar position for review and validation of supporting documents (e.g., confirming medical provider letters).
- Authorized Provider staff submit both required forms and supporting documentation to HSH staff within **one business day** of receiving complete documentation of the transfer referral request from the Tenant.
- Provider must respond to requests for additional information from HSH as needed to evaluate the request.
- Once a determination is received from HSH, authorized Provider staff inform the Tenant of the determination within two business days of receiving a final response.

### HSH Review and Response

- HSH staff will review the *Provider Request Transfer Referral Form*, *Tenant Transfer Referral Form*, and all supporting documentation related to the transfer referral. If provided documentation is incomplete or lacks sufficient information for HSH to make a determination, HSH will advise the Provider and Tenant of the missing information within five days. A Program Analyst may conduct additional inquiry with Provider (property management or supportive services staff) as part of the evaluation of the request, when necessary.
- HSH will approve or deny the transfer request based on all available information and submit the decision on the *Provider Request Transfer Referral Form* to the Provider within ten working days of receiving the request, unless the request presents emergency circumstances that require a more immediate response. Responses from HSH staff will be provided on the *Tenant Transfer Referral Form*.

---

<sup>80</sup> See the **Transfer Request Recommended Documentation Table** below for guidance regarding types of supporting documentation that will be accepted.

- Approved and denied transfer requests must be documented in HSH's ONE System.<sup>81</sup>

### iii. Referral to Housing Process

Approval of a transfer request places the Tenant in the pool of potential applicants pending availability of an appropriate unit. HSH does not guarantee transfers to a specific site; potential applicants are matched to available units based on need and amenities available at the site.

Where a family separates as part of an emergency transfer, the family member(s) receiving the emergency transfer will retain the rental assistance when possible. The program will work with the CoC and the household to support an effective transfer in situations where the program is not a good fit for the family member(s) receiving the emergency transfer.

#### When a Unit or Opening is Offered

- HSH staff will contact the household's current Provider when the next appropriate housing resource is identified and available, to conduct necessary screening in accordance with current San Francisco Coordinated Entry Standards.
- Authorized Provider staff will act as liaison between the Tenant, HSH, and the new housing provider. If required, authorized Provider staff must submit any applications and documentation of household size, income, and/or certification of disability needed for the new unit within 5 business days – extensions may be granted, including such extensions required to accommodate a disability (for a maximum of 3 one-week extensions).
- Eligibility factors documented at the time of placement with the current housing provider, such as status of homelessness, will be accepted as qualifying for the new housing provider and do not need to be redocumented.
- The timeline of appointments with the new building will be communicated in writing to the current housing provider to share with the Tenant.
- Failure to respond to communications and requests for updated information (or failure to transfer to the available unit), may result in the unit or opening being offered to another member of the pool.

---

<sup>81</sup> Per VAWA, Programs must retain records of all emergency transfer requests and their outcomes for a period of 5 years following the grant year of the program in which the household was a participant and report them to HUD annually.





#### iv. **Completing the Move**

- A Tenant approved for a transfer may remain in their current unit until a new unit or program is identified, provided they continue to abide by all program rules and regulations and that it is a safe and viable option.
- The Provider supporting the transfer to another property is responsible for a warm hand-off to new property, including arranging for a property tour, assisting the Tenant to meet with new property staff or other similar arrangements to accommodate a successful move-in.
- The Tenant must relinquish their current unit within 7-15 days of the lease start date for their new unit. Extensions required to accommodate a disability may be granted, up to a maximum of 30 days.
- Following a successful transfer, authorized housing Provider staff will update necessary information in the ONE System regarding the transfer. If the site or program is not currently in the ONE system, requests for transfers will be tracked in an alternate format.

##### Refusal of Offer

A Tenant is not required to accept the new housing offer. However, refusing housing opportunities may significantly increase the length of time before receiving another offer to apply for alternative housing.

If a Tenant refuses two housing offers, the request to transfer may be considered closed and the Tenant will no longer be considered part of the pool considered for transfer to another site without re-starting a new request. Additional offers may be made under certain extenuating circumstances, such as a VAWA situation in which the offered units would not provide sufficient safety, units offered are in an area that would specifically endanger the Tenant due to past gang affiliation or similar circumstances, or the Tenant's application was denied by the new housing provider.

If the transfer request is the result of a change in household size or other eligibility criteria, and the Tenant refuses to move to another property with an appropriate size unit or for which they otherwise qualify, subsidy may be terminated for the Tenant household – as described in the [\*HSH Subsidy Revocation Policy\*](#).

#### v. **Life Safety and Requests for Emergency Transfer Under VAWA**

##### Life Safety Transfer Timing and Availability

HSH cannot guarantee how long it will take to identify an appropriate alternative unit. However, HSH will act as quickly as possible to move a Tenant experiencing a life safety event, including a medical crisis or domestic violence, dating violence, sexual assault, human trafficking, child or elder abuse, or stalking to another unit on-site, subject to availability and safety of a unit. If a tenant believes a proposed transfer on-

site would not be safe, the Tenant may request an internal and external transfer to a different site following the above policy, with response and review to be expedited.

In addition, if no safe alternative unit is immediately available, HSH and Provider Staff will assist the Tenant to identify other permanent or temporary housing options that may be safe and available to which the Tenant could move or stay temporarily. This may include a shelter or other temporary housing. Provider staff are encouraged to provide resources to survivors of domestic violence, dating violence, sexual assault, human trafficking, or stalking.

### **Emergency Transfer under the Violence Against Women Act**

In accordance with the Violence Against Women Act (VAWA), a Tenant who is experiencing domestic violence, dating violence, sexual assault, and/or stalking, as provided in HUD's regulations at 24 CFR part 5, subpart L, is eligible for a life safety transfer from the Tenant's current unit to another unit if the Tenant reasonably believes that there is a threat of imminent harm from further violence if the Tenant remains within the same unit, or if the sexual assault occurred on the premises within the 90-calendar-day period preceding a request for an emergency transfer.

Provider staff must follow a VAWA compliant internal and external transfer processes for any VAWA-covered emergency transfer requests.

### **vi. Type of Transfer Request and Documentation**

<b>Life Safety/Emergency Transfer Request</b>		
<b>Qualifying Circumstances</b>		<b>Recommended Documentation</b>
<b>1.</b>	<ol style="list-style-type: none"> <li>1. The tenant is a survivor of domestic violence, dating violence, sexual assault or stalking;</li> <li>2. The tenant expressly requests the transfer; <i>and</i></li> <li>3. Either: <ol style="list-style-type: none"> <li>a. The tenant reasonably believes there is a threat of imminent harm from further violence if the client remains in the same dwelling unit; or</li> <li>b. The tenant is a survivor of sexual assault that occurred on the premises during the 90-calendar-day period preceding the date of the request for transfer.</li> </ol> </li> </ol>	<ul style="list-style-type: none"> <li>• A complete HUD-approved certification <a href="#">Form 5382</a>;</li> <li>• A written request, signed by the tenant. The tenant's written request for a transfer should include either: <ul style="list-style-type: none"> <li>○ A statement expressing that the tenant reasonably believes that there is a threat of imminent harm from further violence if the tenant were to remain in the same dwelling unit assisted under program; OR</li> <li>○ A statement that the tenant was a sexual assault survivor and that the sexual assault occurred on or near the housing site during the 90-calendar-day period preceding the tenant's request for a transfer; OR</li> <li>○ The HSH provided <b>Life Safety Transfer Referral Form: VAWA</b>); OR</li> <li>○ Third party verification from certain professionals, which can include a service provider, an attorney, a medical professional, mental health professional or other treating</li> </ul> </li> </ul>



		<p>professional the survivor has sought assistance related to the event.</p> <ul style="list-style-type: none"> <li>• A record of a Federal, State, Tribal, territorial or local law enforcement agency, court, or administrative agency; or</li> <li>• At the discretion of authorized housing provider staff, a statement or other evidence provided by the tenant.</li> </ul>
2.	The tenant or any household member is participating in a witness protection program in order to avoid reprisal as a result of providing information about a crime to a law enforcement agency or participation in a witness protection program.	<ul style="list-style-type: none"> <li>• Evidence of participation in the witness protection program provided by the law enforcement agency that is coordinating the program and has secured the resident's participation.</li> </ul>
3.	Immediate health need of tenant as verified in writing by medical provider. (This need may also fit into the Reasonable Accommodation category but can be prioritized as a Life Safety transfer when the situation prevents access to/use of the current housing unit).	<ul style="list-style-type: none"> <li>• Verification from a licensed medical professional. Verification should also (a) describe the needed transfer, and (b) the relationship between the health issue and the need for the requested transfer referral.</li> <li>• If the issue related to the need is self- apparent and can be documented by the housing provider (e.g., tenant now requires a wheelchair and lives on the second floor of a building that does not have an elevator), verification from a licensed medical professional may be waived.</li> </ul>
4.	<p>Uninhabitable condition: when conditions exist in the tenant's unit or building that pose an immediate, verifiable threat to the life, health, or safety of the tenant or family members that cannot be abated by intra-property transfer or temporary relocation of the tenant. In these instances, immediate relocation is required as a result of the following:</p> <ul style="list-style-type: none"> <li>• Destruction by fire or other disaster (including, but not limited to, a flood, earthquake, or other natural or man-made disaster); or</li> <li>• The existence of a major maintenance or defect problem that constitutes a serious danger to health and safety.</li> </ul>	<ul style="list-style-type: none"> <li>• The housing provider is responsible for documenting the uninhabitable condition, which may be verified by HSH. Documentation should explain why the situation cannot be abated either by intra-property transfer or by temporary relocation of less than one year.</li> </ul>
<b>Reasonable Accommodation</b>		
<b>Qualifying Circumstances</b>		<b>Recommended Documentation</b>
1.	A tenant or any household member with a verified disabling condition requires an accommodation that cannot be reasonably provided in their existing site. Reasonable accommodation transfer requests may include but are not limited to: the need to be in a ground floor unit or a unit with an accessible path; the need for an accessible unit; or transportation barriers.	Authorized housing provider staff <b>must verify before submission to HSH</b> that (1) the person meets the California Fair Employment and Housing Act's definition of disability, meaning they have a physical or mental impairment that limits one or more major life activities, or a record of having, or being perceived as having, a physical or mental impairment), (2) describes the needed transfer, (3) shows the relationship between the person's disability and the need for the requested transfer referral, and (4) detail the

		<p>accommodation needed to ensure the tenant has an equal opportunity to use and enjoy the housing property.<sup>82</sup></p> <p>Verification of disability from an appropriate provider must be obtained. A doctor or other medical professional (including mental health providers) are considered appropriate providers.</p>
<b>Change in Household Size or Eligibility Factor</b>		
<b>Qualifying Circumstances</b>		<b>Recommended Documentation</b>
<b>1.</b>	<p>A tenant household has changed in number of household members and no longer fits the occupancy range for the current unit.</p> <p>Note: Being out of compliance with program rules due to unauthorized household members does not qualify for an eligibility transfer.</p>	<p>Documentation of the change in household size may include proof of pregnancy, birth of a child with birth certificate, death of a household member, documentation of custody of minors, a letter from a social service provider of imminent reunification, written notice from the head of household that a household member has moved out, or a copy of documentation from property management that an additional household member has been <i>authorized</i> to move in.</p>
<b>2.</b>	<p>Other change in eligibility such that the household no longer meets legally admissible and funder-required criteria for the unit, building or program.</p>	<p>Documentation of a change in income, or other status that no longer qualifies the tenant for housing at the particular site, unit or program.</p> <p><b>If a tenant is unable to provide documentation to determine eligibility and is at risk of losing their subsidy,</b> authorized provider staff may submit a transfer request to prevent an eviction.</p>
<b>SEE RELEVANT FORMS BELOW</b>		

<sup>82</sup> U.S. Department of Housing and Urban Development guidelines state “A provider is entitled to obtain information that is necessary to evaluate if a requested reasonable accommodation or modification may be necessary because of a disability. The provider may request only information that is necessary to evaluate the disability and/or disability-related need for the accommodation. This information may be from the requesting individual, medical professional, a peer support group, a non-medical service agency, or a reliable third party who is in a position to know about the individual's disability. In most cases, an individual's medical records or detailed information about the nature of a person's disability is not necessary for this inquiry and may be inappropriate”

[https://www.hud.gov/program\\_offices/fair\\_housing\\_equal\\_opp/reasonable\\_accommodations\\_and\\_modifications](https://www.hud.gov/program_offices/fair_housing_equal_opp/reasonable_accommodations_and_modifications)



## Provider Request for Transfer Referral Form

This form is to be completed by Authorized Housing Provider Staff on behalf of a tenant requesting a referral from one housing unit/building to another. Approval of the referral is not a guarantee of other housing; rather, approval allows the tenant to enter the pool of potential applicants pending availability of an appropriate unit. Final approval is completed by HSH staff and will be provided on the accompanying Tenant Transfer Referral Form.

Tenant Name: \_\_\_\_\_ Date: \_\_\_\_\_

Current Building: \_\_\_\_\_ Current Unit #: \_\_\_\_\_

Staff Name: \_\_\_\_\_ Title/Agency: \_\_\_\_\_

Staff Phone #: \_\_\_\_\_ Staff Email: \_\_\_\_\_

### **Reason for transfer referral request:**

- ☐ **Life Safety:** The tenant or family who lives with them in the unit face imminent, documented danger at the current placement (explain):  
\_\_\_\_\_  
\_\_\_\_\_  
Please attach at least one of the following forms of documentation:
- ☐ Police report or restraining order
  - ☐ VAWA approved documentation
  - ☐ Letter of support from the case manager / service provider, outlining: exact nature of danger/threat, precisely how a referral to another unit or building will improve the tenant's safety
  - ☐ Other: \_\_\_\_\_
- ☐ **Reasonable Accommodation:** The tenant has submitted a request for a Reasonable Accommodation that was unable to be met onsite.  
Please attach:
- ☐ Copy of the Reasonable Accommodation Request form, associated documentation supporting the request, and what by Property Management has done to accommodate the request.
- ☐ **Eligibility:** The tenant no longer meets the building/unit eligibility requirements, including subsidy or unit occupancy range:
- ☐ Explain and include any supporting documentation: \_\_\_\_\_

*- Please submit the Transfer Referral Request Form to the HSH Program Manager/staff assigned to your property –*

The San Francisco Department of Homelessness and Supportive Housing (HSH) offers residents the opportunity to request a transfer from their current unit. This form is to be completed for the purposes of a transfer referral request. Please provide all documentation that will help staff to understand the reason of your transfer request. Please submit the completed form and any documentation to on-site services staff. *Note: If you are experiencing or have experienced domestic violence, dating violence, sexual assault, human trafficking, or stalking, you may qualify for protections under the Violence Against Women Act (VAWA). Contact your Property Manager, Support Services staff or other community organizations for assistance.*

**Reason for request:**

- ☐ **Life Safety:** I or my family face imminent, documented danger at the current placement (explain):

\_\_\_\_\_

Please attach the following forms of documentation (if applicable):

- ☐ Police report or restraining order
- ☐ VAWA approved documentation (see Life Safety Transfer Referral Form: VAWA)
- ☐ Letter of support from the case manager / service provider, outlining: exact nature of danger/threat, precisely how a referral to another unit or building will improve the tenant's safety
- ☐ Other: \_\_\_\_\_
- ☐ **Reasonable Accommodation:** I have submitted a request for a Reasonable Accommodation that was not met onsite.  
Please attach:
- ☐ Copy of the Reasonable Accommodation Request form and associated documentation supporting the request, such as documentation from medical provider.
- ☐ **Eligibility:** The tenant no longer meets the building/unit eligibility requirements, including program requirements or household size:
- ☐ Explain and include any supporting documentation: \_\_\_\_\_

By submitting this form, I acknowledge that:

- Approval of my request is not a guarantee of other housing; rather, the transfer will also depend on availability of an appropriate unit.
- I may continue to live in my current unit as long as I abide by all Program Rules and regulations.
- Information regarding my request will be shared with HSH staff. HSH staff may contact my case manager and/or Property Management for more information, if needed.
- If my request is approved—and if I am offered alternative housing—I am not required to accept the new placement; however, denying housing opportunities may significantly increase the length of time before receiving another offer to apply for alternative housing.
- Decision will be communicated by HSH or site staff who will notify me.

Tenant Name (Print): \_\_\_\_\_

Date: \_\_\_\_\_

Tenant Signature: \_\_\_\_\_

*To be completed by HSH staff only:*

☐ Approved

☐ Not Approved

\_\_\_\_\_  
HSH Staff Signature

\_\_\_\_\_  
Date Received

\_\_\_\_\_  
Date Decision Sent to Provider Staff



If you are experiencing or have experienced domestic violence, dating violence, sexual assault, and / or stalking, and you are seeking an emergency transfer from your current unit, you may use this form to certify that you meet the requirements of eligibility for an emergency transfer under the Violence Against Women Act (VAWA). Although the statutory name references women, VAWA rights and protections apply to all individuals experiencing domestic violence, dating violence, sexual assault and / or stalking. Using this form does not necessarily mean that you will receive an emergency transfer.

**The requirements you must meet are:**

- (1) You are experiencing or have experienced domestic violence, dating violence, sexual assault, and / or stalking.** If your housing provider does not already have documentation that you are experiencing domestic violence, dating violence, sexual assault, or stalking, your housing provider may ask you for such documentation. In response, you may submit Form HUD-5382, or any one of the other types of documentation listed on that Form. Ask your housing provider for a copy of the [Form HUD-5382](#).
- (2) You expressly request the emergency transfer.** Submission of this form confirms that you have expressly requested a transfer. Your housing provider may choose to require that you submit this form or may accept another written or oral request. Please see your housing provider's emergency transfer plan for more details.
- (3) You reasonably believe you are threatened with imminent harm from further violence if you remain in your current unit.** This means you have a reason to fear that if you do not receive a transfer you would suffer violence in the very near future.

**OR**

**You are experiencing or have experienced sexual assault and the assault occurred on the premises during the 90-calendar-day period before you request a transfer.** If you are experiencing or have experienced sexual assault, then in addition to qualifying for an emergency transfer because you reasonably believe you are threatened with imminent harm from further violence if you remain in your unit, you may qualify for an emergency transfer if the sexual assault occurred on the premises of the property from which you are seeking your transfer, and that assault happened within the 90-calendar-day period before you submit this form or otherwise expressly request the transfer.

**Submission of Documentation:** If you have third-party documentation that demonstrates why you are eligible for an emergency transfer; you should submit that documentation to your housing provider if it is safe for you to do so. Examples of third party documentation include, but are not limited to: a letter or other documentation from a service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom you have sought assistance; a current restraining order; a recent court order or other court records; a law enforcement report or records; communication records from the perpetrator of the violence or family members or friends of the perpetrator of the violence, including emails, voicemails, text messages, and social media posts.

**TO BE COMPLETED BY OR ON BEHALF OF THE PERSON REQUESTING A TRANSFER**

1. Name of individual requesting emergency transfer:
2. Name(s) of other individuals listed on the lease:
3. Current address:
4. Preferred contact information:
5. Date(s), Time(s), and location(s) of incident(s) (approximate is okay):
6. Did the incident occur in the past 90 days on the premises of the property from which the individual is seeking a transfer? If yes, skip question 7. If no, fill out question 7.
7. Describe why the individual believes they are threatened with imminent harm from further violence if they remain in their current unit.
8. If voluntarily provided, list any third-party documentation you are providing along with this notice:

**Confidentiality:** All information provided to your housing provider concerning the incident(s) of domestic violence, dating violence, sexual assault, or stalking, and concerning your request for an emergency transfer shall be kept confidential. Such details shall not be entered into any shared database. Employees of your housing provider are not to have access to these details unless to grant or deny VAWA protections or an emergency transfer to you. Such employees may not disclose this information to any other entity or individual, except to the extent that disclosure is: (i) consented to by you in writing in a time-limited release; (ii) required for use in an eviction proceeding or hearing regarding termination of assistance; or (iii) otherwise required by applicable law.

This is to certify that the information provided on this form is true and correct to the best of my knowledge, and that the individual named above in Item 1 meets the requirement laid out on this form for an emergency transfer. I acknowledge that submission of false information could jeopardize program eligibility and could be the basis for denial of admission, termination of assistance, or eviction.

Signature: \_\_\_\_\_ Signed on (Date): \_\_\_\_\_





## 14. Housing Participants Outside of San Francisco

**A program participant may choose to move outside of the CoC's geographic area if the following conditions are met:**

- The decision to choose housing or move outside of the CoC's geographic area is made in consultation between the participant and the CoC-funded program.
- The program has the ability to comply with all CoC Program requirements in the geographic area where the housing selected by the participant is selected, including ensuring the housing meets required safety and quality standards, calculating the program participant's income for determining rent contributions, conducting an annual assessment of the participant's service needs, making supportive services available for the duration of the participant's residence in the project, ensuring supportive services are provided in compliance with all State and local licensing codes, and providing monthly case management.

***The only reason the program may decline a participant's request to choose housing or move outside of the CoC's geographic area is that the program cannot reasonably meet all statutory and regulatory program requirements.***

If the participant's request to move is declined, but the participant believes the provider could have reasonably accommodated the request, the participant may contact the LHCB or HUD directly.

The CoC where the participant chooses to move is not involved in the decision and may not prohibit individuals from using their rental assistance in the CoC area.

**Note:** The program participant record should remain in the ONE System.

## 15. Exit Requirements

Participants leave programs for many reasons, including completing the program successfully, leaving before completion for a variety of reasons, and becoming ineligible due to changes in their circumstances. When a participant leaves a program, the program must be sure to follow specific exit requirements.

### a. Transitional Housing Time Limits<sup>83</sup>

A homeless individual or family may remain in transitional housing for a period longer than 24 months if permanent housing for the individual or family has not been located or if the individual or family requires additional time to prepare for

---

<sup>83</sup> 24 CFR §578.79

independent living. However, HUD may discontinue assistance for a transitional housing project if more than half of the homeless individuals or families remain in that project longer than 24 months.

## **b. Termination of Participants<sup>84</sup>**

### **Termination of Assistance**

The program may terminate assistance to a program participant who violates program requirements or conditions of occupancy. Termination does not bar the program from providing further assistance at a later date to the same individual or family.

### **Due Process**

In terminating assistance to a program participant, the program must provide a formal process that recognizes the rights of individuals receiving assistance under the due process of law. This process, at a minimum, must consist of:

- Providing the program participant with a written copy of the program rules and the termination process before the participant begins to receive assistance;
- Written notice to the program participant containing a clear statement of the reasons for termination;
- A review of the decision, in which the program participant is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision; and
- Prompt written notice of the final decision to the program participant.

### **Hard-to-House Populations**

Programs providing permanent supportive housing for hard-to-house populations of homeless persons must exercise judgment and examine all extenuating circumstances in determining when violations are serious enough to warrant termination so that a program participant's assistance is terminated only in the most severe cases.

## **c. HMIS Exit**

When a participant leaves a program, for any reason, their ONE System record must be updated to reflect their exit, including the date that the participant was no longer enrolled, their destination and reason for leaving the program. As with the program

---

<sup>84</sup> 24 CFR §578.91



entry, the required exit information must be entered for all members of a household. For adults, the record must also reflect their income, employment, and benefit receipt status at the time of the exit.

## 16. Recordkeeping Requirements<sup>85</sup>

Recipients (and in the absence of specific policies from the recipient, subrecipients) must establish and maintain standard operating procedures for ensuring that the CoC Program funds are used in accordance with the requirements of the CoC Program. All records (or copies of records) containing information related to CoC Program funds and activities must be retained and kept accessible for five years.

Records must include evidence of eligibility for each participant, income documentation, service records, evidence of HQS inspections and rent reasonableness for each assisted unit, documentation of required matching funds, documentation of expenditures and evidence that required policies are in place.



*A complete description of recordkeeping requirements can be found in the [CoC Interim Rule](#) at § 578.103.*

## J. GRANT ADMINISTRATION

In San Francisco, most projects are operated by an agency that is a subrecipient to HSH, which is the HUD-designated recipient of CoC funds. In some cases, the agency operating the program is a direct grantee of HUD, or recipient, rather than a subrecipient to HSH. Both direct grantees and HSH subrecipients are responsible for ensuring that HUD requirements are met and that grants are administered according to applicable regulations. There are several administrative requirements mandated by HUD as part of the grant management processes.

CoC grants generally must be renewed annually through San Francisco's local application process, as governed by the annual HUD CoC NOFA. The renewal process is described in the next section. Applicants are notified by HUD whether their grant was renewed and at what amount, typically several months following the submission of the application.

---

<sup>85</sup> 24 CFR §578.103

## 1. Technical Submission and Executing Contracts<sup>86</sup>

### a. Technical Submission Process

After the initial announcement of the grant award, recipients must complete the **Technical Submission process** before HUD will execute a grant agreement. The Technical Submission must be completed each time the grant is renewed, which for most grantees is annually. HSH subrecipients should work with HSH to provide the necessary information for submission. Direct recipients must submit the Technical Submission directly to HUD.

The Technical Submission is an opportunity for the applicant to correct any errors HUD has identified in the original application or to make minor changes to the proposed project. The components of the Technical Submission include the following steps:

- i. HUD uploads the Technical Submission form in the online grant management portal called [e-snaps](#). The Technical Submission form includes an “Issues and Conditions” section that defines any problems HUD has identified in the application and requests additional information or clarification.
- ii. HUD notifies recipients when the Technical Submission form is ready in *e-snaps*.
- iii. Recipients acknowledge Issues and Conditions in *e-snaps* and provide any requested information or documents. This can include either budget or programmatic information or changes.
- iv. Recipients provide detail concerning administrative costs and project milestones.
- v. Recipients may be required to attach supporting documentation (examples listed below) as required for the resolution of Issues and Conditions and the satisfaction of program requirements.
- vi. The local HUD Office of Community Planning and Development (CPD) field office reviews the Technical Submission form in *e-snaps* for approval.

---

<sup>86</sup> HUD, FY 2018 CoC Program Recipient’s Post-Award Users Guide Completing e-snaps Step C1.9a: Issues and Conditions & Grant Technical Submission (2019), *available at* <https://files.hudexchange.info/resources/documents/FY-2018-Recipients-Post-Award-Users-Guide.pdf>



*Projects that are new, consolidations, or transition grants should consult HUD's most recent [Program Recipient's Post-Award Users Guide](#) for specific instructions. The link above is for FY 2019 grants so should only be used as an example.*

Recipients must satisfy all conditions before the execution of a grant agreement. Specifically, in order to receive CoC program funding, each applicant must meet and provide proof of satisfying all requirements including:

- **Site control:** Acceptable evidence of site control is a deed or lease. Site control requirements do not apply if the housing will be leased directly by participants (for example, in a rapid rehousing program) or if the project is for supportive services only at sites not operated by the recipient or subrecipient. Special rules also apply to those projects that use Low-Income Housing Tax Credit funds.<sup>87</sup>
- **Matching funds:** See detailed description regarding In Matching fund requirements above.
- **Environmental review requirements<sup>88</sup>:** It is the responsibility of HSH to determine the applicable environmental review requirements for all projects, even those for which it is not the recipient. All CoC projects are required to have an environmental review; however, not all projects require the same level of review. Most CoC-funded projects will be at the Categorically Excluded level, which does not require the reviewer to be physically onsite at the project. Additional information about standards for environmental review can be found on the HUD Resource Exchange.
- **Documentation of financial feasibility:** Applicants must satisfy all the requirements described above within 12 months of the announcement of award. HUD may extend the 12-month deadline if the applicant can provide compelling reasons for delay due to factors beyond its control.

## **b. HUD Contract Execution**

Once the Technical Submission process is complete and all conditions are satisfied, the grant agreement will be executed. Each recipient must execute a grant agreement with HUD. The grant agreement establishes the rights and responsibilities of HUD and the recipient. The recipient is responsible for ensuring that the grant agreement is executed with HUD and that the terms of the agreement are carried out. The recipient and HUD must execute the grant agreement no later than 45 days from the date on which all conditions are satisfied.

---

<sup>87</sup> 24 CFR §578.25

<sup>88</sup> 24 CFR §578.31

### c. HSH Contract Execution with Subrecipients

Subrecipients of HSH must enter into a contract with HSH in order to receive funding. These agreements will generally include the following:

- **Boilerplate** (duration of grant, total funds, use of funds, insurance, standards)
- **Appendix A, Services to be Provided** (goals, served population, eligible services, objectives, reporting & monitoring)
- **Appendix B, Budget** (line-item allocation of allowable activities)
- **Appendix C, Method of Payment** (how, when and who may submit invoices)
- **Appendix D, Interest in Other City Grants** (lists your other current grants with San Francisco)
- **Appendix E, Permitted Subcontractors** (lists any approved subcontractors)
- **Appendix F, Federal Requirements: Provisions for All Federal Funds Subawards and Matching Funds to Federal Funds** (regulations & restrictions)
- **Appendix G, HUD Subrecipient Agreement** (regulations & restrictions)

#### *Standard Appendix A*

Section	Describes...
Purpose of Grant	Goal(s) of the program
Served Population	Who the Grantee may serve
Referral & Prioritization	Eligibility requirements and referral sources
Description of Services	The service components (eligible activities) provided to the served population and the number served
Location and Time of Services	Where and when the services occur
Service Requirements	Activities the Grantee must complete in order to successfully, safely and legally provide services (not directly delivered to the served population)
Service Objectives	The measurable service outputs and/or standards
Outcome Objectives	The measurable impacts on the served population
Reporting Requirements	What the Grantee should report; where they should report and with what frequency
Monitoring Activities	Activities performed during program monitoring and fiscal compliance and contract monitoring

## 2. Line of Credit Control System (LOCCS)

[Line of Credit Control System \(LOCCS or eLOCCS\)](#) is HUD's primary grant subsidy disbursement system that handles disbursement and cash management for the majority of HUD grant programs. Grant disbursements are facilitated via the Internet through the eLOCCS system.

### a. Protocols for HSH Subrecipients

The HSH Fiscal Department is responsible for setting up eLOCCS accounts and processing drawdown requests for all of its subrecipients. For subrecipients of HSH,



each agency's specific process and requirements for invoicing are outlined in their agreement with HSH, specifically in Appendix C of each grant agreement. HSH subrecipients do not enter information into LOCCS directly, but rather submit invoices to HSH who then processes the drawdown requests. ***Subrecipients must submit invoices to HSH on a monthly basis.***

## **b. Protocols for Direct HUD Recipients**

Direct recipients must submit requests directly through the eLOCCS system. Funds can be drawn down online through eLOCCS. Please refer to HUD's eLOCCS [Getting Started Guide](#) for further instructions on this process.

## **c. Timely Drawdowns and Invoicing/Drawdown Protocols<sup>89</sup>**

Recipients must initiate approved activities and projects promptly and make timely draws from their eLOCCS project accounts – draws that are neither too early nor too late.

**Specifically, CoC direct recipients must:**

- Distribute the funds to subrecipients (in advance of expenditures by the subrecipients);
- Distribute the appropriate portion of the funds to a subrecipient no later than 45 days after receiving an approvable request for such distribution from the subrecipient; and
- Draw down funds at least once per quarter of the program year, after eligible activities commence.

**Recipients of funds for rehabilitation or new construction must meet the following standards:**

- Construction activities must begin within 9 months of the later of signing of the grant agreement or of signing an addendum to the grant agreement authorizing use of grant funds for the project.
- Construction activities must be completed within 24 months of signing the grant agreement.
- Activities that cannot begin until after construction activities are completed must begin within 3 months of the date that construction activities are completed.

---

<sup>89</sup> 24 CFR §578.85

Recipients make draws too early when they draw down funds in advance of needing to pay for project-related expenses. US Treasury rules require recipients to repay any interest gained on holding grant funds in an interest-bearing account. The rule is that recipients should draw funds no more than three days before needing to pay project-related expenses.

Recipients make draws too late when they do not submit for reimbursement within a reasonable period of time, so that eLOCCS can reflect a relatively up-to-date accounting of program expenditures and remaining grant funds. Recipients are encouraged to make eLOCCS draws on a minimum of a monthly basis or as funds are expended.

**Note that for RRH projects**, the amount an applicant requests for rental assistance is based on an estimate of the number of people who will be served during the grant period and the amount of assistance each one will receive. The amount drawn down from eLOCCS each month should be equal to the actual amount the recipient spent on rental assistance for participants, not an estimate.

### 3. Reporting Requirements

CoC funding recipients must report data on their use of CoC program funds in an **Annual Performance Report (APR)**. APRs collect information on the people served by each project during the project's operating year. They are used by HUD to track the progress and accomplishments of its projects.

APRs are generated from the project data entered by recipients and subrecipients into the ONE System; grant application information in *e-snaps*; and the date, term, and financial information from eLOCCS. Data used to generate an APR includes site information, bed and unit inventory, ONE System participation rate, data quality, persons and households served, utilization rates, participant characteristics, participant income, length of participation, destination at exit, program expenditures, and performance measures. For monitoring purposes, the information reported in APRs must match the data saved within the ONE System. HSH subrecipients are responsible for ensuring that program performance data is kept up to date in the ONE System so that accurate APRs can be produced.

#### a. Direct Recipients

CoC direct recipients submit their APRs in the [Sage HMIS Reporting Repository \(Sage\)](#). Direct recipients have 90 days from the end of each operating year to submit their APR to HUD through Sage. See the [HUD Sage CoC Guidebook](#) for detailed guidance.





## b. HSH Subrecipients

For programs that are subrecipients of HSH, HSH will submit the APR based on information provided in the ONE System by the subrecipient. Programs should coordinate with the Federal Subsidy Team Subsidy to ensure that all necessary information is received on time. In order for HSH to submit the APR on time, programs must adhere to the timeline below:

60 days Before	Bitfocus Initial Outreach to Providers
Grant End Date	
Provider Completes APR steps in Sage Data Review, BitFocus Support, Invoicing, etc.	
15 Days After	Submit Final Invoices to HSH
60 Days After	APR steps completed in Sage / Notify HSH for submission
HSH Review Data Review, Final LOCCS Drawdown, etc.	
90 Days After	HSH Submits to HUD



*The Sage HMIS Reporting Repository is a web-based reporting portal which can be accessed at [www.sagehmis.info](http://www.sagehmis.info). All users must create an account and be authorized to use Sage prior to viewing or editing any information. To create an account, go to [www.sagehmis.info](http://www.sagehmis.info).*

## c. Failure to Submit an APR

Failure to submit an APR can delay receiving grant funds and may result in a determination of lack of capacity for future funding. HUD may terminate the renewal of any grant and require the recipient to repay the renewal grant if the recipient fails to submit an APR in a timely manner for the grant year immediately prior to renewal; or the recipient submits an APR that HUD deems unacceptable or that shows non-compliance with the requirements of the grant and the CoC Program Interim Rule.<sup>90</sup>

## K. CHANGES TO PROJECTS / AMENDING GRANTS<sup>91</sup>

<sup>90</sup> 24 CFR §578.33(f)

<sup>91</sup> 24 CFR §578.105(b)

The following applies to changes to grant agreements other than grant consolidations. More information about the grant consolidation process follows separately.

Whenever it is necessary to make changes to a grant agreement other than a grant consolidation, both the HSH Federal Subsidy Team and the HUD field office must be involved – either to be informed of the change or to approve the change through a grant amendment, depending on the scope. Significant changes substantially affect project implementation and represent a departure from the initial application.

Neither recipients nor subrecipients may make any significant changes to projects without prior HUD approval. A written request for a significant grant amendment must be made directly to the local HUD CPD field office, which will review the request, and approve or reject the amendment. Program operators may not proceed with grant changes until approval has been received.

All HSH subrecipients also must obtain HSH approval of the grant amendment request prior to seeking HUD approval.

In recent years, certain types of changes have been prohibited through the grant amendment process and must be done only as part of the CoC application process through grant re-allocation. This mainly involves changes to project components such as a change from Transitional Housing (TH) to Permanent Housing (PH). Grant re-allocation actually means the original project is terminated and a new project created. Re-allocation can also be partial and can involve a permanent reduction in a project budget. Specific guidelines for grant re-allocation are published each year in the HUD CoC NOFA. Any decisions about re-allocation are made by the LHCB.

If program operators wish to make changes to their grants, they should be aware of timing restrictions relating to the CoC application process. The HUD field office may not process any grant amendments during the time window when the CoC competition is taking place. Operators should contact either HSH (if they are a subrecipient) or HUD directly (if they are a recipient) well in advance of the expected opening of the competition to request any significant grant changes.

Note that grantees cannot request an amendment to their grant before the grant agreement has been signed. Also, HUD will not agree to sign a grant agreement with an entity that did not apply for a grant, so grantees should not request a change of grantee during the competition's technical submission phase.

## **1. Significant Changes**

Significant changes that require a grant amendment include:



- Change of recipient(s);
- Change of project site;
- Addition or elimination of eligible costs approved for a project;
- Shift of more than 10 percent from one approved eligible cost category to another;
- Permanent change in subpopulation served by any one project under the grant; and/or
- Permanent reduction in the total number of units funded under the grant.

## 2. Minor Changes

Minor changes from the approved grant do not substantially affect grant implementation. An example of a minor change is a shift of less than 10 percent of CoC program funds from one approved activity to another over the term of the grant. Minor changes do not require HUD approval. However, the subrecipient must notify HSH and the HUD field office of these changes in order to update the budget in LOCCS and to be sure that the annual Grant Inventory Worksheet (GIW) is accurate when the CoC competition opens. The GIW is a document used by HUD and the CoC to document the exact amount of eligible renewal funds that are available in the competition. Programs and the recipient must fully document minor changes to an approved grant or project in their records.

## 3. Grant Consolidation

Historically, HUD has permitted eligible renewal project applicants to consolidate two or more eligible renewal projects (but no more than four projects) into one project application during the annual CoC Program application process. This is not a guarantee that it will be permitted each year. Projects being combined during a grant consolidation continued uninterrupted. To be eligible for consolidation, the projects must have had the same recipient and be for the same component; and would be funded in the present competition (meaning no funds recaptured from prior years will be awarded to the project).

HUD has not permitted projects with the following characteristics to consolidate:

- Outstanding audit or monitoring findings;
- Outstanding obligation to HUD that is in arrears;
- Unresolved construction delays;
- History of poor financial management or drawdown issues;
- History of low occupancy levels, or lack of experience in administering the project type; or

- Or other capacity issues.

HUD also has not permitted a transitional housing and a permanent housing project to consolidate to form a Joint TH and PH-RRH component project; and has not permitted a transition grant to be consolidated with any other project. If a project meeting these characteristics attempted to consolidate as part of the project application process, the submitted consolidated project would be rejected by HUD during the application review process. Further guidance on applying for a consolidated grant can be found in each annual CoC NOFA.

#### 4. Communication with HUD

For direct grant recipients, the local HUD San Francisco Regional Office is the contact for correspondence. HSH subrecipients should only communicate with HUD through HSH.

The key to expediting correspondence with HUD is the inclusion of the project grant number and Project Identifier Number (PIN) as a means of reference. This is especially critical for recipients with multiple subrecipients or projects involving more than one HUD program. Correspondence requests can be sent to the Director of Community Planning and Development (CPD) at the San Francisco Regional Office. An “Attention” line can be added indicating the primary CPD contact. Contact information is:

San Francisco Regional Office  
Dept. of Housing and Urban Development  
1 Sansome Street, Suite 1200  
San Francisco, CA 94104  
Phone: (415) 489-6400  
Fax: (415) 489-6419

**The following activities require communication in writing with the local field office:**

- Grantee or project sponsor address change;
- Key personnel changes;
- Grantee or project sponsor name change;
- Change to the grant (requiring an amendment); and
- Change of LOCCS users.

## L. MONITORING

### 1. HUD Monitoring



HUD may review performance of each recipient in carrying out its responsibilities under the CoC Program Interim Rule, with or without prior notice to the recipient. In addition, recipients are required to monitor their subrecipients. Recipients must provide HUD with open access to all grant-related information, including program participant and financial records.

**Performance reviews will rely primarily on information obtained from:**

- Records and reports from recipients and subrecipients;
- Information from on-site monitoring;
- Audit reports;
- Information from HUD's financial and reporting system (e.g., LOCCS and e-snaps);
- The ONE System; and
- Other relevant sources (e.g., citizen comments, complaint determinations, and litigation).

Areas that are subject to review include program participant eligibility, project components, eligible costs, project progress, meeting match requirements and maintaining appropriate documentation of match, subrecipient management, recipient management, financial management, cost allowability, procurement standards, equipment and equipment disposition, and other federal requirements.<sup>92</sup> Below are some common areas where findings can occur:

- **Participants' eligibility:** Files must contain acceptable documentation of homeless status and disability (if relevant). Examples of compliance issues include: initial consultation files not dated or signed by the case worker, no clear documentation of chronology of homeless episodes, disability not documented, or disability documentation signed by a person not credentialed to make a diagnosis.
- **Supportive services:** Participant files must contain a supportive services plan and an annual assessment of service needs, with corresponding adjustments to the services plan. Examples of compliance issues include: missing services plans and/or annual assessments.
- **Financial documentation:** Adequate documentation of expenditures and acceptable financial systems must be in place. Examples of compliance issues include: missing or insufficient documentation for incurred expenses and/or ineligible expenses; drawing a percentage of the grant each month with no support documentation of why funds were drawn from LOCCS; reimbursement of expenses incurred outside the grant term; lack of financial oversight for

---

<sup>92</sup> HUD, CPD Monitoring Handbook (6509.2) Chapter 29 (2019), available at <https://www.hud.gov/sites/documents/65092c29cpdh.docx>

subrecipients; salary costs that cannot be tied to an eligible grant expense; or paying rent to someone who is not the property owner.

- **Resident rents:** Files must include income documentation and rent calculations, and expenditures must be within allowable limits. Examples of compliance issues include: overcharging rent; inadequate or no income verification; not reviewing program participant income annually or when a household's income changes; inadequate documentation of rent reasonableness; or charging fees other than rent or occupancy charge.
- **Match:** Sufficient match must be provided and documented. Examples of compliance issues include: insufficient match; in-kind services provided by a third party without an MOU that are counted as match; ineligible sources used as match; or match not adequately tracked or documented.
- **Staff time distribution:** Recipients and subrecipients should monitor to ensure that staff time and associated costs charged to the project are explicitly tracked by eligible activity. For staff who perform operations and other functions, such as supportive services, and/or who work in multiple projects, costs must be split between functions and documented (e.g., through time and activity reports) to substantiate how costs were assigned. Examples of compliance issues include: grant files do not include records documenting the specific hours staff worked; timesheets are not signed or dated by supervisor; staff time records do not indicate how the time relates to eligible activities; salary costs not directly linked to serving participants or other eligible costs in the CoC program; records do not demonstrate that case managers worked with participants during the time charged to the project; records do not show cost documentation associated with staff time that was charged to the project. Specific cost documentation, such as payroll costs, must be used to substantiate the amount drawn for staff costs. For example, grant draws must be based on actual rather than estimated costs.
- **HMIS:** Program must be entering participant-level data at entry, exit and annual updates. Examples of compliance issues include: privacy practices notice not posted at site, releases of information not included in file, significant missing data in the ONE System.

If HUD determines that a recipient or subrecipient is not complying with a program requirement, it will issue a written notice within 45 days after completion of monitoring clearly describing the areas that were covered and the basis for its conclusions. The notification will offer an opportunity for the project to demonstrate, within a timeframe prescribed by HUD, that the project has complied with the requirements. The project may ask HUD for technical assistance support in resolving findings. Monitoring concerns or findings should be addressed completely and expeditiously.



*All programs receiving CoC funds should self-monitor for compliance.*

## 2. HSH Monitoring of Subrecipients

While HSH does not conduct formal audits on our federal and state funded programs, we do conduct regular monitoring and compliance reviews to ensure all HSH grantees are meeting federal program requirements. It is also important to note that HSH's federal funding through HUD's Continuum of Care program provides financial support for the following programs:

- Permanent Supportive Housing (PSH);
- Rapid Rehousing (RRH);
- Homeless Management Information Systems (HMIS);
- Coordinated Entry (CE); and
- CoC Planning Grant (Awarded to HSH directly for costs associated with managing the San Francisco's CoC Program CA-501; these funds are not distributed to project grantees.).

### **Currently, HSH federally funded programs go through the following review:**

- **Annual Project Applications:** Each year, HUD releases its annual Notice of Funding Availability (NOFA) for the Continuum of Care Program as outlined in the [Homeless Emergency Assistance and Rapid Transition to Housing Act](#) (HEARTH). HUD generally awards program funding on a 12-month basis, requiring programs to complete a comprehensive review of program compliance and fiscal responsibilities as part of a national competition for \$3 billion dollars allocated by Congress annually.
  - HSH role: As the Collaborative Applicant for the City/County of San Francisco's Continuum of Care, facilitates and completes the application process as outlined here. Included in that process is the SF CoC community rank and review process, in which programs are scored based on new project outline and/or current project utilization and federal compliance.
- **Contract Award:** In response to the annual NOFA, HUD releases their annual CoC awards. Awards are made to direct grantees who are responsible for carrying out program requirements as listed in the [HEARTH Act](#). HSH is currently the direct grantee for the majority of HUD CoC funded projects in San Francisco which includes PSH and RRH projects, as well Homeless Management Information System (HMIS) and Coordinated Entry. HUD issues HSH grant award contracts for each of the individual CoC funded projects, post NOFA award.

- HSH's role: Review each grant award issued by HUD; ensure scope of work, financial obligation and persons served matches project application; prepare sub-grantee in meeting outlined terms of grant award contract and timeline, return signed contracts to HUD for final processing.
- **Annual Progress Reporting:** Upon completion of a CoC-funded project award contract year, HUD-funded programs are required to complete an Annual Progress Report (APR). APRs outline number of persons served, financial management, match documentation and program narrative. APRs are submitted into the HUD reporting system SAGE for review by HSH federal programs compliance staff and approval by HUD. APR data that is found not suitable to HUD standards are rejected and sent back to HSH for programmatic clarification and review. APRs are due 90 days post annual contract completion.
  - HSH's role: HSH, as the direct grantee, is responsible for the review, completion, submission and approval of all HSH sub-grantee APRs. HSH uses this opportunity to ensure program compliance and utilization as part of on-going oversight and technical support to grantee agencies.
- **Monitoring and Compliance:** HSH monitors each of its federal- and state-funded grantee programs annual to ensure programmatic and financial compliance. There are four steps to HSH's monitoring process:
  - Risk Assessment: This two-step process provides the basis for developing an internal protocol and individual subrecipient monitoring strategy. This includes identifying how each of HSH's federal grantees will be monitored; establishing a schedule that reflects subrecipient need; indicating a method of monitoring (on-site or remote); describing the scope of monitoring (program, finance, both) and projected timeframes for completion.
  - Desk Audit: Desk Audits are conducted every year and function as HSH's annual monitoring of sub-grantees. If serious issues have been identified, the results of the desk audit may require follow up by HSH through an onsite monitoring and/or targeted technical assistance. Participating in the desk audit should require no extra preparation on behalf of the subrecipient. HSH will only ask for program information that is readily available. The information reviewed is based on requirements set forth in the HEARTH Act and Continuum of Care Interim Rule.
  - On-site Monitoring: Post desk audit, HSH may determine that additional support may be beneficial to ensure that federally-funded subrecipients are administering homeless programs in accordance with all applicable local, state and federal laws including but not limited to the HEARTH Act, CoC Interim Rule, OMB Super Circular, local city requirements and CoC Coordinated Entry Policies and Procedures and Written Standards. All HSH federally-funded programs will participate in an on-site monitoring with HSH at least once every five years, regardless of their desk audit scores, to ensure full program compliance.





- **Corrective Action:** In the case where areas of concern are identified, HSH will develop and enforce a corrective action plan with sub-grantee agencies. Corrective Action plans clearly outline the concern or finding, cite the federal regulation or statutory compliance rule and clearly define action steps needed to correct identified issues. Corrective Action plans always include a timeline for completion and HSH follow up.
- **Local Scoring of CoC Projects:** HUD's annual CoC NOFA requires the CoC to produce a priority listing of projects recommended for CoC funding. CoC-funded projects requesting renewal funding are scored based on their annual performance, including but not limited to, APR submission, unit and grant utilization rate, fiscal compliance and spending and data collection and management. This scoring tool is developed in conjunction with the CoC community partners each year and reviewed publicly both on the HSH website and at notified public hearings. Projects are then listed in order of score highest to lowest, with the highest on list having a greater chance for project funding renewal. Low scoring projects are provided an opportunity to appeal their scores in writing as to the areas that they scored low along with their plan of action towards program improvement. This also provides HSH the opportunity to continue an on-going dialog into program utilization and compliance when identified.

***Finally, HSH participates in [City/County of San Francisco's annual Joint Fiscal Monitoring process](#).*** This partnership between the City's Office of the Controller and the Department of Homelessness and Supportive Housing conducts desk audits and on-site fiscal monitoring of HSH grantees who receive funding in excess of \$500,000 a year from the City/County. Joint fiscal monitoring practices include staffing from both agencies and focus on the sub-grantees' utilization and compliance of overall agency funding as opposed to individual grant awards. Joint monitoring reports are shared between applicable City agencies to ensure overall non-profit management is in compliance with City/County and federal regulations. Concerns and findings that arise during the City/County's joint fiscal monitoring process are addressed during HSH's CoC monitoring process to ensure grantee agencies are actively working towards full compliance.

### **3. Remedial Actions and Sanctions**

To ensure ongoing and future compliance, HUD may require the recipient to submit payment requests and supporting documentation when seeking HUD approval to draw down funds. Failure to demonstrate satisfactory compliance may result in remedial actions and, potentially, sanctions. The following remedial actions and sanctions may be taken or imposed by both HUD and/or recipients.

## **a. Remedial Actions**

Remedial actions include:<sup>93</sup>

- Developing and following a schedule of actions for carrying out project activities and projects affected by non-compliance, including schedules, timetables, and milestones;
- Establishing and following a grants management plan that assigns responsibilities for carrying out remedial actions;
- Canceling or revising project activities or projects likely to be affected by non-compliance before expending associated grant funds;
- Re-programming grant funds not yet expended for given activities or projects to eligible costs or projects;
- Suspending funds disbursement;
- Reducing or terminating a subrecipient's remaining grant funds and re-allocating funds to other subrecipients or returning funds to HUD; and
- Requiring matching contributions to be made before or in conjunction with draws being made from the recipient's grant.

## **b. Sanctions**

Sanctions include:<sup>94</sup>

- Changing method of payment to reimbursement;
- Suspending payments to preclude the further expenditure of funds for affected projects or activities;
- Continuing the grant with a substitute recipient of HUD's choosing;
- Denying matching credit for all or part of the cost of the affected activities and requiring further matching contributions;
- Requiring the recipient to reimburse its line of credit in an amount equal to the funds used for the affected activities;
- Reducing or terminating the remaining grant;
- Imposing conditions on a future grant; and
- Imposing other legally available remedies.

## **c. Deobligation**

HUD may deobligate funds for the following reasons:<sup>95</sup>

- Failure to meet timeliness standards;

---

<sup>93</sup> 24 CFR §578.107(b)(1)

<sup>94</sup> 24 CFR §§578.107(b)(2) through (9)

<sup>95</sup> 24 CFR §578.107(d)



- Delays in completing construction activities that affect the expenditure of other funds for other activities during the remaining term of the grant;
- Costs for acquisition, new construction, or rehabilitation that are less than the total cost agreed to in the grant agreement;
- Actual annual leasing, operating, supportive services, rental assistance, or HMIS costs that are less than the total cost agreed to in the grant agreement for a one-year period;
- Failure to move participants into units within three months of units' availability for occupancy; and
- Other circumstances set forth in the grant agreement.

Upon expiration of grants, unspent funds remaining in the project account of the expired grants are deobligated. Before proceeding with the recapture of any funds, HUD ensures that the grantee has not received a term extension and has made its final drawdown for costs incurred during the grant period.

## **M. GRANT RENEWAL**

New CoC grants are awarded for an initial grant period that can be anywhere from one to 15 years (depending on project component and the specific NOFA requirements under which the project was funded). Once the initial grant term expires, grants must be renewed on an annual basis to continue receiving funding.<sup>96</sup>

Initial applications for any new funds available and renewal decisions are made by the LHCB based on local priorities and processes. CoCs have the option to re-allocate funding from lower performing projects to create new projects, so no project is guaranteed to be renewed.

Availability of HUD funds may also impact renewals. In some recent years, HUD has not had sufficient funding to renew all eligible grants across the country and therefore communities have had to place some renewals into a "Tier 2," which have a lower chance of being renewed.

Once a grant enters the annual renewal process, generally the grant amount will become fixed and will be renewed at the same funding level each year. Exceptions include:

- HUD may award increases to operations and leasing budgets based on increases in Fair Market Rents (FMRs); and

---

<sup>96</sup> 24 CFR §578.33(c)

- Rental assistance grants are calculated based on FMR so these grants will increase or decrease in size from year to year depending on whether FMRs go up or down.

The process for renewing a grant is determined both at the local level and by HUD. Each year when HUD releases the annual CoC NOFA, it also opens the [e-snaps](#) online application system and issues instructions for how to complete the online application. The LHCb is required to rate and rank all applications received in the local process and submit the consolidated application with all projects included in a priority order. The LHCb establishes a local timeline and process to gather the information about project performance and other data that is used for ranking purposes. This process may begin even before the HUD NOFA is released. Once the local process is completed, applicants are notified whether their grant is being included in San Francisco's application to HUD, in what relative position, and at what funding level. After the CoC competition is over, HUD will notify applicants whether their grants have been funded and the funding amount.

## N. GRANT CLOSE-OUT<sup>97</sup>

HUD formally closes out a grant when the annual grant term for the project is completed. HUD uses the same process when projects are terminated or no longer funded by HUD, or when recipients discontinue a project. The close-out process includes notification from HUD communicated to the recipient through various methods, such as via written notice (postal mail or email) or telephone.

HUD's grant close-out requirements are described at 24 CFR 578.109 and in other procedures established by HUD. Recipients must submit all reports required by HUD no later than 90 days from the date of the end of the project's grant term. Obligations remaining at close-out must be covered by the terms of the close-out agreement.

**The close-out agreement, which will be prepared by HUD in conjunction with the recipient, must include the following information:**

- Identification of close-out costs or contingent liabilities subject to payment with CoC program funds after the close-out agreement is signed;
- Identification of unused grant funds to be de-obligated by HUD;
- Identification of any program income on deposit in financial institutions;
- Description of the recipient's responsibility after close-out for compliance with:
  - All program requirements related to the use of program income and remaining CoC program funds;
  - Use of real property;

---

<sup>97</sup> 24 CFR 578.109



- Use of personal property purchased with CoC program funds; and
  - Requirements governing project income received subsequent to grant close-out; and
- Other provisions appropriate to any special circumstances of the grant close-out.

## **O. STATE OF EMERGENCY OR PUBLIC HEALTH CRISIS**

In the event that a state of emergency of public health crisis occurs, CoC- and ESG-funded projects will abide by local public health and HUD guidance in responding to the crisis. Rules and regulations may be made more strict or more lenient depending on the emergency.

- For COVID-19 HUD guidance, click [here](#).
- For local guidance from the San Francisco Department of Public Health, click [here](#).

### III. EMERGENCY SOLUTIONS GRANT PROGRAM

---

The Emergency Solutions Grant (ESG) Program is a formula grant program that provides funds for a variety of activities to address homelessness as authorized under the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009. The City and County of San Francisco receives ESG funding directly from the U.S. Department of Housing and Urban Development (HUD).

The ESG program provides grant funding to:

- Prevent individuals and families from becoming homeless;
- Engage homeless individuals and families living on the street;
- Help operate and provide essential services in emergency shelters for homeless individuals and families; and
- Rapidly rehouse homeless individuals and families.

The City and County of San Francisco, as the recipient of funds, will consult with the Continuum of Care that serves the recipient's jurisdiction in determining how to allocate ESG funds each program year; developing the performance standards for, and evaluating the outcomes of, projects and activities assisted by ESG funds; and developing funding, policies, and procedures for the administration and operation of the HMIS.

Furthermore, ESG recipient and subrecipients must coordinate and integrate, to the maximum extent practicable, ESG-funded activities with other programs targeted to homeless people in the area covered by the Continuum of Care or area over which the services are coordinated to provide a strategic, community-wide system to prevent and end homelessness for that area.

In San Francisco, Homeless Prevention, Rapid Rehousing, and Emergency Shelter are coordinated by Access Points in the Coordinated Entry System using Problem Solving and Housing Referral statuses. See the Coordinated Entry section above in the CoC portion of the Guide.

Finally, the San Francisco CoC will coordinate and integrate, to the maximum extent practicable, ESG-funded activities with mainstream housing, health, social services, employment, education, and youth programs for which families and individuals at risk of homelessness and homeless individuals and families may be eligible



## A. ANNUAL ESG AWARD PROCESS

In San Francisco, the Mayor's Office of Housing and Community Development (MOHCD) is the designated grantee for ESG block grant funds. As of 2019, MOHCD passes San Francisco's ESG allocation on to HSH for distribution and administration.

## B. ELIGIBLE PROJECTS

ESG funds may be used for five program components: homelessness prevention, street outreach, emergency shelter, rapid rehousing assistance, and for data collection for the Homeless Management Information System (HMIS) (locally the ONE System). ESG funds also may be used to cover administrative activities, which will be discussed in the Eligible Costs section.

This section provides an overview of allowable ESG Program components and match requirements. Later sections provide further details about eligible costs under each program component.

1. Homeless Prevention
2. Street Outreach
3. Emergency Shelter
4. Rapid Rehousing
5. HMIS

### 1. Homeless Prevention<sup>98</sup>

**Homelessness prevention** refers to activities designed to keep households that are at-risk of losing their housing from becoming homeless. Homelessness prevention services include housing relocation and stabilization services and/or short- and/or medium-term rental assistance as necessary to prevent the individual or family from becoming homeless.

The costs of homelessness prevention are only eligible to the extent that the *assistance is necessary to help the program participant regain stability* in their current housing or move into other permanent housing and achieve stability in that housing.

Eligible costs include:

- **Rental assistance:** rental assistance and rental arrears;

---

<sup>98</sup> 24 CFR §576.103

- **Financial assistance:** rental application fees, security and utility deposits, utility payments, last month's rent, moving costs; and
- **Services:** housing search and placement, housing stability case management, landlord-participant mediation, participant legal services, credit repair.

## 2. Street Outreach<sup>99</sup>

ESG funds may be used for costs of providing essential services necessary to reach out to unsheltered homeless people; connect them with emergency shelter, housing, or critical services; and provide urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility. In San Francisco, ESG funds are not currently used for Street Outreach.

## 3. Emergency Shelter<sup>100</sup>

**Emergency shelter** means any facility, the primary purpose of which is to provide a temporary shelter for homeless people in general or for specific populations of homeless people and which does not require occupants to sign leases or occupancy agreements. In San Francisco, these facilities include both temporary shelters and Navigation Centers.

ESG funds may be used to cover the *renovation* of a building to serve as an emergency shelter, including major rehabilitation or conversion. The emergency shelter must be owned by a government entity or private nonprofit organization. The shelter must serve homeless persons for at least 3 or 10 years, depending on the type of renovation and the value of the building. *Property acquisition* and *new construction* are ineligible ESG activities.

ESG funds also may be used to cover **essential services** to participants living in an emergency shelter, including case management, childcare, education services, employment assistance and job training, outpatient health services, legal services, life skills training, mental health services, substance abuse treatment services, transportation, and services for special populations.

In addition, ESG funds may be used to fund **shelter operations**, including maintenance, rent, repair, security, fuel, equipment, insurance, utilities, food, furnishings, and supplies necessary for the operation of the emergency shelter.

---

<sup>99</sup> 24 CFR 576.101

<sup>100</sup> 24 CFR §576.102





Where no appropriate emergency shelter is available for a homeless family or individual, eligible costs may also include a **hotel or motel voucher** for that family or individual.

#### 4. Rapid Rehousing<sup>101</sup>

**Rapid rehousing** refers to activities designed to assist households that are literally homeless to return to housing in the community as quickly as possible.

Eligible costs include:

- **Rental assistance:** short- and medium-term rental assistance and rental arrears;
- **Financial assistance:** rental application fees, security and utility deposits, utility payments, last month's rent, moving costs; and
- **Services:** housing search and placement, housing stability case management, landlord-participant mediation, participant legal services, credit repair.

##### a. ESG RRH v. CoC RRH

Note: Rapid rehousing is also an eligible project-type under the Continuum of Care program. Many features of rapid rehousing are the same under the two programs, but there are some differences as well:

Rapid Rehousing Overview		
	ESG-RRH <sup>102</sup>	CoC-RRH <sup>103</sup>
<b>Housing Standards</b>	Units must pass HUD Habitability Standards.	Units must meet HUD Housing Quality Standards.
<b>Fair Market Rent (FMR) and Rent Reasonableness</b>	Rental assistance cannot be provided unless the rent does not exceed the Fair Market Rent established by HUD, as provided under 24 CFR part 888, and complies with HUD's standard of rent reasonableness. <sup>104</sup>	HUD will only provide rental assistance for a unit if the rent is reasonable. <sup>105</sup>  "If the gross rent for the unit exceeds the rent reasonableness standard, CoC Program recipients or subrecipients are prohibited from using CoC Program funds for any portion of the rent." <sup>106</sup>

<sup>101</sup> 24 CFR §576.104 – §576.106

<sup>102</sup> 24 CFR §576.104

<sup>103</sup> 24 CFR §578.37(a)(1)(ii)

<sup>104</sup> 24 CFR § 576.106(3)

<sup>105</sup> 24 CFR § 578.51(g)

<sup>106</sup> "Rent Reasonableness and FMR under the CoC Program," available at <https://files.hudexchange.info/resources/documents/CoC-Rent-Reasonableness-and-FMR.pdf>.

<b>Lease Requirements</b>	<ul style="list-style-type: none"> <li>• A written lease between the owner and the program participant is required for TBRA and PBRA.</li> <li>• For program participants living in housing with PBRA, the lease must have an initial term of one year. There is no minimum lease period for TBRA.</li> <li>• The only exception to the written lease requirement is in the case of rental assistance provided solely for rental arrears.</li> </ul>	Program participants receiving TBRA must sign a lease of at least one year that is renewable (for a minimum term of one month) and terminable only for cause.
<b>Housing Location</b>	Can be housed outside of CoC geography.	Can be housed outside of CoC geography. <sup>107</sup>
<b>Participant share of rent</b>	Subrecipients have flexibility regarding participant rent standards.	Requires participants pay at least 30% of income.

Eligible RRH Supportive Services		
	ESG-RRH <sup>108</sup>	CoC-RRH <sup>109</sup>
<b>Housing services &amp; related services</b>	<p>Provide housing relocation and stabilization services that are necessary to assist program participants move as quickly as possible into permanent housing and achieve stability in that housing, including:</p> <ul style="list-style-type: none"> <li>• Housing search and placement;</li> <li>• Housing stability case management;</li> <li>• Mediation;</li> <li>• Legal services; and</li> <li>• Credit repair.</li> </ul>	<p>Provide supportive services that address the special needs of the program participants and that are necessary to assist program participants obtain and maintain housing, including:</p> <ul style="list-style-type: none"> <li>• Annual assessment of service needs;</li> <li>• Assistance with moving costs;</li> <li>• Case management;</li> <li>• Childcare;</li> <li>• Education services;</li> <li>• Employment assistance and job training;</li> <li>• Housing search and counseling services;</li> <li>• Legal services;</li> <li>• Life skills training;</li> <li>• Mental health services;</li> <li>• Outpatient health services;</li> <li>• Outreach services;</li> <li>• Substance abuse treatment services;</li> <li>• Transportation;</li> <li>• Utility costs; and</li> <li>• Direct provision of services.</li> </ul>

<sup>107</sup> 24 CFR § 578.51(c)4

<sup>108</sup> 24 CFR §576.105(b)

<sup>109</sup> 24 CFR §578.53



<b>Case management</b>	<p>Assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing by, for example:</p> <ul style="list-style-type: none"> <li>• Conducting the initial evaluation, including verifying and documenting eligibility</li> <li>• Using the centralized or coordinated assessment system</li> <li>• Counseling</li> <li>• Developing, securing, and coordinating services</li> <li>• Obtaining federal, state, and local benefits</li> <li>• Monitoring and evaluating program participant progress</li> <li>• Providing information and referrals to other providers</li> <li>• Developing an individualized housing and service plan, including planning a path to permanent housing stability</li> <li>• Conducting re-evaluations</li> </ul>	<p>Assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of program participant(s), including:</p> <ul style="list-style-type: none"> <li>• Counseling;</li> <li>• Developing, securing, and coordinating services;</li> <li>• Using the centralized or coordinated assessment system;</li> <li>• Obtaining federal, state, and local benefits;</li> <li>• Monitoring and evaluating program participant progress;</li> <li>• Providing information and referrals to other providers;</li> <li>• Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking; and</li> <li>• Developing an individualized housing and service plan, including planning a path to permanent housing stability.</li> </ul>
<b>Legal services</b>	<p>Costs of legal advice and representation by a California-licensed attorney regarding matters that interfere with the program participant's ability to obtain and retain housing.</p> <p>Includes landlord/tenant matters.</p> <p>Services must be necessary to resolve a legal problem that prohibits the program participant from obtaining permanent housing or will likely result in the program participant losing the permanent housing for which the program participant currently resides.</p>	<p>Costs of legal advice and representation in matters that interfere with the homeless individual's or family's ability to obtain and retain housing.</p>
<b>Moving costs</b>	<p>Costs such as truck rental or hiring a moving company, including payment of temporary storage fees for up to 3 months</p>	<p>Reasonable one-time moving costs, including truck rental and hiring a moving company</p>
<b>Utility deposits</b>	<p>Standard utility deposit that the utility company requires of all customers.</p> <p>Note: ESG funds also can be used to pay for up to 24 months of utility payments per participant, per service, including up to six months of utility payments in arrears, per service.</p>	<p>Payment of utility deposit, which constitutes a one-time fee paid to utility companies.</p>

<b>Mediation</b>	Mediation between the program participant and the owner or person(s) with whom the participant is living.	Mediation with property owners and landlords on behalf of eligible program participants.
<b>Credit repair</b>	<ul style="list-style-type: none"> <li>• Credit counseling;</li> <li>• Other services needed to assist with critical skills related to household budgeting, money management, accessing a free personal credit report, and resolving personal credit problems.</li> </ul>	<ul style="list-style-type: none"> <li>• Credit counseling;</li> <li>• Accessing a free personal credit report; and</li> <li>• Resolving personal credit issues.</li> </ul>

## 5. HMIS

ESG funds may be used to pay for the costs of participating in and contributing to the ONE System, San Francisco’s Homelessness Management Information System (HMIS). If the recipient is the HMIS lead agency, as designated by the CoC, it may also use ESG funds to pay the costs or eligible activities listed in the section below. If the subrecipient is a victim services provider or a legal services provider, it may use ESG funds to establish and operate a comparable database that collects client-level data over time (*i.e.*, longitudinal data) and generates unduplicated aggregate reports based on the data. Information entered into a comparable database must not be entered directly into or provided to an HMIS.

## C. ELIGIBLE COSTS

The following are eligible costs under the ESG Program:

1. Rental Assistance
2. Housing Relocation and Stabilization Services: Financial Assistance
3. Housing Relocation and Stabilization Services: Services Costs
4. Essential Services
5. Shelter Operations
6. HMIS
7. Administrative Costs
8. Indirect Costs

### 1. Rental Assistance

ESG-funded homelessness prevention and rapid rehousing assistance consists of two primary categories of support: Rental Assistance, and Housing Relocation and Stabilization Services. This section will focus on ***Rental Assistance***.



Note: Under no circumstances may a program provide financial assistance directly to a participant, even as reimbursement for expenses undertaken by the participant to secure housing.

Rental Assistance	
Item	Eligible Cost
Short-term rental assistance	Short-term rental assistance is assistance for up to 3 months of rent.
Medium-term rental assistance	Medium-term rental assistance is assistance for more than 3 months but not more than 24 months of rent.  Rental assistance payments may only be made to an owner with whom the program has entered into a rental assistance agreement and with whom the program participant holds a lease.  ESG funds may <b>not</b> be used to cover late fees for rental assistance.
Rental arrears	Rental arrears consist of a one-time payment for up to 6 months of rent in arrears, including any late fees on those arrears. An oral agreement may be accepted in place of a written lease, if the agreement gives the program participant an enforceable leasehold interest under state law and the agreement and rent owed are sufficiently documented by the owner's financial records, rent ledgers, or canceled checks.

#### a. Recurring Future Rental Assistance

##### Monthly Utility Payments<sup>110</sup>

If needed to support housing stability, programs may use ESG funds to cover all or a portion of a participant's utility payments, provided these are not covered by another source. In San Francisco, the maximum period permitted for utility assistance is 24 months within any three-year period.

##### Monthly Rental Assistance<sup>111</sup>

Rental assistance refers to rent payments made on behalf of an eligible participant for the rent on an eligible unit. Rental assistance is considered "short-term" if it lasts for three months or less, and "medium-term" if it lasts for four to 24 months. Note that monthly rental assistance is capped at a total of 24 months in three years inclusive of any payments made for arrears and any advance payment of last month's rent.

---

<sup>110</sup> 24 CFR §576.105(a)(5)

<sup>111</sup> 24 CFR §576.106(a)(2)

## b. Arrears

If participants owe back rent or utility payments (“arrears”) and failure to pay will either cause them to lose their current housing and become homeless or will make it impossible for them to move into new housing, payment of arrears is eligible. Arrears payment is capped at a maximum of six months for utilities<sup>112</sup> and 24 months for rental assistance.<sup>113</sup> Partial payments for each month count as a full month.

- **Rental arrears.** Payment of rental arrears must be a one-time payment, including any late fees on those arrears. Programs must have written evidence of the amount due.
- **Utility arrears.** Arrears for unpaid gas, electric, water, and sewage 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. Programs must have written evidence of the amount due and be able to demonstrate that the amount paid covers six months or less of arrears.

Payment of temporary storage fees in arrears is not eligible.



*In lieu of covering arrears, programs are encouraged to help participants establish payment plans and negotiate reduced arrears where possible.*

See the table below for an example of these rules:

	Arrears Paid	Last Month's Rent Paid at Time of Deposit	Maximum Remaining Months of Assistance Permitted
<b>Rental assistance</b>	6 months	Yes	17 months
<b>Utility payments</b>	3 months	N/A	21 months



*Programs must be sure to track and document payments to ensure that rental and financial assistance do not exceed the 24-month maximum.*

<sup>112</sup> 24 CFR §576.105(a)(5)

<sup>113</sup> 24 CFR §576.106(a)(3)



**c. Share of Costs<sup>114</sup>**

ESG regulations allow the City to require program participants to share in the costs of rent. The City has established that ESG subrecipients may provide deep or shallow subsidies (under which participants pay a portion of the rental costs), pay 100 percent of the rental costs, a set dollar amount, or graduated or declining subsidies.

**d. Changes in Household Composition<sup>115</sup>**

The limits on rental/financial assistance apply to the total assistance an individual may receive, either as an individual or as part of a family. For example, a person who is a member of an assisted household and then leaves to form a new household is not eligible for additional assistance that would exceed the maximum time frame.

**e. Prohibition on Use with Other Subsidies<sup>116</sup>**

Except for a one-time payment of rental arrears on the participant's portion of the rental payment, rental assistance cannot be provided to a program participant who is receiving participant-based rental assistance or living in a housing unit receiving project-based rental assistance or operating assistance, through other public sources. Rental assistance may not be provided to a program participant who has been provided with replacement housing payments under the Uniform Relocation Act (URA) during the period of time covered by the URA payments.

The program should be sure to ask participants and to document that the participant receives no other assistance for rental costs or costs otherwise eligible under financial assistance.

**f. Conflict of Interest<sup>117</sup>**

Subrecipients may not require that an individual or family occupy housing owned by the City and County of San Francisco or the ESG subrecipient offering the assistance as a condition of receiving the assistance. In addition, ESG subrecipients cannot provide homelessness prevention assistance for units owned by the subrecipient.

**2. Housing Relocation & Stabilization Services: Financial Assistance**

---

<sup>114</sup> 24 CFR §576.106 (c)

<sup>115</sup> 24 CFR §576.106 (j)

<sup>116</sup> 24 CFR §576.106(c)

<sup>117</sup> 24 CFR §576.404(a)

ESG-funded homelessness prevention and rapid rehousing assistance consists of two primary categories of support: Rental Assistance, and Housing Relocation and Stabilization Services. This section will focus on ***Housing Relocation and Stabilization Services: Financial Assistance***.

ESG funds may be used to pay housing owners, utility companies, and other third parties for one-time costs that help the participant secure housing. All payments must be made to a third party, such as a landlord, moving company or utility company.

Note: Under no circumstances may a program provide financial assistance directly to a participant, even as reimbursement for expenses undertaken by the participant to secure housing.

Housing Relocation/Stabilization Services – Financial Assistance	
Item	Eligible Cost
<b>Rental application fees</b>	The charge to apply for rental housing that is made by an owner to all applicants
<b>Security deposits</b>	A deposit to cover any damages to a unit rented by a program participant, that is equal to not more than 2 months' rent
<b>Last month's rent</b>	One month's rent, in addition to first and deposit which may be paid if necessary to obtain housing for the program participant
<b>Utility deposits</b>	The deposit required of all customers initiating service with a gas, electric, water, or sewage utility provider
<b>Utility payments</b>	A partial or complete payment of a utility bill from a provider of gas, electric, water, or sewage. The program participant or a member of the participant household's name must be on the account or the program has proof of responsibility to make the payment. Payments are limited to not more than 24 months during any three-year period.
<b>Moving costs</b>	Reasonable costs to rent a truck or hire a moving company for a program participant to move into an eligible unit. This assistance may include payment of temporary storage fees for up to 3 months, provided that the fees are accrued after the date the program participant begins receiving assistance and before the program participant moves into permanent housing. <b>Payment of temporary storage fees in arrears is not eligible.</b>

#### a. Rental Application Fees





ESG funds may pay for the rental housing application fee that is charged by the owner to all applicants. Programs must verify that this is a requirement of all applicants prior to making payment.

### **b. Security Deposits**

ESG funds may pay for a security deposit that is equal to no more than two months' rent. Note that landlords may not charge additional fees for service animals, beyond a standard fee or security deposit that applies to all participants who do not have pets; therefore, ESG funds may not be used for this type of expense.<sup>118</sup>

### **c. Last Month's Rent**

If necessary to obtain housing for a program participant, the last month's rent may be paid from ESG funds to the owner of that housing at the time the owner is paid the security deposit and the first month's rent. This assistance must not exceed one month's rent and must be included in calculating the program participant's total rental assistance, which cannot exceed 24 months during any three-year period.

### **d. Utility Deposits**

ESG funds may pay for a standard utility deposit for gas, electric, water, or sewage (the deposit must be standard and required of all customers).

If a program participant leaves the program but remains in the unit for which the deposits were paid, the landlord will continue to hold the security deposit as provided in the lease, and the utility company will continue to hold any utility deposit as provided in the utility contract. State or local law and the terms of the lease and utility contract will dictate what the landlord and utility company may do with their respective deposits when the participant leaves the unit and the utility contract terminates.

Programs need not require that security or utility deposits be returned to the program when the participant leaves the program, or when the lease or utility contract terminate. Any repayment of a security or utility deposit is considered program income and must be used as match in accordance with match regulations and must be tracked in accordance with the recordkeeping requirements for match and program income.<sup>119</sup> See section below regarding **Match** for additional information.

---

<sup>118</sup> ESG FAQ 1372

<sup>119</sup> ESG FAQ 1373

### e. Utility Payments

A partial or complete payment of a utility bill from a provider of gas, electric, water, or sewage. The program participant or a member of the participant household's name must be on the account or the program has proof of responsibility to make the payment. Payments are limited to not more than 24 months during any three-year period.

### f. Moving Costs

ESG funds may pay for moving costs, such as truck rental or hiring a moving company. This assistance may include payment of temporary storage fees for up to three months, provided that the fees are accrued after the date the program participant begins receiving case management or other supportive services, as outlined below.

Payment of temporary storage fees in arrears is not eligible.

## 3. Housing Relocation & Stabilization Services: Services<sup>120</sup>

ESG-funded homelessness prevention and rapid rehousing assistance consists of two primary categories of support: Rental Assistance, and Housing Relocation and Stabilization Services. This section will focus on ***Housing Relocation and Stabilization Services: Services***.

ESG funds may be used to provide specific supportive services to eligible households. These services may be provided with or without the provision of financial or rental assistance, for a maximum of 24 months.

Note: Under no circumstances may a program provide financial assistance directly to a participant, even as reimbursement for expenses undertaken by the participant to secure housing.

Housing Relocation/Stabilization – Services	
Item	Eligible Cost
Housing search and placement	Program costs to provide eligible services using program staff or through subcontracts that cover costs or fees for the services provided, in accordance with applicable financial and cost standards.
Housing stability case management	

<sup>120</sup> 24 CFR §576.105



<b>Mediation</b>	Housing stability case management may not be provided for more than 30 days during the period the program participant is seeking housing.
<b>Credit repair</b>	Credit repair costs may not include the payment or modification of a debt.
<b>Legal services</b>	Eligible costs are the hourly fees for legal advice and representation by attorneys licensed and in good standing with the bar association of the state in which the services are provided, and by person(s) under the supervision of the licensed attorney, regarding matters that interfere with the program participant's ability to obtain and retain housing. Fees based on the actual service performed (i.e., fee for service) are also eligible, but only if the cost would be less than the cost of hourly fees. Filing fees and other necessary court costs are also eligible. If the subrecipient is a legal services provider and performs the services itself, the eligible costs are the programs employees' salaries and other costs necessary to perform the services.

#### **a. Housing Search and Placement<sup>121</sup>**

For participants who need assistance finding or securing housing, ESG funds may support the services or activities necessary to assist them in locating, obtaining, and retaining suitable permanent housing. These activities include:

- Assessment of housing barriers, needs, and preferences;
- Development of an action plan for locating housing;
- Housing search;
- Outreach to and negotiation with owners;
- Assistance with submitting rental applications and understanding leases;
- Assessment of housing for compliance with ESG requirements for habitability, lead-based paint, and rent reasonableness/FMR as described above;
- Assistance with obtaining utilities and making moving arrangements; and
- Participant counseling.

#### **b. Housing Stability Case Management<sup>122</sup>**

ESG funds may be used to pay costs of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing, or to assist a program participant in overcoming immediate barriers to obtaining housing.

For rapid rehousing programs, case management assistance cannot exceed 30 days during the period the program participant is seeking permanent housing, but participants can continue to receive case management once housed for a total of 24 months.

---

<sup>121</sup> 24 CFR §576.105(b)(1)

<sup>122</sup> 24 CFR §576.401(e)

Whether paid for with ESG funds or not, housing stability case management should be provided as needed to support households to regain housing stability and link them to other services in the community.

The program must, at minimum, develop a plan to assist the program participant to retain permanent housing after the ESG assistance ends, taking into account all relevant considerations, such as the program participant's current or expected income and expenses; other public or private assistance for which the program participant will be eligible and likely to receive; and the relative affordability of available housing in the area.

Case management services are intended to be flexible and respond to the participant's needs, while taking advantage of other services in the community as much as possible (see sections below on *Coordination with Mainstream Resources*, *Coordination with Other Targeted Homeless Services*, and *Participant Linkages*). During their enrollment in the program, participants must meet with a case manager not less than once per month to assist the program participant in ensuring long-term housing stability.

Programs are exempt from this requirement if the Violence Against Women Act of 1994 or the Family Violence Prevention and Services Act prohibit the program from making housing conditional on the participant's acceptance of services.

### **c. Mediation<sup>123</sup>**

ESG funds may pay for mediation between the program participant and the owner or person(s) with whom the program participant is living, provided that the mediation is necessary to prevent the program participant from losing permanent housing in which the s/he currently resides.

### **d. Credit Repair<sup>124</sup>**

ESG funds may pay for credit counseling and other services necessary to assist program participants with critical skills related to household budgeting, managing money, accessing a free personal credit report, and resolving personal credit problems. This assistance does not include the payment or modification of a debt.

### **e. Legal Services<sup>125</sup>**

---

<sup>123</sup> 24 CFR §576.105(b)(3)

<sup>124</sup> 24 CFR §576.105(b)(5)

<sup>125</sup> 24 CFR §576.105(b)(4)



ESG funds may pay for legal services as set forth below, as long as the services are necessary to resolve a legal problem that prohibits the program participant from obtaining permanent housing or will likely result in the program participant losing the permanent housing in which the s/he currently resides. ESG funds may be used only for these services to the extent that other appropriate legal services are unavailable or inaccessible within the community.

- **Eligible subject matters** are landlord/participant matters; child support; guardianship; paternity; emancipation; legal separation; orders of protection and other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking; appeal of veterans and public benefit claim denials; and the resolution of outstanding criminal warrants.
- **Eligible costs** are the hourly fees for legal advice and representation by attorneys licensed and in good standing with the bar association of the state in which the services are provided, and by person(s) under the supervision of the licensed attorney, regarding matters that interfere with the program participant's ability to obtain and retain housing.

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

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

**Ineligible costs.** Legal services for immigration and citizenship matters and issues relating to mortgages, as well as retainer fee arrangements and contingency fee arrangements, are ineligible costs.

#### 4. Essential Services<sup>126</sup>

ESG funds may be used to provide essential services to families and individuals in emergency shelter and to operate emergency shelters. These services can be provided in San Francisco temporary shelters, as well as San Francisco Navigation Centers. This section will focus on **Essential Services**.

---

<sup>126</sup> 24 CFR §576.102(a)1

*Emergency shelter*<sup>127</sup> means any facility, the primary purpose of which is to provide a temporary shelter for the homeless in general or for specific populations of the homeless and which does not require occupants to sign leases or occupancy agreements.

The following service costs are eligible and considered to be essential services for persons who are living in emergency shelter.

Emergency Shelter – Essential Services	
Item (those marked with * are eligible if not otherwise available in community)	Eligible Cost
<b>Case management</b>	The cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant is eligible.
<b>Childcare</b>	The costs of childcare for program participants, including providing meals and snacks, and comprehensive and coordinated sets of appropriate developmental activities, are eligible. The children must be under the age of 13, unless they are disabled. Disabled children must be under the age of 18. The child-care center must be licensed by the jurisdiction in which it operates in order for its costs to be eligible.
<b>Education services</b>	The costs of improving knowledge and basic educational skills are eligible. Component services or activities are screening, assessment and testing; individual or group instruction; tutoring; provision of books, supplies and instructional material; counseling; and referral to community resources.
<b>Employment assistance and job training</b>	The costs of employment assistance and job training programs are eligible, including classroom, online, and/or computer instruction; on-the-job instruction; and services that assist individuals in securing employment, acquiring learning skills, and/or increasing earning potential. The cost of providing reasonable stipends to program participants in employment assistance and job training programs is an eligible cost.
<b>Life skills</b>	The costs of teaching critical life management skills that may never have been learned or have been lost during the course of physical or mental illness, domestic violence, substance use, and homelessness are eligible costs. These services must be necessary to assist the program participant to function independently in the community. Component life skills training are budgeting resources, managing money, managing a household, resolving conflict, shopping for food and needed items, improving nutrition, using public transportation, and parenting.

<sup>127</sup> Renovation and Assistance under the Uniform Relocation Act are also eligible costs under this component but are not used for this purpose in San Francisco.



Emergency Shelter – Essential Services	
Item (those marked with * are eligible if not otherwise available in community)	Eligible Cost
<b>Transportation</b>	<p>Eligible costs consist of a program participant’s travel costs to and from medical care, employment, childcare, or other eligible essential services facilities. These include:</p> <ul style="list-style-type: none"> <li>• Travel on public transportation</li> <li>• Mileage allowance for service workers using their own vehicles to visit program participants</li> <li>• Purchasing or leasing a vehicle in which staff transport program participants and/or staff serving program participants, and the cost of gas, insurance, taxes, and maintenance for the vehicle, and</li> </ul> <p>The travel costs of staff to accompany or assist program participants in using public transportation</p>
<b>Outpatient health services*</b>	<p>Eligible costs are for the direct outpatient treatment of medical conditions and are provided by licensed medical professionals. Eligible treatment consists of assessing a program participant’s health problems and developing a treatment plan; assisting program participants to understand their health needs; providing directly or assisting program participants to obtain appropriate medical treatment, preventive medical care, and health maintenance services, including emergency medical services; providing medication and follow-up services; and providing preventive and noncosmetic dental care.</p>
<b>Legal services*</b>	<p>Eligible costs are the hourly fees for legal advice and representation by attorneys licensed and in good standing with the bar association of the state in which the services are provided, and by person(s) under the supervision of the licensed attorney, regarding matters that interfere with the program participant’s ability to obtain and retain housing. Fees based on the actual service performed (i.e., fee for service) are also eligible, but only if the cost would be less than the cost of hourly fees. Filing fees and other necessary court costs are also eligible. If the subrecipient is a legal services provider and performs the services itself, the eligible costs are the subrecipient’s employees’ salaries and other costs necessary to perform the services. Legal services for immigration and citizenship matters and issues relating to mortgages are ineligible costs. Retainer fee arrangements and contingency fee arrangements are ineligible costs.</p>
<b>Mental health services*</b>	<p>Eligible costs are the direct outpatient treatment by licensed professionals of mental health conditions. Mental health services are the application of therapeutic processes to personal, family, situational, or occupational problems in order to bring about positive resolution of the problem or improved individual or family functioning or circumstances. Problem areas may include family and marital relationships, parent-child problems, or symptom management. Eligible treatment consists of crisis interventions; individual, family, or group therapy sessions; the prescription of psychotropic medications or explanations</p>

Emergency Shelter – Essential Services	
Item (those marked with * are eligible if not otherwise available in community)	Eligible Cost
	about the use and management of medications; and combinations of therapeutic approaches to address multiple problems.
<b>Substance abuse treatment services*</b>	Eligible substance abuse treatment services are designed to prevent, reduce, eliminate, or deter relapse of substance abuse or addictive behaviors and are provided by licensed or certified professionals. Eligible treatment consists of participant intake and assessment, and outpatient treatment for up to 30 days. Group and individual counseling and drug testing are eligible costs. Inpatient detoxification and other inpatient drug or alcohol treatment are not eligible costs.

#### a. Case Management

Eligible costs include the cost of assessing housing and service needs as well as arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant. This includes the following activities:

- Using the required centralized or coordinated assessment system;
- Conducting the initial evaluation including verifying and documenting eligibility;
- Counseling ;
- Developing, securing and coordinating services and obtaining federal, state, and local benefits;
- Monitoring and evaluating program participant progress;
- Providing information and referrals to other providers;
- Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault and stalking; and
- Developing an individualized housing and service plan, including planning a path to permanent housing stability.

#### b. Childcare





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

### **c. Education Services**

When necessary for the program participant to obtain and maintain housing, the costs of improving knowledge and basic educational skills are eligible. Services include instruction or training in consumer education, health education, substance abuse prevention, literacy, English as a Second Language, and General Educational Development (GED). Component services or activities are screening, assessment and testing; individual or group instruction; tutoring; provision of books, supplies and instructional material; counseling; and referral to community resources.

### **d. Employment Assistance and Job Training**

The costs of employment assistance and job training programs are eligible, including classroom, online, and/or computer instruction; on-the-job instruction; and services that assist individuals in securing employment, acquiring learning skills, and/or increasing earning potential. The cost of providing reasonable stipends to program participants in employment assistance and job training programs is an eligible cost.

Learning skills include those skills that can be used to secure and retain a job, including the acquisition of vocational licenses and/or certificates. Services that assist individuals in securing employment consist of employment screening, assessment, or testing; structured job skills and job-seeking skills; special training and tutoring, including literacy training and prevocational training; books and instructional material; counseling or job coaching; and referral to community resources.

### **e. Life Skills Training**

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

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

## **f. Transportation**

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

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

### **Additional Services that are Eligible if not otherwise Available or Accessible**

The following additional services are also eligible to be covered with ESG funds for residents of an emergency shelter, but only to the extent that the services are not otherwise available or accessible within the community:

## **g. Outpatient Health Services**

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

Eligible costs are for the direct outpatient treatment of medical conditions and are provided by licensed medical professionals.

## **h. Legal Services**

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

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



**Eligible costs** are the hourly fees for legal advice and representation by attorneys licensed and in good standing with the bar association of the state in which the services are provided, and by person(s) under the supervision of the licensed attorney, regarding matters that interfere with the program participant's ability to obtain and retain housing. Fees based on the actual service performed (i.e., fee for service) are also eligible, but only if the cost would be less than the cost of hourly fees. Filing fees and other necessary court costs are also eligible. If the subrecipient is a legal services provider and performs the services itself, the eligible costs are the programs employees' salaries and other costs necessary to perform the services.

Legal services for immigration and citizenship matters and issues relating to mortgages are ineligible costs. Retainer fee arrangements and contingency fee arrangements are ineligible costs.

#### **i. Mental Health Services**

Mental health services are the application of therapeutic processes to personal, family, situational, or occupational problems in order to bring about positive resolution of the problem or improved individual or family functioning or circumstances. Problem areas may include family and marital relationships, parent-child problems, or symptom management. Eligible treatment consists of crisis interventions; individual, family, or group therapy sessions; the prescription of psychotropic medications or explanations about the use and management of medications; and combinations of therapeutic approaches to address multiple problems.

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

#### **j. Substance Abuse Treatment Services**

Eligible substance abuse treatment services are designed to prevent, reduce, eliminate, or deter relapse of substance abuse or addictive behaviors and are provided by licensed or certified professionals. Eligible treatment consists of participant intake and assessment, and outpatient treatment for up to 30 days.

Group and individual counseling and drug testing are eligible costs. Inpatient detoxification and other inpatient drug or alcohol treatment are not eligible costs.

#### **k. Services for Special Populations**

ESG funds may be used to provide services for homeless youth, victim services, and services for people living with HIV/AIDS, so long as the costs of providing these services are otherwise eligible under one of the categories above. The term **victim services** means services that assist program participants who are victims of domestic

violence, dating violence, sexual assault, or stalking, including services offered by rape crisis centers and domestic violence shelters, and other organizations with a documented history of effective work concerning domestic violence, dating violence, sexual assault, or stalking.

## 5. Shelter Operations

ESG funds may be used to provide essential services to families and individuals in emergency shelter and to operate emergency shelters. These services can be provided in San Francisco temporary shelters, as well as San Francisco Navigation Centers. This section will focus on ***Shelter Operations***.

*Emergency shelter*<sup>128</sup> means any facility, the primary purpose of which is to provide a temporary shelter for the homeless in general or for specific populations of the homeless and which does not require occupants to sign leases or occupancy agreements.

The following costs are eligible for operating a shelter.

Emergency Shelter – Shelter Operations	
Item	Eligible Cost
Maintenance	Shelter maintenance costs including minor or routine repairs
Rent	The costs of each of these items, subject to applicable cost principles, are allowed
Security	
Fuel	
Equipment	
Insurance	
Utilities	
Food	
Furnishings	
Supplies	

<sup>128</sup> Renovation and Assistance under the Uniform Relocation Act are also eligible costs under this component but are not used for this purpose in San Francisco.



<b>Hotel or motel voucher</b>	Where no appropriate emergency shelter is available for a homeless family or individual, eligible costs may also include a hotel or motel voucher for that family or individual

### a. Operations

Eligible costs are the costs of maintenance (including minor or routine repairs), rent, security, fuel, equipment, insurance, utilities, food, furnishings, and supplies necessary for the operation of the emergency shelter.

### b. Hotel or Motel Vouchers

Where no appropriate emergency shelter is available for a homeless family or individual, eligible costs may also include a hotel or motel voucher for that family or individual.

### c. Maximum Length of Stay

Local rules limit shelter stays as follows. However, ESG funds may pay for extended shelter stays whenever approved on a case by case basis.

***San Francisco's adult shelter system*** provides short-term emergency shelter for up to 90 days to adults experiencing homelessness in San Francisco.

***San Francisco's family shelter system*** provides short-term shelter to families with minor children experiencing homelessness in San Francisco. Family shelters range from emergency single night stays up to six months, depending on need.

***San Francisco youth shelters*** provide emergency shelter to youth and young adults in San Francisco for up to 120 nights.

San Francisco's ***Navigation Centers*** are short-term, low-threshold, service intensive shelters for people experiencing long-term street homelessness. Lengths of stay are as follows; however, extensions are granted if the guest is working toward their exit plan or problem-solving goals.

- Homeward Bound: 1-2 nights
- Emergency beds: 7-day stays
- Time-limited beds: 30 days
- Pathway to Housing: stay until housing placement

For more information on San Francisco’s emergency shelter system, please click [here](#).

## 6. HMIS

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

Homeless Management Information System	
Entity	Eligible Costs
<b>A program receiving ESG funding that is not the HMIS Lead</b>	<ul style="list-style-type: none"> <li>• Purchasing or leasing computer hardware</li> <li>• Purchasing software or software licenses</li> <li>• Purchasing or leasing equipment, including telephones, fax machines, and furniture</li> <li>• Obtaining technical support</li> <li>• Leasing office space</li> <li>• Paying charges for electricity, gas, water, phone service, and high-speed data transmission necessary to operate or contribute data to the HMIS</li> <li>• Paying salaries for operating HMIS, including: <ul style="list-style-type: none"> <li>○ Completing data entry</li> <li>○ Monitoring and reviewing data quality</li> <li>○ Completing data analysis</li> <li>○ Reporting to the HMIS Lead</li> <li>○ Training staff on using the HMIS or comparable database, and</li> <li>○ Implementing and complying with HMIS requirements</li> </ul> </li> <li>• Paying costs of staff to travel to and attend HUD-sponsored and HUD-approved training on HMIS and programs authorized by Title IV of the McKinney-Vento Homeless Assistance Act</li> <li>• Paying staff travel costs to conduct intake, and</li> <li>• Paying participation fees charged by HSH (the HMIS Lead)</li> </ul>
<b>HMIS Lead Agency</b>	In addition to the above, if the recipient is HSH (San Francisco’s HMIS Lead )it may use ESG funds for other costs needed to maintain and administer the ONE System.
<b>Victim services provider or legal services provider</b>	ESG funds may be used to establish and operate a comparable database that collects participant-level data over time (i.e., longitudinal data) and generates unduplicated aggregate reports based on the data. Information entered into a comparable database must not be entered directly into or provided to the ONE System.

### a. Participating in HMIS



The recipient or subrecipient may use ESG funds to pay the costs of contributing data to the ONE System (the local HMIS) designated by the Continuum of Care for the area, including the costs of:

- i. Purchasing or leasing computer hardware;
- ii. Purchasing software or software licenses;
- iii. Purchasing or leasing equipment, including telephones, fax machines, and furniture;
- iv. Obtaining technical support;
- v. Leasing office space;
- vi. Paying charges for electricity, gas, water, phone service, and high-speed data transmission necessary to operate or contribute data to the HMIS;
- vii. Paying salaries for operating HMIS, including:
  - Completing data entry;
  - Monitoring and reviewing data quality;
  - Completing data analysis;
  - Reporting to the HMIS Lead;(F) Training staff on using the HMIS or comparable database; and
  - Implementing and complying with HMIS requirements;
- viii. Paying costs of staff to travel to and attend HUD-sponsored and HUD-approved training on HMIS and programs authorized by Title IV of the McKinney-Vento Homeless Assistance Act;
- ix. Paying staff travel costs to conduct intake; and
- x. Paying participation fees charged by the HMIS Lead, if the recipient or subrecipient is not the HMIS Lead. The HMIS Lead is the entity designated by the CoC to operate the area's HMIS.

## **b. HMIS Lead Agency**

If the recipient is the HMIS lead agency, as designated by the CoC, it may also use ESG funds to pay the costs of:

- i. Hosting and maintaining HMIS software or data;
- ii. Backing up, recovering, or repairing HMIS software or data;
- iii. Upgrading, customizing, and enhancing the HMIS;
- iv. Integrating and warehousing data, including development of a data warehouse for use in aggregating data from subrecipients using multiple software systems;
- v. Administering the system;
- vi. Reporting to providers, the CoC, and HUD; and
- vii. Conducting training on using the system or a comparable database, including traveling to the training.

## **c. Victim Services Provider**

If the subrecipient is a victim services provider or a legal services provider, it may use ESG funds to establish and operate a comparable database that collects client-level data over time (*i.e.*, longitudinal data) and generates unduplicated aggregate reports based on the data. Information entered into a comparable database must not be entered directly into or provided to an HMIS.

## 7. Administrative Costs

The recipient may use up to 7.5 percent of its ESG grant for the payment of administrative costs related to the planning and execution of ESG activities. This does not include staff and overhead costs directly related to carrying out eligible activities listed above, because those costs are eligible as part of those activities.

### Note on Sharing Requirement

- If the recipient is a *State*, the recipient must share its funds for administrative costs with its subrecipients that are units of general purpose local government. The amount shared must be reasonable under the circumstances. The recipient may share its funds for administrative costs with its subrecipients that are private nonprofit organizations.
- If the recipient is a *territory, metropolitan city, or urban county*, the recipient may share its funds for administrative costs with its subrecipients.

### **Eligible administrative costs include:**

#### **a. General Management, Oversight and Coordination**

Costs of overall program management, coordination, monitoring, and evaluation. These costs include, but are not limited to, necessary expenditures for the following:

- i. Salaries, wages, and related costs of the recipient's staff, the staff of subrecipients, or other staff engaged in program administration. In charging costs to this category, the recipient may either include the entire salary, wages, and related costs allocable to the program of each person whose *primary* responsibilities with regard to the program involve program administration assignments, or the pro rata share of the salary, wages, and related costs of each person whose job includes *any* program administration assignments. The recipient may use only one of these methods for each fiscal year grant. Program administration assignments include the following:
  - Preparing program budgets and schedules, and amendments to those budgets and schedules;
  - Developing systems for assuring compliance with program requirements;





- Developing interagency agreements and agreements with subrecipients and contractors to carry out program activities;
  - Monitoring program activities for progress and compliance with program requirements;
  - Preparing reports and other documents directly related to the program for submission to HUD;
  - Coordinating the resolution of audit and monitoring findings;
  - Evaluating program results against stated objectives; and
  - Managing or supervising persons whose primary responsibilities with regard to the program include such assignments as those described in eligible costs above.
- ii. Travel costs incurred for monitoring of subrecipients;
  - iii. Administrative services performed under third-party contracts or agreements, including general legal services, accounting services, and audit services; and
  - iv. Other costs for goods and services required for administration of the program, including rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance (but not purchase) of office space.

#### **b. Training on ESG Requirements**

Costs of providing training on ESG requirements and attending HUD-sponsored ESG trainings.

#### **c. Consolidated Plan**

Costs of preparing and amending the ESG and homelessness-related sections of the [consolidated plan](#) in accordance with ESG requirements and 24 CFR part 91.

#### **d. Environmental Review**

Costs of carrying out the environmental review responsibilities under § 576.407 of the [ESG Interim Rule](#).

#### **Allocating Costs**

Employee compensation (including fringe benefits such as holiday, vacation, sick leave) and other overhead costs directly related to carrying out activities eligible under an ESG component are eligible costs. Determining how these staff costs should be allocated will depend on the type of assistance being provided to the program participant.

To allocate these costs, first determine the program component under which these costs fall, then allocate the costs to an activity within the component. For example, staff

time expended on processing checks for utility payments for program participants could be eligible under the rapid rehousing component or the homelessness prevention component; the activity would be housing relocation and stabilization services.

For the salaries and related costs of staff that are not fully dedicated to a particular component, costs should be reimbursed in proportion to the actual hours worked on each ESG component. A staff position that is not fully dedicated to ESG cannot be paid solely through ESG funds.

For example, if an accountant spends 100 percent of his/her time tracking rental assistance or security deposits for homelessness prevention activities, then paying for this time is allowable under the homelessness prevention component because the accountant's time is only spent working on a single component. Alternatively, the cost for an accountant to process checks for both the homelessness prevention and rapid rehousing components must be prorated by each component. Also, the accountant's time preparing an invoice to obtain ESG funds from the recipient (or, for a recipient, a staff member's time drawing funds in IDIS) would be an administrative cost. Therefore, recipients or subrecipients must break out the accountant's time based on the activities performed.

Other overhead costs, such office costs for rental space, a photocopier, lighting and utilities for an office, could be eligible either as a direct cost charged to one or more components, depending on the activities delivered by that office, or could be charged as an indirect cost if part of an indirect cost allocation plan.

Additionally, please be aware of the following:

- If any of these cost items is part of an indirect cost allocation plan, they must not be billed directly to any activity; and
- When more than one ESG component or other programs are operated from the same office, the costs and the rationale used to determine the portion of the costs assigned to each component and/or program must be carefully documented.

The exact methodology for tracking the time that staff worked on federal grants, and on components and activities within a federal grant, is at the discretion of the recipient. However, recipients and subrecipients must be able to sufficiently document the actual time charged to federal grants and the methodology used, which must be reasonable and justifiable. The Office of Management and Budget (OMB) guidance does not require that recipients track actual time by ESG component and activity, but there must be a methodology in place to estimate time allocated to components because of the statutory caps in place on street outreach and emergency shelter, and administration.

Additionally, because of the Consolidated Annual Performance and Evaluation Report (CAPER) reporting requirements, there must be a methodology in place to estimate time



allocated to activities within a component. While actual time is preferred, any estimates must be a realistic reflection of actual time spent across ESG components and activities.



*Timesheets that capture actual time spent on specific programs are the most straightforward way to meet time reporting requirements. However, other approaches may be acceptable as long as they meet the guidelines established in the [Omni-Circular at 2 CFR Part 200](#), as applicable.*

## 8. Indirect Costs

ESG grant funds may be used to pay indirect costs in accordance with [2 CFR part 200](#), subpart E.

### a. Allocation

Indirect costs may be allocated to each eligible activity under § 576.101 through § 576.108, so long as that allocation is consistent with 2 CFR part 200, subpart E.

### b. Expenditure Limits

The indirect costs charged to an activity subject to an expenditure limit under § 576.100 must be added to the direct costs charged for that activity when determining the total costs subject to the expenditure limit.

## D. MATCH<sup>129</sup>

### 1. Requirements

The ESG Program includes a 100 percent matching requirement. For every ESG dollar received, the recipient must contribute a matching dollar from another source towards eligible ESG activities. The recipient may require its subrecipients to make matching contributions to help meet the recipient's matching requirement.

Matching contributions may be obtained from any source, including any federal source other than the ESG program, as well as state, local, and private sources. However, the following requirements apply to matching contributions from a federal source of funds:

---

<sup>129</sup> 24 CFR §576.201

- The recipient must ensure the laws governing any funds to be used as matching contributions do not prohibit those funds from being used to match Emergency Solutions Grant (ESG) funds.
- If ESG funds are used to satisfy the matching requirements of another federal program, then funding from that program may not be used to satisfy the matching requirements under this section.

## 2. Eligible Types of Matching Contributions

The matching requirement may be met by one or both of the following.

- **Cash contributions:** Cash expended for allowable costs of the recipient or subrecipient, as defined in the [Omni-Circular](#) (2 CFR §200). *Cash match is highly preferred* given the requirements for tracking non-cash match and the added scrutiny this will receive during monitoring.
- **Non-cash contributions:** The value of any real property, equipment, goods, or services contributed to the recipient's or subrecipient's ESG program, provided that if the recipient or subrecipient had to pay for them with grant funds, the costs would have been allowable. Non-cash contributions may also include the purchase value of any donated building.

## 3. Recognition of Matching Contributions

Matching contributions must meet all of the following requirements:

- The matching contributions must be provided after the date that HUD signs the grant agreement;
- For cash match, "provided" means when the funds are expended (or when the allowable cost is incurred);
- For in-kind match, it is the date the service (or other in-kind match source) is actually provided to the program or project;
- To count toward the required match for the recipient's fiscal year grant, cash contributions must be expended for eligible activity costs within 24 months after the date HUD signs the grant agreement with the recipient;
- Contributions used to match a previous ESG grant may not be used to match a subsequent ESG grant; and
- Contributions that have been or will be counted as satisfying a matching requirement of another federal grant or award may not count as satisfying the matching requirement of this section.

## 4. Calculating the Amount of Non-cash Contributions



To determine the value of any donated material or building, or of any lease, the recipient must use a method reasonably calculated to establish the fair market value.

Services provided by individuals must be valued at rates consistent with those ordinarily paid for similar work in the recipient's or subrecipient's organization. If the recipient or subrecipient does not have employees performing similar work, the rates must be consistent with those ordinarily paid by other employers for similar work in the same labor market.

Some non-cash contributions are real property, equipment, goods, or services that, if the recipient or subrecipient had to pay for them with grant funds, the payments would have been indirect costs. Matching credit for these contributions must be given only if the recipient or subrecipient has established, along with its regular indirect cost rate, a special rate for allocating to individual projects or programs the value of those contributions.

## 5. Costs Paid by Program Income

Costs paid by program income shall count toward meeting the recipient's matching requirements, provided the costs are eligible ESG costs that supplement the recipient's ESG program.

## E. PARTICIPANT ELIGIBILITY<sup>130</sup>

### 1. Minimum Eligibility

The minimum eligibility criteria for ESG beneficiaries are as follows:

<b>Street Outreach</b> <sup>131</sup>	Individuals and families defined as homeless under the following categories are eligible for assistance in emergency shelter projects: <ul style="list-style-type: none"><li>• Category 1 – Literally Homeless (must be unsheltered)</li></ul>
<b>Emergency Shelter</b> <sup>132</sup>	Individuals and families defined as homeless under the following categories are eligible for assistance in emergency shelter projects: <ul style="list-style-type: none"><li>• Category 1 – Literally Homeless</li><li>• Category 2 – Imminent Risk of Homeless</li><li>• Category 4 – Fleeing/Attempting to Flee Domestic Violence</li></ul>

<sup>130</sup> 24 CFR §576.2, §576.500 (a–d), §576.401(a), §91.5

<sup>131</sup> 24 CFR §576.2

<sup>132</sup> 24 CFR §576.102

<b>Homeless Prevention<sup>133</sup></b>	<p>Individuals defined as homeless under the following categories are eligible for prevention assistance:</p> <ul style="list-style-type: none"> <li>• Category 2 – Imminent Risk of Homeless (must be below 30% AMI)</li> <li>• Category 4 – Fleeing/Attempting to Flee Domestic Violence (must be below 30% AMI)</li> <li>• At-risk of Homelessness</li> </ul>
<b>Rapid Rehousing<sup>134</sup></b>	<p>Individuals and families defined as homeless under the following categories are eligible for rapid rehousing assistance:</p> <ul style="list-style-type: none"> <li>• Category 1 – Literally Homeless</li> <li>• Category 4 – Fleeing/Attempting to Flee Domestic Violence (where the individual or family also meets the criteria for Category 1)</li> </ul>

## 2. Definitions & Documentation

The process for determining and documenting homeless or at-risk eligibility for ESG-funded assistance is the same as that under the CoC Program. For detailed guidance, please refer to the section on **Participant Eligibility** in the CoC Program portion of this Guide. In addition, ESG-funded programs must document that the household would experience homelessness but for the ESG assistance, i.e., a household would require emergency shelter or would otherwise become literally homeless in the absence of ESG assistance.

HSH verifies participant eligibility using the **Universal Permanent Housing Application**. Relevant Forms are listed below:

- Form A: Homelessness Response System Authorization for Use or Disclosure of Information
- Form B: Certification of Homelessness
- Form C1: Third-Party Homeless Certification OR
  - Form C2: Self-Certification of Homelessness
- Form E1: Household Composition + Income Certification Form
  - Form E2: Declaration of No Income (if applicable)

### a. Literally Homeless

**Category 1** includes, “An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

- An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;

<sup>133</sup> 24 CFR §576.103

<sup>134</sup> 24 CFR §576.104



- An individual or family living in a supervised publicly or privately-operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, State, or local government programs for low-income individuals); or
- An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.”<sup>135</sup>

## **b. Imminent Risk of Homelessness**

**Category 2** includes, “An individual or family who will imminently lose their primary nighttime residence, provided that:

- The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
- No subsequent residence has been identified; and
- The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, needed to obtain other permanent housing.”<sup>136</sup>

## **c. Fleeing/Attempting to Flee Violence**

**Category 4** includes, “Any individual or family who:

- Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual’s or family’s primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
- Has no other residence; and
- Lacks the resources or support networks, e.g., family, friends, and faith-based or other social networks, to obtain other permanent housing.”<sup>137</sup>

## **d. At Risk of Homelessness**

---

<sup>135</sup> 24 CFR §578.3

<sup>136</sup> Ibid.

<sup>137</sup> Ibid.

The definition of ***at-risk of homelessness*** is based on a combination of income, lack of supports, and recent conditions. The full definition can be found [here](#). In summary, at-risk of homelessness includes:

- Having an annual income below 30 percent of median family income for the area; and
- Lacking sufficient resources or support networks (e.g., family, friends, faith-based or other social networks) immediately available to prevent them from moving to an emergency shelter or a place not meant for human habitation; and
- Meeting at least one of a set of possible conditions including a history of frequent moves, living doubled up, facing a loss of housing within 21 days, living in a hotel or motel (not paid for by a non-profit or government agency), living in overcrowded conditions or residing in a publicly funded institution.

Note: In addition, a child or youth who does not qualify as “at-risk of homelessness” under this definition but qualifies as “homeless” under the Runaway and Homeless Youth Act, the Head Start Act, the Violence Against Women Act of 1994, or the Food and Nutrition Act of 2008, is considered to meet the “at-risk” definition. A child or youth who does not qualify as “at-risk of homelessness” under this definition but qualifies as “homeless” under the Educational section of the McKinney-Vento Homeless Assistance Act (which includes children and youth required to share housing to due loss of housing or economic hardship)<sup>138</sup> also qualifies as “at-risk,” as does the parent(s) or guardian(s) of that child or youth if living with the child or youth.

#### **e. Income Eligibility for Homelessness Prevention and Rapid Rehousing**

In addition to documenting homeless or at-risk status, households served in a homelessness prevention component must have an income below 30 percent of the area median income. This level of income is part of the definition of “at-risk” which qualifies most households for prevention services. If a participant qualifies under the “Imminent Risk of Homelessness” or “Fleeing/Attempting to Flee Domestic Violence” components the income eligibility requirement must also be verified. While this restriction does not apply to the rapid rehousing component, San Francisco ESG standards allow individual programs (subrecipients) providing rapid rehousing to choose to impose an income requirement at entry at their discretion.

#### **f. Prohibition Against Involuntary Family Separation – Emergency Shelter<sup>139</sup>**

---

<sup>138</sup> McKinney Vento Homeless Assistance Act Section 725(2)

<sup>139</sup> 24 CFR §576.102(b)





Shelters that serve families with minor children under the age of 18 may not refuse to serve a family based on the age of children in the household.

#### **g. Documentation of Ineligibility<sup>140</sup>**

ESG programs must keep records that not only demonstrate the eligibility of the participants that are served, but also the determination of ineligibility for any individual or family refused services. For each individual and family determined ineligible to receive ESG assistance, the record must include documentation of the reason for that determination.

#### **h. Differentiating Homelessness Prevention vs. Rapid Rehousing<sup>141</sup>**

The primary difference between the rapid rehousing and homelessness prevention components is the *initial housing status* of households served. When relocation and stabilization services are provided to individuals and families that are sleeping in emergency shelter, on the streets, or another place not meant for human habitation, the component is *rapid rehousing*. When the same services are provided to households that are at imminent risk of homelessness, fleeing domestic violence and not living in a shelter, on the streets or another place not meant for human habitation, or to households that meet the definition of “at-risk of homelessness,” the component is *homelessness prevention*.

The housing or homeless status determined at eligibility governs whether the assistance provided is homelessness prevention or rapid rehousing. *For the duration of time the participant is in the program, the assistance type will correspond to their housing/homeless status at entry.*

Some programs may serve both homeless and at-risk households and therefore may provide homelessness prevention or rapid rehousing, depending on the participant household.



*Programs that provide both homelessness prevention and rapid rehousing assistance should be sure that they are set up in the ONE System (local HMIS) as two different projects. Participants should be enrolled in the project that matches the ESG component for their housing/homeless status at entry.*

Note: The costs of *homelessness prevention* are only eligible to the extent that the assistance is necessary to help the program participant regain stability in the program participant’s current permanent housing or move into other permanent housing and achieve stability in that housing.

<sup>140</sup> 24 CFR §576.500(d)

<sup>141</sup> 24 CFR §§576.103 and 576.104

## F. PROGRAM OPERATIONS & RELATED REQUIREMENTS

### 1. **Habitability Standards (excluding shelter)**<sup>142</sup>

Programs may not use ESG funds to help a program participant remain or move into housing that does not meet minimum habitability requirements. In practice, this means that for all participants assisted, the unit they currently reside in, if remaining there with homelessness prevention assistance, or the unit they will reside in, must be inspected for minimum habitability, and in most cases, lead-based paint.

Note that ESG habitability standards are different than the Housing Quality Standards applicable to CoC-funded housing.



**Habitability versus HQS.** *Housing Quality Standards (HQS) is a standard used in many HUD programs, including the CoC Program. The HQS standards cover all of the above concerns as well as additional domains. If the ESG-subrecipient conducts HQS, this inspection will be accepted. If another agency that is certified to conduct HQS inspects the unit and provides a copy of the inspection report to the ESG subrecipients, this is also acceptable as long as the inspection is conducted before assistance is offered. For example, if an ESG-funded program is providing deposit assistance for a VASH or CoC participant, the program may accept the inspection from the City. The relationship should be noted in the file.*

#### a. **Requirements**

ESG habitability standards cover 10 areas of review to ensure that the housing is minimally habitable. These are:

- **Structure and materials.** The structures must be structurally sound to protect residents from the elements and not pose any threat to the health and safety of the residents.
- **Space and security.** Each resident must be provided adequate space and security for themselves and their belongings, and an acceptable place to sleep.
- **Interior air quality.** Each room or space must have a natural or mechanical means of ventilation. The interior air must be free of pollutants at a level that might threaten or harm the health of residents.
- **Water supply.** The water supply must be free from contamination.

---

<sup>142</sup> 24 CFR §576.403(c)



- **Sanitary facilities.** Residents must have access to sufficient sanitary facilities that are in proper operating condition, are private, and are adequate for personal cleanliness and the disposal of human waste.
- **Thermal environment.** The housing must have any necessary heating/cooling facilities in proper operating condition.
- **Illumination and electricity.** The structure must have adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There must be sufficient electrical sources to permit the safe use of electrical appliances in the structure.
- **Food preparation.** All food preparation areas must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner.
- **Sanitary conditions.** The housing must be maintained in a sanitary condition.
- **Fire safety:**
  - There must be a second means of exiting the building in the event of fire or other emergency.
  - Each unit must include at least one battery-operated or hard-wired smoke detector, in proper working condition, on each occupied level of the unit. Smoke detectors must be located, to the extent practicable, in a hallway adjacent to a bedroom. If the unit is occupied by hearing impaired persons, smoke detectors must have an alarm system designed for hearing-impaired persons in each bedroom occupied by a hearing-impaired person.
  - The public areas of all housing must be equipped with a sufficient number, but not less than one for each area, of battery-operated or hard-wired smoke detectors. Public areas include, but are not limited to, laundry rooms, community rooms, day care centers, hallways, stairwells, and other common areas.

## b. Documentation

Additional guidance and a sample form for conducting habitability inspections by HUD can be found [here](#). The program should use this form, or a similar form, to document the inspection. Habitability inspections must be conducted by a qualified ESG recipient or subrecipient staff or contractor. Potential program participants may not conduct inspections.



*Programs may wish to give the form in advance to the participant to review and conduct a self-inspection in advance of the program sending staff to inspect.*

## 2. Lead-Based Paint Remediation and Disclosure<sup>143</sup>

ESG regulations require programs to address potential lead-based paint hazards in HUD-assisted housing. The standards apply to any housing constructed prior to 1978, except housing for the elderly or persons with disabilities (unless any child who is less than 6 years of age resides or is expected to reside in such housing) or any 0-bedroom dwelling or SRO unit. Properties that have been inspected according to HUD regulations and certified as having no lead-based paint and properties in which all lead-based paint was identified and removed according to HUD standards are also exempt.<sup>144</sup>

If the program is providing rental assistance, and the dwelling unit will be occupied by a child less than six years of age, the ESG recipient, subrecipient, or contractor must conduct a visual inspection in order to identify any deteriorated paint. If any hazards are identified the property owner must stabilize any deteriorated paint, and the unit must be cleared for occupancy by a trained or certified inspector. Ongoing lead-based paint maintenance activities must be incorporated into regular building operations. Further actions are required if a child less than six is identified as having an environmental intervention blood lead level.<sup>145</sup>

In order to be qualified to conduct a visual inspection, staff must complete a 20-minute online training at [www.hud.gov/offices/lead/training/visualassessment/h00101.htm](http://www.hud.gov/offices/lead/training/visualassessment/h00101.htm).

Program participants should also be given a brochure on Lead-Based Paint, which should be maintained with a client signature on the brochure in the client file. A brochure can be found [here](#) in multiple languages.

## 3. Fair Market Rents and Rent Reasonableness<sup>146</sup>

Rental assistance cannot be provided unless the rent does not exceed the **Fair Market Rent** (FMR) established by HUD<sup>147</sup> and complies with HUD's standard of **rent reasonableness**.<sup>148</sup> The ESG program considers rent to consist of the sum of the total monthly rent for the unit, any fees required for occupancy under the lease (other than late fees and pet fees) and, if the participant pays separately for utilities, the monthly

---

<sup>143</sup> 24 CFR §35 subparts A, B, H, J, K, M, and R

<sup>144</sup> 24 CFR §35.115

<sup>145</sup> 24 CFR §35 subpart M as referenced in 24 CFR §982.401(j) and 24 CFR §578.75(b)

<sup>146</sup> 24 CFR §576.106(d)

<sup>147</sup> 24 CFR §888 as referenced in 24 CFR §576.106(d)(2). Current FMRs for the San Francisco, CA HUD Metro FMR Area are available at <https://www.huduser.gov/portal/datasets/fmr.html>.

<sup>148</sup> 24 CFR §982.507 as referenced in 24 CFR §576.106(d)(2).



allowance for utilities (excluding telephone) established by the public housing authority for the area in which the housing is located.

ESG programs must perform both a rent reasonableness determination and document that the rent falls at or below the applicable Fair Market Rent on every unit assisted with rental assistance, whether for homelessness prevention or rapid rehousing. If the gross rent for the unit exceeds either the Fair Market Rent or HUD's standard of rent reasonableness, ESG subrecipients are prohibited from using ESG funds for any portion of the rent, even if the household is willing and/or able to pay the difference.

Please use the **Rent Reasonableness Worksheet** to document compliance with these regulations. Further guidance on FMRs and rent reasonableness can be found [here](#).

**Ongoing assistance.** If a participant is provided with first month's rent as part of move-in assistance, this payment is considered rental assistance and is subject to the rent reasonableness and FMR standards. As a matter of practicality, however, if the household were also receiving ongoing rental assistance, the amount of the deposit and/or last month's rent deposit would be limited based on these standards. Caution should be used when providing assistance that exceeds the standard for rental assistance even if used for one-time move-in assistance only, as the provider would be prohibited from providing additional assistance in the future if the household subsequently requires additional assistance.



**Housing stabilization and relocation services.** Note that the FMR and rent reasonableness standard requirement does not apply when a program participant receives only financial assistance or services under housing stabilization and relocation services. This includes rental application fees, security deposits, an advance payment of last month's rent, utility payments/deposits, and/or moving costs, housing search and placement, housing stability case management, landlord-participant mediation, legal services, and credit repair.

#### 4. Lease Agreement<sup>149</sup>

Each program participant receiving rental assistance must have a legally binding, written lease for the rental unit, unless the assistance is solely for rental arrears. The lease must be between the owner and the program participant. If a program participant will be renting a bedroom in a single-family home, apartment, or rooming house, the participant must have a lease with the owner. Program participants are not permitted to receive ESG rental assistance if they are subleasing from another renter.

---

<sup>149</sup> 24 CFR §576.106(g)

Note that although ESG regulations do not prohibit renting a room in the house of a family member or friend with ESG funds, it may be difficult to demonstrate that the potential program participant has no other resources and support networks if they have a family member or friend with an extra room in their home. One key factor to consider is whether the family member or friend has been renting out the bedroom in the recent past.<sup>150</sup>



*Since this type of arrangement has a high potential for fraud, it is critical that the provider thoroughly document in the participant's case file that all eligibility requirements have been met.*

Where the program is only providing assistance for rental arrears, an oral agreement may be accepted in place of a written lease, if the agreement gives the program participant an enforceable leasehold interest under state law and the agreement and rent owed are sufficiently documented by the owner's financial records, rent ledgers, or canceled checks.

## 5. Rental Assistance Agreement<sup>151</sup>

ESG subrecipients must enter into a rental assistance agreement with owners before making any rental assistance payments. The rental assistance agreement should ensure that the owner is apprised of the nature of the program, the anticipated support to be provided to the participant, and the manner in which the landlord may contact the program if there are concerns.

The rental assistance agreement must also notify the owner that, while the agreement is in effect, the owner must give the program a copy of any notice to the program participant to vacate the housing unit, or any complaint used under state or local law to commence an eviction action against the program participant.

## 6. Prohibition on Using ESG for Late Payments<sup>152</sup>

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

---

<sup>150</sup> HUD response to ESG question 49751 provided 3/9/15

<sup>151</sup> 24 CFR §576.106(e)

<sup>152</sup> 24 CFR §576.106(f)



## 7. Habitability Standards for Emergency Shelters

### a. Minimum Standards

Any emergency shelter that receives assistance for shelter operations must also meet the following minimum safety, sanitation, and privacy standards. The recipient may also establish standards that exceed or add to these minimum standards.

- **Structure and materials.** The shelter building must be structurally sound to protect residents from the elements and not pose any threat to the health and safety of the residents. Any renovation (including major rehabilitation and conversion) carried out with ESG assistance must use ENERGY STAR and WaterSense products and appliances.
- **Access.** The shelter must be accessible in accordance with the Rehabilitation Act,<sup>153</sup> the Fair Housing Act,<sup>154</sup> and Title II of the Americans with Disabilities Act,<sup>155</sup> where applicable. See sections in this guide regarding *Fair Housing and Section 504* for additional information.
- **Space and security.** Except where the shelter is intended for day use only, the shelter must provide each program participant with an acceptable place to sleep and adequate space and security for themselves and their belongings.
- **Interior air quality.** Each room or space within the shelter must have a natural or mechanical means of ventilation. The interior air must be free of pollutants at a level that might threaten or harm the health of residents.
- **Water supply.** The shelter's water supply must be free of contamination.
- **Sanitary facilities.** Each program participant in the shelter must have access to sanitary facilities that are in proper operating condition, are private, and are adequate for personal cleanliness and the disposal of human waste.
- **Thermal environment.** The shelter must have any necessary heating/cooling facilities in proper operating condition.
- **Illumination and electricity.** The shelter must have adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There must be sufficient electrical sources to permit the safe use of electrical appliances in the shelter.
- **Food preparation.** Food preparation areas, if any, must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner.

---

<sup>153</sup> 29 USC. 794 Section 504

<sup>154</sup> 42 USC. 3601 et seq.; 24 CFR §8; 24 CFR §100

<sup>155</sup> 42 USC. 12131 et seq.; 28 CFR §35

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

## b. Lead-Based Paint Remediation and Disclosure<sup>156</sup>

Certain federal requirements related to lead-based paint apply to all shelters assisted under ESG programs. These facilities must be inspected to determine the possible presence of lead-based paint hazards to children and if hazards are present, remedial action must be taken.

Emergency shelters that fall under the definition of zero-bedroom dwellings are exempt under the statute. If the shelter does not qualify for the zero-bedroom exemption, it is covered by the regulation. A *zero-bedroom dwelling* is defined as “any residential dwelling in which the living areas are not separated from the sleeping area. The term includes efficiencies, studio apartments, dormitory or single-room occupancy housing, military barracks, and rentals of individual rooms in residential dwellings.”

If a program receives funds for a shelter with units having one or more bedrooms, for more than 100 days, it is required that it adopt and implement a policy that assures that the child-occupied spaces are lead safe.

## 8. Participant Rent and Occupancy Charges

The process for calculating rent and occupancy charges under the ESG Program is the same as that under the CoC Program. Please see this Guide’s section on Participant Rent and Occupancy Charges for the CoC Program for further guidance.

## 9. HMIS Intake<sup>157</sup>

---

<sup>156</sup> 24 CFR part 35, subparts A, B, H, J, K, M, and R

<sup>157</sup> 24 CFR 576.500(n)





All projects funded with CoC or ESG funds, except those that are specifically for survivors of domestic violence, must participate in the *Online Navigation and Entry (ONE) System*. The ONE System is a local *Homelessness Management Information System (HMIS)* database covering all HUD-funded homeless-serving programs within the Continuum of Care geography, and often other programs as well. In San Francisco, this database was developed by Clarity Human Services. The ONE System is administered by HSH. Data from the ONE System is necessary to meet several federal reporting requirements, including the production of Annual Performance Reports for each project, as well as system-wide reporting such as the Longitudinal Systems Analysis report, the bi-annual Point-in-Time count, and other reports.

Most San Francisco providers are expected to have staff who are licensed users of the ONE System collect the required information from participants at specified times and enter the information directly into the database. Some providers have been given permission to use a different approved database and periodically upload specific required information from their own data systems into the ONE System.

Domestic violence providers are exempted and prohibited from entering data into the general HMIS system and must maintain a comparable database that collects similar information in order to provide aggregate data to HSH for reporting purposes.

Additionally, some legal service providers may determine that entering participant data into HMIS violates the attorney/participant privilege of their participants. These providers may decide to use a comparable database to maintain records and maintain attorney/participant privilege upon HSH approval.

All new project entries must be recorded in HMIS, ensuring that the date of entry corresponds correctly to the date that the participant was found to be eligible and admitted to the program in question.

For more detailed guidance on how to work in the ONE System to do tasks such as [entering data](#) and obtaining [release of information](#), please see the [ONE System Help and User Guide](#).

For information on the ONE System *Continuous Data Quality Improvement Process*, please click [here](#).

## 10. Recertification<sup>158</sup>

The purpose of the homelessness prevention and rapid rehousing components is to provide support to participants to achieve housing stability—but not to provide more

---

<sup>158</sup> 24 CFR §576.401(b)

support than is needed. Reevaluation of need and eligibility, also referred to as **recertification**, is a key aspect of both components.

- **Homelessness prevention** programs must reevaluate the program participant's eligibility and the types and amounts of assistance the program participant needs not less than once every three months
- For **rapid rehousing**, the program must reevaluate at least annually but may do so more frequently
- At a *minimum*, each reevaluation of eligibility must establish that:
  - The program participant does not have an annual income that exceeds 30 percent of median family income for the area, as determined by HUD; and
  - The program participant lacks sufficient resources and support networks necessary to retain housing without ESG assistance

The program may require each program participant to notify it regarding changes in income or other circumstances (e.g., changes in household composition) that affect the participant's need for assistance under ESG. When notified of a relevant change, the program must reevaluate the program participant's eligibility and the amount and types of assistance the program participant needs.

Each reevaluation of eligibility must establish that the program participant has an annual income that does not exceed 30 percent of median family income for the area. If the reevaluation shows that the program participant is no longer eligible for ESG, assistance must be stopped at that time.

## 11. Annual Update in HMIS

At least annually, while a participant is enrolled in a program, information must be updated in the ONE System. Information that must be included at the time of the update includes income, benefits receipt, and employment status. Other changes such as the development of a disabling condition or a change in household composition should be recorded at this time if not previously recorded.

## 12. Income and Household Composition

Programs should upload **Universal Application Form E1: Household Composition + Income Certification Form and Form E2: Declaration of No Income** as applicable into the participant's profile in the ONE System, inclusive of all source documents (e.g., most recent wage statement, unemployment compensation statement, public benefits statement, bank statement), third party statements (e.g., employer, government



benefits administrator), or other the written certification by the program participant of the amount of income that the program participant is reasonably expected to receive over the 3-month period following the evaluation.

### 13. Annual Habitability Inspections

Program operators must schedule habitability inspections for all units at least annually during the grant period to ensure that the units continue to meet habitability standards.<sup>159</sup> For more information about requirements and documentation, please see the ESG section above on *Habitably Standards*.

### 14. Services Plan

Assessment of services for program participants should be logged into the ONE System directly and services plans adjusted accordingly.

### 15. Coordination and Linkage Requirements

ESG-funded programs are expected to maximize the use of their resources and assist participants to meet a range of needs by integrating services and supports with other homeless-targeted and mainstream programs as much as possible.

#### a. Coordination with Other Targeted Homeless Services<sup>160</sup>

ESG subrecipients must coordinate and integrate, as much as possible, ESG-funded activities with other programs targeted to homeless people in the area covered by the Continuum of Care or area over which the services are coordinated to provide a strategic, community-wide system to prevent and end homelessness for that area.

Federal programs of this type include:

- CoC-funded programs
- HUD-Veterans Affairs Supportive Housing (HUD-VASH)
- Education for Homeless Children and Youth Grants for State and Local Activities
- Healthcare for the Homeless
- Programs for Runaway and Homeless Youth (RHY)
- Projects for Assistance in Transition from Homelessness (PATH)

---

<sup>159</sup> 24 CFR §578.75(b)(2)

<sup>160</sup> 24 CFR §576.400(b)

- Services in Supportive Housing Grants
- Emergency Food and Shelter Program (EFSP)
- Transitional Housing Assistance Grants for Victims of Sexual Assault, Domestic Violence, Dating Violence, and Stalking Program
- Homeless Veterans Reintegration Program (HVRP)
- Domiciliary Care for Homeless Veterans Program
- VA Homeless Providers Grant and Per Diem Program (GPD)
- Homeless Veterans Dental Program
- Supportive Services for Veteran Families Program (SSVF)
- Veteran Justice Outreach Initiative

Additional state and local programs that should also be considered include:

- Direct Assistance to Housing (DAH)
- Housing funded through the San Francisco Local Operating Subsidy Program (LOSP)

## **b. Coordination with Mainstream Resources<sup>161</sup>**

Subrecipients must coordinate and integrate, to the maximum extent practicable, ESG-funded activities with mainstream housing, health, social services, employment, education, and youth programs for which families and individuals at-risk of homelessness and homeless individuals and families may be eligible. Examples of these programs include:

- Public housing programs
- Housing programs receiving participant-based or project-based assistance under Section 8
- Supportive Housing for Persons with Disabilities (Section 811)
- HOME Investment Partnerships Program
- Temporary Assistance for Needy Families (TANF) – known as CalWORKs
- Health Center Program
- State Children’s Health Insurance Program (S-CHIP)
- Head Start
- Mental Health and Substance Abuse Block Grants
- Services funded under the Workforce Investment Act

Local programs to be considered include Healthy San Francisco.

## **c. Participant Linkages<sup>162</sup>**

---

<sup>161</sup> 24 CFR §§576.400(c), §576.401(d)

<sup>162</sup> 24 CFR §§576.400(c) and 576.401(d).



Programs funded with ESG must assist each program participant, as needed, to obtain the following.

Appropriate supportive services, including assistance in obtaining:

- Permanent housing;
- Medical health treatment;
- Mental health treatment;
- Counseling;
- Supervision; and
- Other services essential for achieving independent living.

Other federal, state, local, and private assistance available to assist the program participant in obtaining housing stability, including:

- Medi-Cal and/or Healthy San Francisco;
- Supplemental Nutrition Assistance Program (CalFRESH);
- Women, Infants and Children (WIC);
- Federal-State Unemployment Insurance Program;
- Social Security Disability Insurance (SSDI);
- Supplemental Security Income (SSI); and
- Child and Adult Care Food Program.

#### **d. Documentation of Coordination**

For the coordination and linkages described above, programs are encouraged to document formal relationships with other programs in the form of Memorandums of Understanding (MOUs) or other agreements, and to record in participant files and case notes the referrals made and services received from the above mainstream programs as well as local mainstream programs including Healthy San Francisco.

## **16. Live-In Aides<sup>163</sup>**

One type of reasonable accommodation request is a request to have a live-in aide in HUD-funded housing. HUD regulations define a live-in aide as, “A person who resides with one or more elderly persons or near-elderly persons or persons with disabilities and who:

- is determined to be essential to the care and well-being of the persons;
- is not obligated for the support of the persons; and

---

<sup>163</sup> Technical Assistance Collaborative “Live-In Aides in Federally-funded Housing Programs: Information for MFP Participants and Program Staff”, May 2013.

- would not be living in the unit except to provide the necessary supportive services.”<sup>164</sup>

When requesting information to verify the necessity of a live-in aide, HUD limits the type of information that can be requested. A provider may not seek the individual’s specific diagnosis, nor may the provider seek information regarding the nature, severity, or effects of the individual’s disability.<sup>165</sup>

### a. Determining the Residence of the Live-in Aide

HUD regulations seek to distinguish between a household member who would normally be expected to live in the unit and provide supports to a person with a disability—such as a spouse or parent—and an individual who has joined the household solely for purposes of caretaking. A provider is permitted to ask a participant and aide to demonstrate that the provision of care is an ‘arm’s length transaction’ or that an aide was not a household member prior to becoming the helper.

### b. Relatives as Live-In Aides

Although relatives are not automatically excluded as eligible live-in aides, they must meet the definition stated above. Generally, pre-existing household members will not be able to qualify as a live-in aide. It is more complicated when a child moves into a unit to assist an ailing parent or vice versa, or when a live-in aide becomes a boyfriend or girlfriend after moving into the unit.

Some examples include:

#### Example A

A husband and wife are current participants and are receiving rental assistance through a prevention program. The husband has a stroke and as a result of the stroke, can no longer walk independently without assistance. Although the wife would continue to live in the unit as a member of the household, she would not qualify as a live-in aide because she was a member of the household prior to the stroke. Her income would not be excluded from the income calculation.

#### Example B

An elderly gentleman is residing in permanent supportive housing. He has a stroke and as a result, can no longer walk independently without assistance. He hires and pays a woman to live with him to help him with household chores and personal care. She qualifies as a live-in aide.

#### Example C

A 30-year old woman is residing in permanent supportive housing. She is in a car accident and as a result, can no longer walk independently without assistance. Her nephew comes to live with her to assist her with

<sup>164</sup> 24 CFR part 5.403

<sup>165</sup> PIH Notice 2010-26: Non-Discrimination and Accessibility for Persons with Disabilities



household chores and personal care. The nephew may or may not be a live-in aide depending on the situation. For example, if the nephew rents his own apartment in the community and gives up his apartment in order to live with his aunt to assist her with household chores and personal care, he may qualify as a live-in aide.

### c. Eligibility and Screening

Once the housing provider has determined that the participant is eligible for a live-in-aide and that the aide would not otherwise be living with the participant, the housing provider should determine whether the specific individual is eligible to live in the unit. It is important to note that aides who do not live on the premises are not subject to any type of review by any housing agency. Live-in aides are not subject to income or credit checks. However, since the aide will be living on the premises, the housing agency is permitted to conduct background checks to determine suitability. This may include a review of past tenancy and criminal behavior. Housing agencies can refuse to accept individuals as live-in aides based on the results of this screening.

### d. Income Exclusions

In all HUD-funded housing programs, the income of an approved live-in aide is excluded when calculating a household's income and the amount the household must pay toward rent. Since the live-in aide is an occupant and not a participant in the unit (see Occupancy section below), it is not appropriate to include their income in these calculations. In addition, if the participant is paying the live-in aide directly and receives funds specifically to cover the cost of these services (e.g., from health or long-term care insurance coverage including Medicaid or Medicare funds), this income must be excluded as well when calculating the household's share of the rent.

### e. Bedroom Size

HUD regulations require that a housing agency must include any approved live-in aide when determining the family unit size. For example, a single person who has a disability is generally eligible for a studio or a one-bedroom unit. If that same individual is determined eligible for a live-in aide, they are eligible for a two-bedroom unit. Note in this second scenario, the individual is eligible for either a two-bedroom unit or a one-bedroom unit. If the individual is homeless, for example, or in a precarious housing situation and the wait for a two-bedroom unit is longer than a one-bedroom unit, the individual may choose to live in a one-bedroom unit with the live-in aide using a pull-out sofa in the living area in order to secure housing more quickly. The request cannot violate HUD's Housing Quality Standards (HQS), which states that the dwelling unit must have at least one bedroom or living/sleeping room for each two persons.

## **f. Occupancy**

A live-in aide is considered an occupant of the unit but is not a participant and does not have the rights of tenancy. The name of the approved live-in aide may be listed as an occupant of the unit on the lease but should not be a signatory on the lease. If the participant determines they want to change aides, and if the aide is a participant of the unit, the participant might be required to evict the aide, a lengthy and problematic process, potentially placing the participant's housing at-risk while the aide stays in place.

Providers are encouraged to use a lease addendum providing the right to evict a live-in aide who violates any of the house rules. This same lease addendum also clarifies that the aide does not qualify for continued occupancy when the participant is no longer a participant—regardless of the reason why.

## **17. Exit Requirements**

### **a. HMIS Exit**

When a participant leaves an ESG program, for any reason, the participant's ONE System record must be updated to reflect their exit from the project, including the date that the participant was no longer enrolled in the project, and their destination. As with the entry, the required information must be entered for all members of a household. For adults, the record must also reflect their income, employment, and benefit receipt status at the time of the exit.

### **b. Termination<sup>166</sup>**

If a program participant violates program requirements, the program may terminate the assistance in accordance with a formal process established by the program that recognizes the rights of individuals affected. The program must exercise judgment and examine all extenuating circumstances in determining when violations warrant termination so that a program participant's assistance is terminated only in the most severe cases.

### **c. Ability To Provide Further Assistance**

Termination under this section does not bar the program from providing further assistance at a later date to the same family or individual.

---

<sup>166</sup> 24 CFR §576.402





#### **d. Additional Requirements for Rapid Rehousing or Homelessness Prevention**

To terminate rental assistance or housing relocation and stabilization services to a program participant, the required formal process, at a minimum, must consist of:

- Written notice to the program participant containing a clear statement of the reason(s) for termination;
- A review of the decision, in which the program participant is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision; and
- Prompt written notice of the final decision to the program participant.

#### **e. Termination of Rental Assistance**

The rental assistance agreement with the owner must terminate and no further rental assistance payments under that agreement may be made if:

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

### **G. GRANT ADMINISTRATION**

#### **1. Confidentiality and Access to Records<sup>167</sup>**

##### **a. Confidentiality<sup>168</sup>**

Programs must have written procedures to ensure:

- All records containing personally identifying information (as defined by HUD's standards for participation, data collection, and reporting in a local HMIS) of any

---

<sup>167</sup> 24 CFR §576.500(x)

<sup>168</sup> 24 CFR §§578.103 (b), 576.500(x)

- individual or family who applied for and/or received ESG assistance will be kept secure and confidential;
- The address or location of any domestic violence, dating violence, sexual assault, or stalking shelter project assisted under ESG will not be made public, except with written authorization of the person responsible for the operation of the shelter; and
  - The address or location of any housing of a program participant will not be made public, except as provided under a preexisting privacy policy of the City or the program, and consistent with state and local laws regarding privacy and obligations of confidentiality.

#### **a. Federal Government Rights**

Notwithstanding the confidentiality requirements above, HUD, the HUD Office of the Inspector General, and the Comptroller General of the United States, or any of their authorized representatives, must have the right of access to all books, documents, papers, or other records of the recipient and its subrecipients that are pertinent to the ESG grant in order to make audits, examinations, excerpts, and transcripts. These rights of access are not limited to the required retention period (i.e., five years from the grant closeout date) but last as long as the records are retained.

#### **b. Public Rights**

The recipient must provide citizens, public agencies, and other interested parties with reasonable access (consistent with state and local laws regarding privacy and obligations of confidentiality and the confidentiality requirements in this part) to records regarding any uses of ESG funds the recipient received during the preceding five years.

## **2. Recordkeeping**

#### **a. Period of Record Retention<sup>169</sup>**

Sufficient records must be established and maintained to enable MOHCD and HUD to determine whether ESG requirements are being met. All records pertaining to each fiscal year of ESG funds must be retained for five years after the expenditure of all funds from the grant under which the program participant was served (i.e., five

---

<sup>169</sup> 24 CFR §§578.103 (c), 576.500(y)



years from the date of grant closeout). Copies made by microfilming, photocopying, or similar methods may be substituted for the original records. If ESG funds are used for emergency shelter renovation or conversion, different recordkeeping requirements apply.

## **b. Eligibility Records**

***Homeless or at-risk status.*** Evidence of the homeless status or “at-risk of homelessness.”

***Annual income.*** For each participant who receives homelessness prevention assistance or who received rapid rehousing assistance longer than one year.

- Income evaluation form specified by HUD and completed by the recipients or subrecipients;
- Source documents (e.g., most recent wage statements, unemployment compensation statements, public benefits statements, bank statements) for the assets held by the program participants and income received before the date of the evaluation;
- To the extent that source documents are unobtainable, written statements by the relevant third parties (e.g., employer, government benefits administrator) or written certification by the recipients’ or subrecipients’ intake staff of the oral verification by the relevant third-party of the program participant’s income over the most recent period; or
- To the extent that source documents and third-party verification are unobtainable, written certification by the program participants of the amount of income that the program participants receive.

***Determinations of ineligibility.*** For each individual or family determined to be ineligible for ESG assistance, the records must include documentation of the reason for that determination

## **c. Program Participant Records**

In addition to the eligibility documentation required above, program participant records must include:

- Documentation of the services and assistance provided to that program participant, including, as applicable, the security deposit, rental assistance, and utility payments made on behalf of the program participant
- Compliance with the applicable requirements for providing services and assistance to that program participant under the program components and eligible activities provisions
- Where applicable, compliance with the termination of assistance requirement

#### **d. Centralized or Coordinated Assessment Systems & Procedures**

Programs must keep documentation evidencing the use of the ONE System in accordance with the HMIS requirements established by HUD.

#### **e. Rental Assistance Agreements and Payments**

Records must include copies of all leases and rental assistance agreements for the provision of rental assistance, documentation of payments made to owners for the provision of rental assistance, and supporting documentation for these payments, including dates of occupancy by program participants.

#### **f. Utility Allowance**

Records must document the monthly allowance for utilities (excluding telephone) used to determine compliance with the rent restriction.

#### **g. Shelter and Housing Standards**

Records must include documentation of compliance with the shelter and housing standards including inspection reports.

#### **h. Coordination with Other Programs**

Programs must document their compliance in coordinating and integrating ESG assistance with programs targeted toward homeless people and mainstream service and assistance programs.

#### **i. Matching**

The program must keep records of the source and use of contributions made to satisfy the matching requirement as described above in the section on **Match**. The records must indicate the particular fiscal year grant for which each matching contribution is counted. The records must show how the value placed on third-party, non-cash contributions was derived. To the extent feasible, volunteer services must be supported by the same methods that the organization uses to support the allocation of regular personnel costs.

#### **j. Conflicts of Interest**

The program must keep records to show compliance with the organizational conflicts of interest requirements, a copy of the personal conflicts of interest policy or codes of conduct, and records supporting exceptions to the personal conflicts of interest prohibitions.



#### k. Faith-based Activities<sup>170</sup>

The program must document its compliance with the **Faith-Based Activities** requirements described in that section of the Guide.

#### l. Other Federal Requirements<sup>171</sup>

Programs must document their compliance with the federal requirements, as applicable, including:

- Records demonstrating compliance with nondiscrimination and equal opportunity requirements including data concerning race, ethnicity, disability status, sex, and family characteristics of persons and households who are applicants for, or program participants in, any program or activity funded in whole or in part with ESG funds and affirmative outreach requirements;
- Records demonstrating compliance with the uniform administrative requirements for nonprofit organizations described under the **Financial Management of Grants** and **Cost Allocation** sections of this Guide;
- Records demonstrating compliance with flood insurance requirements if applicable; and
- Certifications and disclosure forms required under the lobbying and disclosure requirements.

#### m. Financial Records

The program must keep documentation showing that ESG grant funds were spent on eligible costs in accordance with the requirements for eligible activities. Any programs that receive program income must retain records of the receipt and use of program income.

#### n. Subrecipients and Contractors

The program must retain copies of all procurement contracts and documentation of compliance with federal **Procurement** requirements as described in that section of this Guide.

#### o. Reporting Requirements

Programs receiving ESG funding must report to MOHCD on activities and expenditures as specified in the RFP under which the funding was awarded, and in

---

<sup>170</sup> 24 CFR §576.406

<sup>171</sup> 24 CFR §576.407

the contract between MOHCD and the subrecipients. Additional reporting to the Continuum of Care Local Homeless Coordinating Board may be required.

## H. MONITORING<sup>172</sup>

HUD requires monitoring of ESG grantees' performance to ensure adequacy and compliance with all applicable regulations. HSH accomplishes this through a review of periodic reports and site visits.

If a program fails to demonstrate to HSH's satisfaction that the activities were carried out in compliance with ESG program requirements, HUD regulations allow HSH to take remedial actions or apply sanctions. Sanctions can include:

- Instructing the recipient to submit and comply with proposals for action to correct, mitigate, and prevent noncompliance with ESG requirements;
- Suspending payments to the extent HSH deems it necessary to preclude the further expenditure of funds for affected activities;
- Denying matching credit for all or part of the cost of the affected activities and requiring the recipient to make further matching contributions to make up for the contribution determined to be ineligible;
- Requiring the subrecipient to reimburse the City in an amount equal to the funds used for the affected activities;
- Reducing or terminating the remaining grant of a recipient and reallocating those funds to other subrecipients;
- Conditioning a future grant; and
- Taking other remedies that are legally available.

---

<sup>172</sup> 24 CFR §576.501



## IV. ADDITIONAL REGULATORY REQUIREMENTS

### A. FAIR HOUSING<sup>173</sup>

The **Fair Housing Act** protects people from discrimination because of race, color, national origin, religion, sex, familial status, and disability when they are renting or buying a home, getting a mortgage, seeking housing assistance, or engaging in other housing-related activities. It is illegal to discriminate in the sale or rental of housing, including against individuals seeking a mortgage or housing assistance, or in other housing-related activities.<sup>174</sup>

A variety of other federal civil rights laws, including **Title VI of the Civil Rights Act**, **Section 504 of the Rehabilitation Act**, and the **Americans with Disabilities Act**, prohibit discrimination in housing and community development programs and activities, particularly those that are assisted with HUD funding. These civil rights laws include obligations such as taking reasonable steps to ensure meaningful access to their programs and activities for persons with limited English proficiency (LEP) and taking appropriate steps to ensure effective communication with individuals with disabilities through the provision of appropriate auxiliary aids and services. Various federal fair housing and civil rights laws require HUD and its program participants to affirmatively further the purposes of the Fair Housing Act.

HUD recipients and subrecipients must comply with the accessibility requirements of the Fair Housing Act (24 CFR part 100), Title VI of the Civil Rights Act (42 U.S.C. § 2000d et seq.), Section 504 of the Rehabilitation Act of 1973 (24 CFR part 8), and Titles II and III of the Americans with Disabilities Act (28 CFR parts 35 and 36 as applicable) as summarized below.<sup>175</sup> HUD recipients and subrecipients also must take appropriate steps to ensure effective communication with persons with disabilities including, but not limited to, adopting procedures that will make information available regarding the services and facilities that are accessible to persons with disabilities. Recipients and subrecipients are also required to take reasonable steps to ensure meaningful access to programs and activities for limited English proficiency (LEP) persons.<sup>176</sup>

#### 1. Discrimination Based on Race, Color, or National Origin

Title VI of the Civil Rights Act of 1964 prohibits all recipients of federal financial assistance from discriminating based on race, color, or national origin. Title VI applies to

---

<sup>173</sup> For further guidance, please see

[https://www.hud.gov/program\\_offices/fair\\_housing\\_equal\\_opp/fair\\_housing\\_rights\\_and\\_obligations](https://www.hud.gov/program_offices/fair_housing_equal_opp/fair_housing_rights_and_obligations).

<sup>174</sup> 42 U.S.C. §§ 3601-19

<sup>175</sup> 24 CFR §578.93, 578.103(14)

<sup>176</sup> 24 CFR §576.407(b), Title VI and Executive Order 13166

any program or activity receiving federal financial assistance, not just housing.<sup>177</sup> In housing, Title VI and the Fair Housing Act apply to many of the same types of activities. However, HUD has broader investigative authority in complaints related to violations of Title VI and the authority to impose different types of remedies than it does in cases involving violations of the Fair Housing Act.

Title VI regulations require that recipients have an affirmative obligation to take reasonable steps to remove or overcome any discriminatory practice or usage that subjects individuals to discrimination based on race, color, or national origin. The regulations also require that, even in the absence of prior discrimination, recipients should take affirmative steps to overcome the effects of conditions that result in limiting participation by persons of a particular race, color, or national origin. Title VI regulations also require that owners maintain racial and ethnic data showing the extent to which members of minority groups are beneficiaries of federal financial assistance.

Under Title VI, recipients may be required to provide language assistance to persons who, as a result of their national origin, are limited in their English proficiency, in order to improve access to their programs and activities.

## **2. Discrimination Based upon Religion**

The Fair Housing Act prohibits discrimination based upon religion. Recipients and subrecipients may not restrict housing or services to persons of a particular religion or religious denomination, nor may they require a particular religious belief or activity as a condition of receiving benefits or participating in program activities. If providers allow tenants to use the public and common spaces for religious services, it must make those public and common spaces available for all types of religious services requested by the tenants.

## **3. Discrimination Based on Sex**

In general, the Fair Housing Act prohibits housing providers from limiting access to their housing program based upon sex. However, housing may be limited to one sex where, because of the physical limitations or configuration of the housing facility, considerations of personal privacy or personal safety would make it inappropriate for the facility to be made available to members of both sexes. For example, it would not be a violation of the Fair Housing Act for units with shared bathing or sleeping facilities to be limited to one sex.

---

<sup>177</sup> See 24 CFR Part 1





## **4. Discrimination Based on Disability**

### **a. Minimum Accessibility Requirements<sup>178</sup>**

In addition to its general non-discrimination requirements, the Fair Housing Act requires that new multifamily housing with four or more dwelling units built for first occupancy after March 13, 1991 be designed and built to contain minimum accessibility features for persons with disabilities. This includes accessible public and common use areas, doors that are wide enough for wheelchairs, kitchens and bathrooms that allow a person using a wheelchair to maneuver, and other adaptable features within the units. These accessibility requirements are in addition to those required under Section 504 (see below). Sleeping rooms that share kitchen facilities and dormitory style housing are subject to these requirements.

### **b. Inquiries Related to Disability**

Although the Fair Housing Act places limitations on the ability of housing providers to inquire about the nature and severity of an applicant's disability, it is permissible for a housing provider that offers housing serving persons with disabilities to inquire whether an applicant meets the program's eligibility requirements.<sup>179</sup> Thus, a provider whose housing is limited to serving residents with disabilities may inquire whether an applicant has a qualifying disability. In addition, service providers connected with the housing program may make inquiries necessary to determine the service needs of residents. Housing providers may also ask applicants and residents whether they need units with special features or if they have special needs related to communication, but they should make these inquiries of all program participants.

### **c. Americans With Disabilities Act (ADA)**

Title II of the Americans with Disabilities Act (ADA) prohibits discrimination against persons with disabilities in all programs, activities, and services of a public entity (i.e., state or local government; or department, agency, special purpose district, or other instrumentality of a state, or states, or local government). The prohibitions against discrimination under Title II of the ADA are essentially the same as those in Section 504, except they apply to all programs, activities, and services of the public entity, not just those funded with federal financial assistance.

Title III of the ADA prohibits discrimination on the basis of disability in public accommodations and commercial facilities. These do not include housing but do include emergency overnight shelters or social service facilities. For more

---

<sup>178</sup> 24 CFR 100.205

<sup>179</sup> 24 CFR 100.202(c)

information about the ADA and its requirements, see the Department of Justice website at: [www.ada.gov](http://www.ada.gov).

Recipients must ensure that their program's housing and supportive services are provided in the most integrated setting appropriate to the needs of persons with disabilities.<sup>180</sup>

## 5. Affirmatively Furthering Fair Housing

CoC and ESG recipients must implement programs in a manner that affirmatively furthers fair housing, which means that the recipient must:

- Affirmatively market their housing and supportive services to eligible persons regardless of race, color, national origin, religion, sex, age, familial status, or handicap. Marketing should target those least likely to apply without special outreach, and records should be maintained of all marketing activities;
- Where a recipient encounters a condition or action that impedes fair housing choice for current or prospective program participants, provide such information to HSH; and
- Provide program participants with information on rights and remedies available under applicable federal, state and local fair housing and civil rights laws.

## B. SECTION 504<sup>181</sup>

Section 504 of the Rehabilitation Act of 1973 prohibits discrimination based upon disability in all programs or activities operated by recipients of federal financial assistance, regardless of whether the programs involve provision of housing or non-housing services or benefits. While Section 504 overlaps with the disability discrimination prohibitions of the Fair Housing Act, it also imposes broad affirmative obligations on recipients to make their programs, as a whole, accessible to persons with disabilities. These obligations include the following:

### 1. Affirmative Accessibility Requirements

Section 504 regulations establish affirmative physical accessibility requirements when federal financial assistance is used for new construction or rehabilitation of housing. The regulations require five percent of units to be made accessible to persons with mobility

---

<sup>180</sup> 24 CFR 8.4(d)

<sup>181</sup> 24 CFR Part 8



disabilities and an additional two percent to be made accessible to persons with communication disabilities. In addition, the regulations require accessible public and common use areas.<sup>182</sup> Units and public and common use areas that meet the requirements of the Uniform Federal Accessibility Standards (UFAS) are deemed to be fully accessible under Section 504.<sup>183</sup> The Section 504 accessibility requirements are in addition to the requirements imposed by the Fair Housing Act for newly constructed multifamily housing. Units that only meet the Fair Housing Act design and construction standards do not comply with UFAS. A copy of UFAS can be obtained at <http://www.access-board.gov/guidelines-and-standards/buildings-and-sites/about-the-aba-standards/ufas>.

## 2. Site Selection

The Section 504 regulations require that recipients consider physical accessibility in determining the site or location of a federally assisted facility. The regulations state that it is discriminatory for recipients to select sites which have the purpose or effect of excluding qualified persons with disabilities from participating in, or denying the benefits of, any program or activity, that receives federal financial assistance.<sup>184</sup> For example, a CoC recipient should not lease a building that has steps at the entrance and cannot be ramped to allow persons with mobility impairments to access the building.

## 3. Effective Communication

The Section 504 regulations require recipients to take appropriate steps to ensure effective communication with applicants, residents, and the public with communication disabilities. Providers should ensure that their application and admissions process and the services offered are accessible and understandable by persons with disabilities. This may include providing necessary auxiliary aids and services such as sign language interpreters and written materials in alternative formats.<sup>185</sup>

## 4. Reasonable Accommodation

The Fair Housing Act requires owners of housing facilities to provide reasonable accommodations to persons with disabilities. Under the Fair Housing Act, reasonable accommodations are changes, exceptions, or adjustments to a program, service, or procedure that will allow a person with a disability to have equal enjoyment of the housing program. There must be an identifiable relationship between the requested

---

<sup>182</sup> 24 CFR §§ 8.20, 8.22, 8.23

<sup>183</sup> 24 CFR § 8.32

<sup>184</sup> 24 CFR §8.4(b)(5)

<sup>185</sup> 24 CFR §8.6

accommodation and the person's disability. Reasonable accommodations need not be provided if they would constitute an undue financial and administrative burden, or if they would be a fundamental alteration of the provider's program.<sup>186</sup>

The Fair Housing Act does not require owners and homeowner associations to make and pay for structural modifications to dwellings. Instead, it requires owners and homeowners to allow tenants with disabilities to make reasonable access-related modifications to their private living space and common use spaces.<sup>187</sup> However, recipients of federal financial assistance such as CoC grantees should be mindful that they are subject to Section 504's more stringent requirements that they make and pay for structural modifications to dwellings and public and common use areas that are needed as a reasonable accommodation for persons with disabilities unless providing that accommodation would constitute a fundamental alteration of the program or an undue financial and administrative burden.

Like the Fair Housing Act, Section 504 requires that recipients provide reasonable accommodations to persons with disabilities by making changes to policies, practices, procedures, and structures if needed to allow applicants or tenants with disabilities to have access to or participate in the program. A particular reasonable accommodation need not be provided if doing so would constitute an undue financial and administrative burden or a fundamental alteration of the program.<sup>188</sup> The requirements for reasonable accommodations related to policies, practices, and procedures are the same under Section 504 and the Fair Housing Act. However, the Section 504 reasonable accommodation obligation is broader than the obligation under the Fair Housing Act with respect to requests for structural changes to facilities because Section 504 requires that recipients of federal financial assistance make and pay for physical changes to dwelling units and public and common use spaces if needed as a reasonable accommodation unless it is an undue financial and administrative burden or a fundamental alteration of the program.

Recipients are allowed to verify the existence of the disability and the need for the requested accommodation.

Examples of reasonable accommodations under Section 504 include:

- Making an exception to a rule that prohibits animals in a dwelling to accommodate a person with a disability who uses an assistance animal

---

<sup>186</sup> For information about reasonable accommodations under the Fair Housing Act, see the Joint Statement of the U.S. Department of Housing and Urban Development and the US Department of Justice entitled Reasonable Accommodations Under the Fair Housing Act, issued on May 14, 2004 found at <http://www.hud.gov/offices/fheo/library/huddojstatement.pdf>.

<sup>187</sup> 24 CFR §100.203

<sup>188</sup> 24 CFR §§ 8.20, 8.24, 8.33



- Providing and paying for a ramp to the entrance of a unit which would allow a tenant in a wheelchair to access the unit
- Providing accessible transportation for a trip for program participants where transportation is being provided for nondisabled residents
- Providing a first-floor unit to an applicant or a transfer to a first-floor unit for a resident who cannot climb stairs to a second-floor unit
- Allowing a resident to have a personal refrigerator to store medications in a development that does not normally provide refrigerators in sleeping units

HUD strongly recommends that providers have written, reasonable accommodation policies and that applicants and residents be advised of the existence of their right to reasonable accommodation at admission and during tenancy.

## **C. FAITH-BASED ACTIVITIES**<sup>189</sup>

### **1. Equal Treatment**

Organizations that are religious or faith-based are eligible to participate in the CoC and ESG programs. Recipients and subrecipients must not discriminate against a program participant or prospective program participant on the basis of religion or religious belief.

### **2. Religious Identity**

A faith-based organization that is a recipient or subrecipient of CoC or ESG program funds may continue to carry out its mission, including the definition, development, practice, and expression of its religious beliefs, provided that it does not use direct program funds to support or engage in any explicitly religious activities. Faith-based organizations may use space in their facilities to provide program-funded services, without removing or altering religious art, icons, scriptures, or other religious symbols.

In addition, ESG regulations explicitly specify that religious organizations retain authority over internal governance. The organization may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.

### **3. Separation of Activities**

---

<sup>189</sup> 24 CFR §§58.87(b), 578.103(13), 578.406

Recipients and subrecipients of CoC or ESG funds that engage in explicitly religious activities such as worship, religious instruction, or proselytization, must offer these services separately, in time or location, from the programs or services funded through CoC or ESG. Participation in any such explicitly religious activities must be voluntary for CoC and ESG program participants.

#### 4. Alternative Provider

If a program participant or prospective program participant of the CoC objects to the religious character of an organization that provides services under the program, that organization shall, within a reasonably prompt time after the objection, undertake reasonable efforts to identify and refer the program participant to an alternative provider to which the prospective program participant has no objections. Recipients and subrecipients shall document any objections from program participants and prospective program participants and any efforts to refer such participants to alternative providers.

#### D. EQUAL ACCESS<sup>190</sup>

The Fair Housing Act prohibits discrimination based upon familial status, defined as families and individuals with children under 18, as well as pregnancy, and families and individuals in the process of securing legal custody of individuals under 18. Discrimination against families with children is prohibited, regardless of the ages of the children, or the number of children in a household. Notwithstanding the prohibition against discrimination on the basis of familial status, state and local governments do have the right to apply reasonable restrictions regarding the maximum number of occupants permitted to occupy a dwelling.

Housing shall be made available without regard to actual or perceived sexual orientation, gender identity, or marital status. No recipient or subrecipient of HUD funds may inquire about the sexual orientation or gender identity of an applicant for, or occupant of, HUD-assisted housing for the purpose of determining eligibility for the housing or otherwise making such housing available. This prohibition on inquiries regarding sexual orientation or gender identity does not prohibit any individual from voluntarily self-identifying sexual orientation or gender identity. This prohibition on inquiries does not prohibit lawful inquiries of an applicant or occupant's sex where the housing provided or to be provided to the individual is temporary emergency shelter that involves the sharing of sleeping areas or bathrooms, or inquiries made for the purpose of determining the number of bedrooms to which a household may be entitled.

---

<sup>190</sup> 24 CFR §5.105



Housing that is assisted by HUD shall be made available without regard to actual or perceived sexual orientation, gender identity, or marital status.

## 1. Prohibition of Inquiries on Sexual Orientation or Gender Identity

No owner or administrator of HUD-assisted housing, nor any recipient or subrecipient of HUD funds, may inquire about the sexual orientation or gender identity of an applicant for, or occupant of, HUD-assisted housing for the purpose of determining eligibility for the housing. This prohibition on inquiries regarding sexual orientation or gender identity does not prohibit any individual from voluntarily self-identifying sexual orientation or gender identity. This prohibition on inquiries does not prohibit lawful inquiries of an applicant or occupant's sex where the housing provided or to be provided to the individual is temporary emergency shelter that involves the sharing of sleeping areas or bathrooms, or inquiries made for the purpose of determining the number of bedrooms to which a household may be entitled.

Below are two examples of how this might apply:<sup>191</sup>

### Example A

**A permanent supportive housing project under the CoC Program rule that serves chronically homeless families.** A permanent supportive housing program that serves families must serve all types of families and cannot discriminate against any family based on marital status, actual or perceived sexual orientation of the family members, or gender identities of the family members. Therefore, if two adults present together as a family, the recipient or subrecipient must serve the two adults as a family and may not require proof of marriage and may not limit assistance to couples in a heterosexual relationship.

### Example B

**An emergency shelter, transitional housing project, or permanent housing project that serves households with children.** While it is acceptable for a shelter or housing program to limit assistance to households with children, it may not limit assistance to only women with children. Such a shelter must also serve the following family types, should they present, in order to be in compliance with the Equal Access rule:

- Single male head of household with minor child(ren); and
- Any household made up of two or more adults, regardless of sexual orientation, marital status, or gender identity, presenting with minor child(ren).

In this example, the emergency shelter or housing program would not be required to serve families composed of only adult members and could deny access to these types of families provided that all adult-only families are treated equally, regardless of sexual orientation, marital status, or gender identity.

---

<sup>191</sup> HUD CoC FAQ 1529

## 2. Families

A family can include any group of persons presenting for assistance together with or without children regardless of marital status, actual or perceived sexual orientation, or gender identity. A child who is temporarily away from the home because of placement in foster care is considered a member of the family.

What this means is that any group of people that present together for assistance and identify themselves as a family, regardless of age or relationship or other factors, is considered to be a family and must be served together as such. Further, a recipient or subrecipient receiving funds under the ESG or CoC programs cannot discriminate against a group of people presenting as a family based on the composition of the family (e.g., adults and children or just adults), the age of any member's family, the disability status of any members of the family, marital status, actual or perceived sexual orientation, or gender identity.

## 3. Dwelling Size

In general, absent special circumstances, HUD's position is that a maximum of two persons in a bedroom is a reasonable occupancy standard. Bedroom size, unit size, age of children, and other circumstances might affect the reasonableness of a two person per bedroom occupancy rule.<sup>192</sup>

## E. VIOLENCE AGAINST WOMEN ACT (VAWA)<sup>193</sup>

The City and County of San Francisco affirms the right of all persons fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence, regardless of sex, gender identity, or sexual orientation, to safe housing environments. To ensure the provision of safe housing environments, this policy requires housing providers to establish procedures and protections for participants persons fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence, regardless of sex, gender identity, or sexual orientation.<sup>194</sup>

---

<sup>192</sup> For a detailed discussion on establishing lawful occupancy standards, see "Fair Housing Enforcement—Occupancy Standards Notice of Statement of Policy," published in the Federal Register on December 18, 1998, Volume 63, Number 243.

<sup>193</sup> Pub. L. 113-4, 127 Stat. 54, as implemented by 81 FR 80724.

<sup>194</sup> This population includes all persons who are "homeless" as defined by 24 CFR 578.3, inclusive of .





This policy applies to all of the following housing programs:<sup>195</sup>

- Section 202 Supportive Housing for the Elderly;<sup>196</sup>
- Section 811 Supportive Housing for Persons with Disabilities;<sup>197</sup>
- Housing Opportunities for Persons with AIDS (HOPWA) Program;<sup>198</sup>
- HOME Investment Partnerships (HOME) Program;<sup>199</sup>
- Homeless programs under title IV of the McKinney-Vento Homeless Assistance Act,<sup>200</sup> including the Emergency Solutions Grants Program,<sup>201</sup> the Continuum of Care Program,<sup>202</sup> and the Rural Housing Stability Assistance Program;<sup>203</sup>
- Multifamily rental housing under section 221(d)(3) of the National Housing Act<sup>204</sup> with a below-market interest rate (BMIR) pursuant to section 221(d)(5);<sup>205</sup>
- Multifamily rental housing under section 236 of the National Housing Act;<sup>206</sup>
- HUD programs assisted under the United States Housing Act of 1937,<sup>207</sup> specifically, public housing under section 6 of the 1937 Act,<sup>208</sup> tenant-based and project-based rental assistance under section 8 of the 1937 Act,<sup>209</sup> and the Section 8 Moderate Rehabilitation Single Room Occupancy;<sup>210</sup> and
- The Housing Trust Fund.<sup>211</sup>

## 1. Definitions

**Abuse** is not limited to the actual infliction of physical injury or assault and can be verbal (spoken) and/or emotional. It means any of the following:

- To intentionally or recklessly cause or attempt to cause bodily injury.
- Sexual assault.

---

<sup>195</sup> 24 CFR §5.2003

<sup>196</sup> 12 U.S.C. 1701q with implementing regulations at 24 CFR part 891

<sup>197</sup> 42 U.S.C. 8013 with implementing regulations at 24 CFR part 891

<sup>198</sup> 42 U.S.C. 12901 *et seq.* with implementing regulations at 24 CFR part 574

<sup>199</sup> 42 U.S.C. 12741 *et eq.* with implementing regulations at 24 CFR part 92

<sup>200</sup> 42 U.S.C. 11360 *et seq.*

<sup>201</sup> 24 CFR part 576

<sup>202</sup> 24 CFR part 578

<sup>203</sup> Regulations forthcoming.

<sup>204</sup> 12 U.S.C. 17151(d)

<sup>205</sup> 24 CFR part 221

<sup>206</sup> 12 U.S.C. 1715z-1 with implementing regulations at 24 CFR part 236

<sup>207</sup> 42 U.S.C. 1437 *et seq.*

<sup>208</sup> 42 U.S.C. 1437d with regulations at 24 CFR Chapter IX

<sup>209</sup> 42 U.S.C. 1437f with regulations at 24 CFR chapters VIII and IX

<sup>210</sup> 24 CFR part 882 subpart H

<sup>211</sup> 12 U.S.C. 4568 with implementing regulations at 24 CFR part 93

- To place a person in reasonable apprehension of imminent serious bodily injury to that person or to another.
- To engage in any behavior that has been or could be cause for a protective order or the issuance of any California family or juvenile court restraining order.<sup>212</sup>

**Abuser or perpetrator** refers to an individual who commits domestic violence, dating violence, sexual assault, or stalking as defined in the Violence Against Women Reauthorization Act of 2013.<sup>213</sup>

**Actual and Imminent Threat** refers to a physical danger that is real, would occur within an immediate time frame, and could result in death or serious bodily harm. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include: the duration of the risk, the nature and severity of the potential harm, the likelihood that the potential harm will occur, and the length of time before the potential harm could occur.<sup>214</sup>

**Affiliated Individual**, with respect to an individual, refers to a spouse, parents, brother, sister, or child of that individual, or a person to whom that individual stands in the place of a parent or guardian (for example, the affiliated individual is a person in the care, custody, or control of that individual); or any individual, tenant, or lawful occupant living in the household of that individual.<sup>215</sup>

**Bifurcate** means to divide a lease as a matter of law, subject to the permissibility of such process under the requirements of the grantor and State or local law, such that certain tenants, lawful occupants, or residents can be evicted or removed and the remaining tenants, lawful occupants, and residents can continue to reside in the unit under the same lease requirements or as may be revised depending upon the eligibility for continued occupancy of the remaining tenants, lawful occupants, or residents.<sup>216</sup>

**Dating Violence** is violence or abuse committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim, which includes frequent, intimate associations primarily characterized by the expectation of affection or sexual involvement independent of final considerations. Where the existence of such a relationship shall be determined based on a consideration of the following factors:

- The length of the relationship;
- The type of relationship; and

---

<sup>212</sup> California Family Code Division 10, Part 1, Section 6203

<sup>213</sup> HUD Form 5380 Notice of Occupancy Rights (2016), available at <https://www.hud.gov/sites/documents/5380.docx>.

<sup>214</sup> 24 CFR §5.2003

<sup>215</sup> *Ibid.*

<sup>216</sup> *Ibid.*



- The frequency of interaction between the persons involved in the relationship.<sup>217</sup>

**Domestic Violence** includes felony or misdemeanor crimes of violence committed by:

- A current or former spouse or intimate partner of the victim;
- A person with whom the victim shares a child in common;
- A person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner;
- A person similarly situated to a spouse of the victim under local domestic or family violence laws of the City and County of San Francisco; and/or
- Any other person against an adult or youth victim who is protected from that person's acts under domestic or family violence laws of the City and County of San Francisco.<sup>218</sup>

**External emergency transfer** refers to an emergency relocation of a participant to another unit where the participant would be categorized as a new applicant; that is the participant must undergo an application process in order to reside in the new unit.<sup>219</sup>

**Housing Program** includes the following housing programs:<sup>220</sup>

- Section 202 Supportive Housing for the Elderly;<sup>221</sup>
- Section 811 Supportive Housing for Persons with Disabilities;<sup>222</sup>
- Housing Opportunities for Persons with AIDS (HOPWA) Program;<sup>223</sup>
- HOME Investment Partnerships (HOME) Program;<sup>224</sup>
- Homeless programs under title IV of the McKinney-Vento Homeless Assistance Act,<sup>225</sup> including the Emergency Solutions Grants Program,<sup>226</sup> the Continuum of Care Program,<sup>227</sup> and the Rural Housing Stability Assistance Program;<sup>228</sup>
- Multifamily rental housing under section 221(d)(3) of the National Housing Act<sup>229</sup>

---

<sup>217</sup> *Ibid.*

<sup>218</sup> *Ibid.*

<sup>219</sup> 24 CFR §5.2005(e)(1)(ii)

<sup>220</sup> 24 CFR §5.2003

<sup>221</sup> 12 U.S.C. 1701q with implementing regulations at 24 CFR part 891

<sup>222</sup> 42 U.S.C. 8013 with implementing regulations at 24 CFR part 891

<sup>223</sup> 42 U.S.C. 12901 *et seq.* with implementing regulations at 24 CFR part 574

<sup>224</sup> 42 U.S.C. 12741 *et seq.* with implementing regulations at 24 CFR part 92

<sup>225</sup> 42 U.S.C. 11360 *et seq.*

<sup>226</sup> 24 CFR part 576

<sup>227</sup> 24 CFR part 578

<sup>228</sup> Regulations forthcoming.

<sup>229</sup> 12 U.S.C. 17151(d)

- with a below-market interest rate (BMIR) pursuant to section 221(d)(5);<sup>230</sup>
- Multifamily rental housing under section 236 of the National Housing Act;<sup>231</sup>
- HUD programs assisted under the United States Housing Act of 1937,<sup>232</sup> specifically, public housing under section 6 of the 1937 Act,<sup>233</sup> tenant-based and project-based rental assistance under section 8 of the 1937 Act,<sup>234</sup> and the Section 8 Moderate Rehabilitation Single Room Occupancy;<sup>235</sup> and
- The Housing Trust Fund.<sup>236</sup>

**Housing Provider** refers to the individual or entity charged with operating a Housing Program, including all recipients and subrecipients of funding provided by a Housing Program. These individuals and entities have responsibility for the administration and/or oversight of VAWA protections. They include sponsors, owners, property managers, landlords, State and local governments or agencies, and nonprofit and for-profit organizations or entities. The program-specific regulations for the housing programs identify the individual or entity that carries out the duties and responsibilities of the housing provider; that is, depending upon the VAWA duty or responsibility to be performed by a housing provider, the housing provider may not always be the same individual or entity.<sup>237</sup>

**Human Trafficking** refers to:

- Sex trafficking in which a commercial sex act is induced by force, fraud, coercion, deceit, violence, duress, menace or threat of unlawful injury or in which the person induced to perform such act has not attained 18 years of age; or
- The recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery;
- The deprivation or violation of the personal liberty of another with the intent to obtain forced labor or services, procure or sell the individual for commercial sex, or exploit the individual in obscene matter.

**Internal emergency transfer** refers to an emergency relocation of a participant to another unit where the participant would not be categorized as a new applicant; that is, the participant may reside in the new unit without having to undergo an application process.<sup>238</sup>

---

<sup>230</sup> 24 CFR part 221

<sup>231</sup> 12 U.S.C. 1715z-1 with implementing regulations at 24 CFR part 236

<sup>232</sup> 42 U.S.C. 1437 *et seq.*

<sup>233</sup> 42 U.S.C. 1437d with regulations at 24 CFR Chapter IX

<sup>234</sup> 42 U.S.C. 1437f with regulations at 24 CFR chapters VIII and IX

<sup>235</sup> 24 CFR part 882 subpart H

<sup>236</sup> 12 U.S.C. 4568 with implementing regulations at 24 CFR part 93

<sup>237</sup> *Ibid.*

<sup>238</sup> 24 CFR §5.2005(e)(1)(i)



***Other dangerous or life-threatening conditions that relate to violence*** shall have the same meaning as construed under HUD’s final definition of homelessness.<sup>239</sup> The category includes, but is not limited to, trading sex for housing, trafficking, physical abuse, and violence (or perceived threat of violence) because of the youth’s sexual orientation.<sup>240</sup>

***Safe Haven*** for the purposes of defining chronically homeless, refers to supportive housing that meets the following:

- Serves hard to reach homeless persons with severe mental illness who came from the streets and have been unwilling or unable to participate in supportive services;
- Provides 24-hour residence for eligible persons for an unspecified period;
- Has an overnight capacity limited to 25 or fewer persons; and
- Provides low-demand services and referrals for the residents<sup>241</sup>

***Safe unit*** refers to a unit that the person experiencing domestic violence, dating violence, sexual assault, and/or stalking believes is safe.<sup>242</sup>

***Sexual Assault*** is any nonconsensual sexual act proscribed by Federal, tribal, or State law, including when the victim lacks capacity to consent.<sup>243</sup>

***Spouse or intimate partner of the victim*** includes a person who is or has been in a social relationship of a romantic or intimate nature with the victim, as determined by the length of the relationship, the type of relationship; and the frequency of interaction between the persons involved in the relationship.<sup>244</sup>

***Stalking*** means engaging in a course of conduct directed at a specific person that would cause a reasonable person to:

- Fear for the person's individual safety or the safety of others; or
- Suffer substantial emotional distress.<sup>245</sup>

***Victim of domestic violence*** includes any individual or family who:

- Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to

---

<sup>239</sup> 24 CFR Parts 91, 582, and 583

<sup>240</sup> United States Interagency Council on Homelessness, Key Federal Terms and Definitions of Homelessness Among Youth (2018), available at [https://www.usich.gov/resources/uploads/asset\\_library/Federal-Definitions-of-Youth-Homelessness.pdf](https://www.usich.gov/resources/uploads/asset_library/Federal-Definitions-of-Youth-Homelessness.pdf).

<sup>241</sup> 24 CFR § 578.3

<sup>242</sup> 24 CFR §5.2005(e)(1)(iii)

<sup>243</sup> *Ibid.*

<sup>244</sup> *Ibid.*

<sup>245</sup> *Ibid.*

- violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
- Has no other residence; and
- Lacks the resources or support networks, e.g., family, friends, and faith-based or other social networks, to obtain other permanent housing.<sup>246</sup>

## 2. Protections Provided under VAWA

Housing providers shall ensure specific housing protections for all persons fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence, regardless of sex, gender identity, or sexual orientation, to preserve the right of applicants and participants to safe housing environments.

- Housing providers shall not deny admission or assistance to an applicant on the basis or as a direct result of the fact that the applicant has or is fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence if the applicant otherwise qualifies for admission or assistance.
- Housing providers shall not deny or threaten to deny assistance, terminate or threaten to terminate program participation, evict or threaten to evict participants from rental housing, or issue 3-Day Notices to Perform or Quit, on the basis or as a direct result of the fact that the participant is fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence, if the applicant otherwise qualifies for admission or assistance.
- Housing providers shall not construe criminal activity directly related to domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence as cause for denying rental assistance or occupancy rights to participants, if a member of the participant's household or any guest or other person under the control of the participant is the one engaging in the criminal activity and the participant or an affiliated individual of the participant is currently experiencing or is being threatened with domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions.
- Housing providers may bifurcate a lease to evict the individual or terminate

---

<sup>246</sup> 24 CFR §578.3



assistance to the abuser or perpetrator directly relating to domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence, while not taking away the right to the unit or otherwise punishing the remaining tenants, lawful occupants, or residents. Housing providers shall give remaining tenants, lawful occupants, or residents that are not eligible to participate in the housing program the remaining period of the qualifying household member's current term of assistance to establish eligibility under the program or under another housing program covered by VAWA or find alternative housing. If remaining participants and household members are unable to establish eligibility under a housing program or otherwise secure housing within the remaining period of the qualifying household member's current term of assistance, housing providers shall assist in identifying alternative housing to which the participant and household members could move until such time as alternative housing is secured.<sup>247</sup>

- If a family receiving TBRA separates due to a lease bifurcation, the family's tenant-based rental assistance and any utility assistance shall continue for the remaining period of the qualifying household member's current term of assistance for the family member(s) who are not evicted or removed.
- Housing providers shall not subject participants who have or are currently experiencing domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence, or who are affiliated with said individual, to a more demanding standard than other participants in determining whether to evict or terminate assistance based on violations not premised on an act of domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence.
- Housing providers may not terminate the lease or program assistance of a family that moves out of the dwelling unit in violation of the lease, with or without prior notification to the program, if the move occurred to protect the health or safety of a family member who has or is currently fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence, and who reasonably believed they were imminently threatened by harm from further violence or emotional trauma if they remained in the unit.
- Housing providers may not terminate program assistance or evict persons fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence due to

---

<sup>247</sup> 24 CFR §§5.2009(b), 576.576.409(e), and 578.99(j)(7)

property damage caused by an abuser or perpetrator.

- Housing providers may not terminate program assistance or evict persons fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence due to not meeting lease obligations as a direct cause of coercive control exerted by the abuser or perpetrator over the victim. For example:
  - **Unauthorized Occupancy.** A person fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence is being manipulated by an abuser or perpetrator to acquiesce to their unauthorized presence in the unit.
  - **Non-reported Income.** A person fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence is unable to report household income because the abuser or perpetrator will not provide the documentation or has lied about their employment status.

If housing providers wish to take economic cause of action to recover costs associated with damage to property or unpaid rent directly associated with the incidents of domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence, it is encouraged that the action be taken against the abuser or perpetrator and not the individual(s) fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence.

### 3. Limitations of VAWA Protections

Under VAWA, housing providers are not precluded from:

- Complying with a court order, when notified of said court order, with respect to the rights of access or control of property, including civil and/or criminal protection orders issued to protect a person fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence or with respect to the distribution or possession of property among members of a household. This includes orders of protection issued by family court, probate court, juvenile court or any other court having jurisdiction over a matter involving allegations of domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence.





- Evicting or terminating assistance to a participant for any violation not premised on an act of domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence that is in question against the participant or an affiliated individual of the participant as described in this policy.
- Evicting or terminating assistance to a participant if the housing provider can demonstrate an actual and imminent threat would persist against other program participants or those employed at or providing services to the property of the housing provider, if said participant is not evicted or has their assistance terminated.
  - Housing providers may only take such action to terminate assistance or evict where there are no other actions that could be taken to reduce or eliminate the threat, including, but not limited to:
    - Transferring the victim to a different unit;
    - Barring the perpetrator from the property;
    - Contacting law enforcement to increase police presence or develop other plans to keep the property safe; or
    - Seeking other legal remedies to prevent the perpetrator from acting on a threat.
  - Restrictions predicated on public safety shall not be based on stereotypes but must be tailored to particularized concerns about individual residents.

#### 4. Eligibility for Emergency Transfer

Eligibility for an emergency transfer shall be established where participants who have self-certified as experiencing domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence:

- Expressly request the transfer in writing; and;
- Reasonably believe there is a threat of imminent harm from further abuse if they remain within the same dwelling unit they are currently occupying.<sup>248</sup>
- Participants shall also be eligible for emergency transfer if they have experienced sexual assault on the premises during the 90-day period preceding the date of the request for transfer.<sup>249</sup>

---

<sup>248</sup> 24 CFR §2005(e)(10)(i)

<sup>249</sup> 24 CFR §2005(e)(2)(ii)(B)

Participants who are not in good standing may still request an emergency transfer if they meet the eligibility requirements in this section. Housing providers shall not set additional eligibility requirements for an emergency transfer.

## 5. Provider Emergency Transfer Plans

Housing providers shall adopt an emergency transfer plan based on a Model Emergency Transfer Plan for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking. To do so, housing providers shall customize [HUD Form 5381: Model Emergency Transfer Plan](#) where indicated in bold and where otherwise appropriate.<sup>250</sup> Using the model form as is will not satisfy the requirement for housing providers to develop an Emergency Transfer Plan under VAWA.

Housing providers shall put their emergency transfer plans into practice in the instance that a participant experiencing domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence is eligible for emergency transfer. Housing providers shall also make their emergency transfer plans available upon request and, when feasible, must make their plans publicly available. Provisions in the emergency transfer plan shall not supersede the eligibility or occupancy requirements that may apply under a housing program.

HSN shall not guarantee that a transfer request will be approved or how long it will take to process a transfer request.

Housing providers shall create an emergency transfer plan that must:

- Detail the measure of any priority given to participants who qualify for an emergency transfer under VAWA in relation to other categories of participants seeking transfers and individuals seeking placement on waiting lists.<sup>251</sup>
  - For families living in units receiving project-based rental assistance, the Emergency Transfer Plan must provide that if a program participant qualified for an emergency transfer, but a safe unit is not immediately available for an internal emergency transfer, that program participant shall have priority over all other applicants for tenant-based rental assistance, utility assistance, and units for which project-based rental assistance is provided.<sup>252</sup>
  - For families receiving tenant-based rental assistance, the Emergency Transfer Plan must specify what will happen with respect to the non-

---

<sup>250</sup> Available at <https://www.hud.gov/sites/documents/5381.docx>

<sup>251</sup> 24 CFR §2005(e)(3)

<sup>252</sup> 24 CFR §576.409(d)((3)(i)



transferring family member(s), if the family separates in order to affect an emergency transfer.<sup>253</sup>

- Incorporate strict confidentiality measures to ensure that the housing provider or persons under their employ do not disclose the location of the dwelling unit of the participant to a person who committed or threatened to commit an act of domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the participant.<sup>254</sup>
- Include a list of local resources for individuals experiencing domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence.<sup>255</sup>
- Describe policies for participants to make an internal emergency transfer under VAWA when a safe unit is immediately available.<sup>256</sup>
- Describe policies for assisting a participant in making an internal emergency transfer under VAWA when a safe unit is not immediately available.
  - These policies must ensure that requests for internal emergency transfers under VAWA receive, at a minimum, any applicable additional priority that housing providers may already provide to other types of emergency transfer requests pursuant to the ***San Francisco Department of Homelessness and Supportive Housing Transfer Policy***.
  - The individual or family shall retain their original homeless or chronically homeless status for the purposes of the transfer.
- Describe reasonable efforts the housing provider will take to assist a participant who wishes to make an external emergency transfer when a safe unit is not immediately available.<sup>257</sup>
- Include policies for assisting a participant who is seeking an external emergency transfer under VAWA out of the housing provider's program or project and for assisting a participant who is seeking an external emergency transfer under VAWA into the housing provider's program or project. These policies may include:

---

<sup>253</sup> 24 CFR §576.409(d)((3)(ii)

<sup>254</sup> 24 CFR §5.2005(e)(4)

<sup>255</sup> 24 CFR §5.2009(c)

<sup>256</sup> 24 CFR §2005(e)(5)

<sup>257</sup> 24 CFR §2005(e)(7)

- Arrangements, including memoranda of understanding, with other housing providers to facilitate moves; and
- Outreach activities to organizations that assist or provide resources to victims of domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence.<sup>258</sup>
- Include policies to allow participants to seek an internal and external emergency transfer concurrently if a safe unit is not immediately available.<sup>259</sup>
- Describe policies for a participant who has tenant-based rental assistance and who is eligible for protections under VAWA to move quickly while retaining their assistance, where applicable.<sup>260</sup>
- In situations involving family breakups due to the emergency transfer, specify what will happen with respect to the non-transferring family member(s).<sup>261</sup>
- Permit a participant to terminate lease or occupancy agreement without penalty if they qualify for an emergency transfer under the emergency transfer plan. ESG funds may be used to pay penalties for breaking a lease to allow for an emergency transfer.

## 6. Emergency Transfer Timing and Availability

Housing providers shall act in an expeditious manner to move a participant who is experiencing domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence to another unit subject to availability and safety of unit.

Pending processing of the transfer and the actual transfer, if it is approved and occurs, the participant is urged to take all reasonable precautions to be safe. Participants who have or are experiencing domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence are encouraged to contact the National Domestic Violence Hotline at 1-800-799-7233, the California Safe at Home Program at 1-877-322-5227, or a local domestic violence resource center for assistance in creating a safety plan.

---

<sup>258</sup> *Ibid.*

<sup>259</sup> 24 CFR §5.2005(e)(8)

<sup>260</sup> 24 CFR §5.2005(e)(9)

<sup>261</sup> 24 CFR §576.409(d)(3)(ii)



For persons with hearing impairments, that hotline can be accessed by calling 1-800-787- 3224 (TTY) and the California Safe at Home Program at 1-916-651-1304 (TTY).

Participants who have experienced sexual assault may call the Rape, Abuse & Incest National Network's National Sexual Assault Hotline at 800-656-HOPE or visit the online hotline at <https://ohl.rainn.org/online/>.

Participants who are or have experienced stalking may seek help by visiting the National Center for Victims of Crime's Stalking Resource Center at <https://www.victimsofcrime.org/our-programs/stalking-resource-center>.

Participants who have experienced human trafficking may call the National Human Trafficking Hotline at 1-888-373-7888, or visit the online hotline at <https://polarisproject.org/get-assistance/national-human-trafficking-hotline>.

## 7. Non-Discrimination

No applicant or participant shall, on the basis of actual or perceived race, color, religion, national or ethnic origin, sex, familial status, marital status, status as a victim of domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence, gender identification or gender expression, actual or perceived sexual orientation, disability, ancestry, age, pregnancy, or source of income, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available under VAWA.

## 8. Documentation

A person fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence need only self-certify in writing to become eligible to receive housing protections under this policy.

The only exemption to the sufficiency of self-certification for receiving the protections outlined in this policy is when conflicting information/certifications exist. In this case, housing providers may require an applicant or participant to submit third-party documentation. Third party documentation must not create a barrier for a person to establish eligibility to receive housing protections. However, housing providers shall not require disclosure from individuals regarding their status as victims of domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence.

Housing providers shall provide a [Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking form](#) to individuals that communicate to the housing provider that they are fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence. The Certification form alone shall be sufficient to certify that an individual is experiencing domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence. Use of the Certification form is optional. Participants decide what type of documentation they will submit to housing providers to self-certify, provided that the type of documentation they use is listed in this section. Housing providers shall not request that participants use any one type of documentation to self-certify or require documentation not listed in this section.

The forms referenced in this policy must be made available in multiple languages.<sup>262</sup>

If an applicant or participant communicates to the housing provider that the individual is fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence, the housing provider may request documentation in writing.

The applicant or participant may elect to use a Certification of Domestic Violence, Dating Violence, Sexual Assault, Stalking and/or Human Trafficking form or provide one of the following forms of documentation:

- A listing of the approximate dates when each incident occurred, discussion of the participant's fears and injuries and the effect that each abusive incident has had on the participant and their family;
- Restraining, civil, and/or criminal protection orders including orders issued by family court, probate court, juvenile court or any other court with jurisdiction over a matter involving allegations of domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence;
- Medical records or statement from medical professional;
- Documentation from a mental health professional;
- Police reports, records of telephone calls or visits to the victim's address. This may include telephone calls to the police registering a complaint, a log of police runs made to the residence, copies of all tapes and reports written by officers responding to a call;
- A record of an administrative agency or victim service provider;
- Court records;

---

<sup>262</sup> Executive Order 13166.



- Statement signed by workers from a domestic violence, dating violence, sexual assault, or stalking violence shelter or other domestic violence, dating violence, sexual assault, or stalking violence programs attesting to the time the victim spent in the shelter and the reason as linked to incidents of abuse;
- Statement signed by counselors, if participant attended counseling;
- Statement signed by attorney from whom the participant sought assistance in addressing domestic violence, dating violence, sexual assault, or stalking;
- Reports, statements from police, judges, and other court officials, clergy, social workers, social service agencies, or other victim service providers; and/or
- Other credible evidence as corroborated by law enforcement or domestic violence, dating violence, sexual assault, or stalking violence providers.

Statements signed by the above-mentioned professionals shall specify, under penalty of perjury, that the professional believes that the participant is a victim of domestic violence, sexual assault, dating violence or stalking as defined in this policy. Statements must also be signed by the participant.

Should a participant choose to use the Certification form to self-certify, housing providers may request in writing that the form be returned to them within 14 business days.<sup>263</sup> Housing providers may, but are not required to, extend the time to submit the documentation with reasonable discretion. Housing providers shall offer to assist participants with completing the certification form.

If a housing provider receives documentation containing conflicting information or certification forms from two or more members of a household, each claiming to be fleeing/attempting to flee domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence and naming one or more of the other petitioning household members as the abuser or perpetrator, the housing provider may require an applicant or participant to submit third-party documentation, as described above, within 30 calendar days of the date of the request for third-party documentation.

## 9. Confidentiality<sup>264</sup>

All information provided to a housing provider regarding domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence, including the fact that an individual is a victim of such violence or stalking, shall be retained in confidence.

---

<sup>263</sup> 24 CFR §55.2007(a)(2)(i)

<sup>264</sup> 24 CFR §5.2007(c)

Housing providers and property owners or managers shall not:

- Allow any employees or other individuals administering assistance on behalf of the housing provider to have access to confidential information unless explicitly authorized by the housing provider for reasons that specifically call for these individuals to have access to this information under Federal, State, or local law.
- Enter information regarding reported experiences of domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence into any shared database including the ONE System.
- Disclose such information to any other entity or individuals, except to the extent that the disclosure is requested or consented to in writing by the applicant or participant in a time-limited release; required for use in an eviction proceeding or hearing regarding termination of assistance from the housing program; or otherwise required by applicable law. If disclosure is required for use in an eviction proceeding or is otherwise required by applicable law, housing providers must inform the victim before the disclosure occurs to ensure that safety risks are identified and addressed.

## 10. Notification<sup>265</sup>

All housing providers shall provide written notification to applicants, participants (tenants), and property owners or managers concerning the rights and obligations created under VAWA as follows.

Housing providers shall provide **HUD Form 5380: Notice of Occupancy Rights Under the Violence Against Women Act**<sup>266</sup> and **HUD Form 5382: Certification of Domestic Violence, Dating Violence, Sexual Assault**<sup>267</sup> to applicants and participants at the following times:

- When the applicant is denied assistance or admission to permanent housing or transitional housing;
- When the applicant is provided assistance or admission to permanent housing or transitional housing;

---

<sup>265</sup> 24 CFR §§5.2005(a) and 576.409(c)

<sup>266</sup> HUD Form 5380, available at <https://www.hud.gov/sites/documents/5380.docx>. Available in multiple languages at [https://www.hud.gov/program\\_offices/administration/hudclips/forms/hud5a#4](https://www.hud.gov/program_offices/administration/hudclips/forms/hud5a#4).

<sup>267</sup> HUD Form 5382, available at <https://www.hud.gov/sites/documents/5382.docx>. Available in multiple languages at [https://www.hud.gov/program\\_offices/administration/hudclips/forms/hud5a#4](https://www.hud.gov/program_offices/administration/hudclips/forms/hud5a#4).





- When a participant is given notification of eviction or notification of termination of assistance;
  - Tenant-based rental assistance (TBRA) providers shall ensure that the property owner or manager of the housing provides a Notice of Occupancy Rights Under the Violence Against Women Act form and a Certification of Domestic Violence, Dating Violence, Sexual Assault form to participants with any notification of eviction; and
- When an existing program participant undergoes an annual recertification or lease renewal process.

All forms referenced in this policy must be made available in multiple languages.<sup>268</sup>

## 11. Contract, Lease, and/or Occupancy Agreement Provisions

Contracts and leases between the City and County of San Francisco, housing providers, and property owners or managers that rent units to individuals participating in HSH-contracted housing programs, shall include the requirement to comply with the provisions established by this policy.

A lease addendum modeled after [\*HUD Form 91067: Lease Addendum - Violence Against Women and Justice Department Reauthorization Act of 2005\*](#) may be used to include the VAWA provisions to new and existing contracts.<sup>269</sup>

## 12. Additional Assistance

If a housing provider has no available and safe units for which a participant who is eligible for an emergency transfer, the housing provider shall assist the participant in identifying other housing providers who may have safe and available units to which the participant could move. Housing providers shall, at a participant's request, assist in contacting local organizations that offer services for individuals experiencing domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence that are listed in the emergency plan.

## 13. Reporting

Housing providers shall keep a record of all emergency transfers requested under its emergency transfer plan, and the outcomes of such requests, and retain these records

---

<sup>268</sup> Executive Order 13166 (Improving Access to Services for Persons with Limited English Proficiency 65 FR 50121), available at <https://www.govinfo.gov/content/pkg/FR-2000-08-16/pdf/00-20938.pdf>.

<sup>269</sup> <https://www.hud.gov/sites/documents/91067.doc>. Available in multiple languages at [https://www.hud.gov/program\\_offices/administration/hudclips/forms/hud9](https://www.hud.gov/program_offices/administration/hudclips/forms/hud9).

for a minimum of three years. Requests and outcomes of such requests must be reported annually to HSH; HSH will report records annually to HUD.<sup>270</sup>

## **F. AGE DISCRIMINATION ACT OF 1975<sup>271</sup>**

The Age Discrimination Act prohibits discrimination based upon age in federally assisted and funded programs or activities, except in limited circumstances. It is not a violation of the Age Discrimination Act to use age as a screening criterion in a particular program if age distinctions are permitted by statute for that program or if age distinctions are a factor necessary for the normal operation of the program or the achievement of a statutory objective of the program or activity.

## **G. SAN FRANCISCO FAIR CHANCE POLICY**

All City contractors, housing providers, and employers with 20 or more employees must comply with San Francisco's Fair Chance Ordinance (in effect August 13, 2014). The ordinance requires employers to review an individual's qualifications before inquiring about their arrest and conviction record(s) and related information when making employment decisions. It also regulates affordable housing providers' use of arrest and conviction records of applicants for, or residents in, affordable housing. The ordinance:

- Prohibits employers from issuing job ads or solicitations stating that persons with arrests or convictions may not apply or will not be considered for employment;
- Prohibits questions about or consideration of the following six categories of information at any time in the interview or hiring process:
  - an arrest not leading to a conviction, except for unresolved arrests,
  - participation in a diversion or deferral of judgment program,
  - a conviction that has been dismissed, expunged, or otherwise invalidated or inoperative,
  - a conviction, determination or adjudication in the juvenile justice system,
  - a conviction that is more than seven years old, and
  - an offense other than a felony or misdemeanor, such as an infraction
- Prohibits questions about conviction history or unresolved arrests until after an employer has either conducted a live interview with the applicant, or made a conditional offer of employment to the applicant;

---

<sup>270</sup> 24 CFR §5.2005(e)(12)

<sup>271</sup> 24 CFR Part 146



- Requires the employer to provide the applicant with a copy of Office of Labor Standards Enforcement Fair Chance Ordinance Notice before inquiring about conviction history or unresolved arrests;
- Requires the employer to conduct an individualized assessment if s/he intends to make an employment decision based on an unresolved arrest or conviction history;
- Requires that the employer give the applicant an opportunity to explain or correct an unresolved arrest or conviction history, as well as to provide any evidence of rehabilitation or mitigating factors;
- Requires the employer to delay any adverse action and reconsider the action if the applicant provides evidence of rehabilitation, mitigating circumstances factors, or inaccuracies in the report; and
- Requires the employer to inform the applicant if s/he decides to take an adverse action based on the applicant's unresolved arrest or conviction history.<sup>272</sup>

---

<sup>272</sup> Article 49 of the San Francisco Police Code and Chapter 12T of the San Francisco Administrative Code

## V. GENERAL OPERATIONS

### A. COST ALLOCATION

#### 1. Basics of Cost Allocation

Cost principles are those common principles that help organizations determine the costs for specific activities and the costs that are chargeable to grants, awards, and other agreements. Although the cost principles for the federal government, local governments, and nonprofit organizations are similar, they are not identical. Recipients and subrecipients should ensure they are using the appropriate Office of Management and Budget (OMB) guidance and are in compliance with all applicable state and local requirements, detailed in **2 CFR §200.400 (Subpart E–Cost Principles)**. The information that follows describes how costs are classified, what is required to receive reimbursement, and how both direct and indirect costs are allocated. OMB identifies three specific attributes related to costs:

- Allowability
- Reasonableness
- Allocability

##### a. Allowable Costs<sup>273</sup>

To be allowable, a cost must meet **all** of the following requirements:

- Be included within the description of eligible activities in the applicable HUD regulations;
- Be incurred directly or indirectly for the benefit of an eligible HUD client;
- Comply with any limitations or exclusions set forth in these principles or as specified in the HUD grant award process (and codified in the grant agreement);
- Be treated consistently, determined in accordance with generally accepted accounting principles (GAAP) and documented adequately;
- Be determined to be necessary, reasonable, allocable to the HUD grant, and otherwise in conformance with the general criteria for allowable costs set forth in 2 CFR Subpart E; and
- Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in the current year or prior periods.

---

<sup>273</sup> 2 CFR §200.403



## b. Reasonable Costs<sup>274</sup>

Costs are considered ‘reasonable’ if they do not exceed what a prudent person would incur under similar circumstances. All costs must pass the ‘rational person’ test by meeting all of the following criteria:

- The cost is recognized as ordinary and necessary for the operation of the organization and/or project
- The cost is in accordance with market prices for comparable goods or services as evidenced by cost estimates and documentation
- The individuals responsible for incurring the cost acted with prudence and for the benefit of the organization and its activities
- The cost has been incurred after following the established practices of the organization, and in accordance with the terms and conditions of the award

## c. Allocable Costs<sup>275</sup>

Costs must meet federal guidelines for allocability in order to be reimbursed through a federal grant or contract. To be allocable, a cost must meet one of the following requirements:

- Benefits both the federal award and other activities and can be distributed in proportions that may be approximated using reasonable methods;
- Is incurred specifically for the funded program (i.e., direct costs); and
- Proves necessary to the overall operation of the organization, even though a direct relationship to any particular program activity cannot be readily shown (i.e., indirect costs).

The cost may benefit both the funded program activities and other activities, in which case it must be assigned to the respective activities in reasonable proportion to the benefits received.



*A simple aid in determining what is eligible for reimbursement and why it is eligible, as well as how to document compliance with financial management standards so that costs charged are limited only to those that are allowable and reimbursable, is the so-called ‘**RADAR Test.**’ When costs are: **R**easonable, **A**llowable, **D**ocumented and **A**llocable, then they are **R**eimbursable.*

---

<sup>274</sup> 2 CFR §200.404

<sup>275</sup> 2 CFR §200.405

## 2. The Cost Allocation Process

The purpose of cost allocation is to divide shared costs in such a way that the appropriate amount, based on the relative proportion of total resources used, is charged to each applicable program and funding source. Of course, costs defined as ineligible by OMB—or explicitly excluded by HUD or a local funder—can never be reimbursed by a federal grant. One important outcome of the process is the assurance that the same cost is never charged to more than one funding source.

### a. Defining Direct and Indirect Costs<sup>276</sup>

All costs can be classified as either ‘direct’ or ‘indirect,’ and the cost type governs how they are allocated:

### b. Direct Costs

“There is no universal rule for classifying certain costs as either direct or indirect under every accounting system. A cost may be direct with respect to some specific service or function, but indirect with respect to the federal award or other final cost objective. Therefore, it is essential that each item of cost incurred for the same purpose be treated consistently in like circumstances either as a direct or an indirect (also known as a Facilities and Administrative Costs) cost in order to avoid possible double-charging of federal awards.”

**Direct costs** are those that can be specifically identified with a particular award or activity relatively easily with a high degree of accuracy. Identification with the federal award rather than the nature of the goods and services involved is the determining factor in distinguishing direct from indirect costs of federal awards. Examples of direct costs are the salary and benefits paid to a case manager, a rental assistance check paid directly to a landlord, and mileage reimbursement for staff making home visits.

### c. Indirect Costs

Indirect costs are those that have been incurred for ‘shared’ or ‘joint’ objectives and cannot be readily identified with any particular activity. Typical examples of these costs include:

- Rent, utility, insurance, maintenance, and other expenditures related to shared space;
- Administrative and executive team functions that support multiple program areas; and

---

<sup>276</sup> 2 CFR §200.412



- Purchases, transportation, and staff expenses that benefit multiple program areas.

Due to the diverse characteristics and accounting practices of non-profit organizations, it is not possible to specify the types of cost that may be classified as indirect cost in all situations. However, a cost may not be allocated as an indirect cost if any similar costs have been assigned as a direct cost.

#### d. Documenting Direct Personnel Costs

One of the most important aspects of allocating direct costs that benefit more than one grant or program area is the documentation of the cost, regardless of whether it is a personnel or non-personnel cost. Correct allocation of personnel costs, however, often requires more extensive protocols than non-personnel costs. The amount charged for staff time supporting both HUD-funded activities and non-HUD-funded activities must be prorated according to the degree to which the activities benefit the HUD grant. In addition, personnel costs can be attributed to different activities such as program, fundraising, or management and general functions. If there is no record to support the staff time spent and its relationship to the approved grant activities, it is as though it did not happen, and those staff costs cannot be paid with HUD funds.

#### e. Cost Reasonableness

**Cost reasonableness** as it applies to personnel costs is typically established in an organization's Human Resources records that establish pay ranges and job descriptions.

These documents need to demonstrate that the pay scales and benefits for each position are within the range of similar positions in the labor market area and therefore are reasonable.

For nonprofit organizations, assistance in establishing and evaluating pay ranges can be obtained from other local nonprofits or from associations of nonprofit organizations that exist in many areas of the country.

#### f. Personnel Costs

**Personnel costs** (i.e., staff salaries and benefits) are reimbursable under a HUD grant when staff time is spent conducting HUD-funded and approved activities and providing services to grant-eligible clients (and only to that portion of total clients served).

This requires an effective time-recording system that not only supports the personnel costs charged to HUD, but also divides the time among the separate program categories required for reporting.

Note that just because a staff member works exclusively on a HUD grant, 100 percent of his or her time may not be reimbursable under the grant. This is because staff members typically also spend time in internal agency meetings, conducting staff reviews, and other non-HUD-related activities. The time and costs incurred for these functions are not part of an allowable HUD cost.

#### **Example**

A program director spends 20 percent of her time providing case management to HUD CoC clients, 40 percent supervising CoC Program case managers, and 40 percent supervising case managers seeing non-HUD clients.

Her annual salary of \$60,000 would be allocated as follows:

- CoC =  $(\$60,000 \times .20 = \$12,000) + (\$60,000 \times .40 = \$24,000) = \$36,000$
- Non-HUD =  $\$60,000 \times .40 = \$24,000$

### **g. After-the-Fact Time and Activity Reporting**

In order to comply with financial management requirements, recipients and subrecipients should be able to document all staff time that is paid from the HUD grant. To document the division of costs between funding sources, staff are expected to record actual time spent on each HUD or non-HUD activity to provide the basis for how much of his or her salary (and related fringe benefit costs) will be allocated to the various funding sources.

According to OMB, time and activity records must be prepared at least monthly, but keeping records on a daily or weekly basis is much more practical and efficient. The recording may take place after the fact. Because it is difficult to reconstruct the time spent on activities with any degree of accuracy many days after the fact, it should occur as soon as possible, preferably the same day or first thing the next. Optimally, the timekeeping procedures an organization implements require effective supervision by managers to ensure on a regular basis that employees are keeping records accurately. Such systems help establish an unbroken thread from the work performed by an individual staff person to the eligible HUD activity in an approved grant, contract, or agreement.

### **h. HSH Personnel Costs & Personnel Activity Reports**

The most important tool in adequately documenting time is an adequate time and activity reporting system. This system must allow employees to log the time spent





on different clients, activities, and grants, and provide a mechanism for employees to report all the time they spent working throughout that day.

In order to properly account for and report CoC and associated matching funds, all staff of CoC subrecipient agencies are expected to use both timesheets and HSH's standard **Personnel Costs & Personnel Activity Reports (PARs)**. Direct HUD CoC recipients are highly encouraged to use these tools as well. Further, subrecipients are expected to implement operating policies and procedures sufficient to assure that:

- Personnel Activity Reports (PARs) are prepared and completed by individual employees and signed by a manager each pay period, or once each month, and that reports coincide with one or more pay periods;
- all of an employee's paid time is recorded in their PAR (this should include time spent on behalf of contracted HUD programs, time spent on other programs, and paid time off);
- all the time that employees record as HUD-funded are assigned to CoC budget line items that are allowable and authorized under the relevant HSH contract;
- employees assign their time to appropriate subcategories within the HUD CoC budget line items that were identified in the associated HUD/HSH application; and
- PARs, payroll time sheets, and/or payroll registries capture and record information sufficient to determine the appropriate amount of expense to be:
  - Billed to HSH/HUD under the correct HUD CoC budget line item category, or
  - Recorded as a matching fund activity.

#### i. Supplemental Documentation of Staff Activities

For costs to be 'allowable' expenditures, the time that staff spends delivering services to those clients — and only those clients — can be charged to the grant. This demonstrates that the costs are 'allocable' costs. Recording hours, however, is not sufficient by itself. An adequate time and activity system will have additional documentation that explains how the staff person spent the time on eligible clients and activities, such as the following:

- **Case notes.** Case managers should keep case notes about the issues and topics that were covered in their sessions with clients and have a justification for the frequency or infrequency of meetings.
  - For instance, one client may have a steady job, be successfully managing their symptoms, and have a stable coping strategy and family support. Such a client might only require monthly check-ins with a case manager.

- Another client may have more significant obstacles to housing stability or be going through a crisis. This client might require daily counseling sessions.
- **General service plan** – At the point of intake, the case manager will work with each client to create a general service plan that will include the areas that the client will work on, the goals to achieve, and the service delivery schedule.
  - This service plan forms the backbone for scheduling and providing services and should be kept on file for that client.
  - Case notes will indicate progress towards the goals and changes in the client’s circumstances.
- **Activities log** – Other staff, such as maintenance personnel, might keep a time log and file by housing unit. The log would document the time and activities spent on HUD-funded units and the file would contain forms like maintenance request forms.

Together these documents are used to verify recipients’ and subrecipients’ efforts to ensure that clients receive appropriate services as well as verify the work case managers conduct with their clients. This documentation is the foundation for the timesheet submitted and approved to charge time to HUD or other funding sources. This type of supporting documentation should also be available to respond to monitoring reviews or the test of transactions in an audit.

#### j. Direct Charge of Non-Personnel Costs

Non-personnel direct costs are allocated through associating each cash outlay with a particular activity and fund source. For example, rent payments are charged to the appropriate funding source. Supplies and resources purchased for a specific program are recorded as direct expenses at the time of payment, based on purchase order requests or other such authorizing documentation.

#### k. Allocating Shared Non-Personnel Costs

Non-personnel “shared” direct costs can include the purchase of supplies, food, and other materials used or consumed directly by clients. In this case, recipients and subrecipients would employ standardized procedures for documenting the proportion of each purchase to be associated with appropriate grant sources and program activities, such as purchase order requests or supply requisition forms.

Other non-personnel “shared” direct costs can include a portion of office space, utilities or transportation costs, for which the costs of rent (or vehicle maintenance) may be prorated according to the percentage of HUD clients served, building square footage used by associated program staff, or miles driven.



For organizations without an approved federal indirect rate, the ***Direct Allocation method*** is the most common method used for handling shared non-personnel costs. It treats almost all indirect costs as direct costs. The basis for prorating indirect costs as direct costs is supported by documentation that demonstrates the relative benefit of the particular cost to the grant's activities.

Using this method, all costs are limited to three basic categories:

- Program activities, including those performed under federal grants;
- Management functions and general expenses (M&G); and
- Fundraising, which, under the OMB regulations, is never eligible for HUD-reimbursement

***Shared (or indirect) costs***, such as insurance, depreciation, facilities, copier, other equipment and phone/Internet expenses are prorated as though they are direct costs and are assigned to one of the three categories above using a base appropriate to each particular cost type.

- To accurately reflect each program area's share of the organization's total operational expenses, management and general expenses may be further allocated to each program area.
- Detailed instructions for implementing an item-by-item allocation methodology should be contained in each recipient or subrecipient's Cost Allocation Plan. Please note, however, that HSH and HUD regulations do not allow for any reimbursement of 'administrative' expenses as a direct expense. Examples of cost allocation methodologies are described below.

#### **Example A**

Agency A has 1,000 square feet of space for its program activities (plus an additional 400 for administration and fundraising). Within the program space, it operates a HUD CoC Program and several non-HUD programs staffed by five full-time workers.

- Each month all staff members complete time sheets and PARs that document how they spent their time during that month.
- The portion of total rent and utility costs associated with the 1,000 square feet for program staff—and to be charged each applicable funding source—is calculated by:
  - First, applying the proportion of 'program' to total space (1,000/1,400 sq. ft.) = 5/7 of the total cost of \$3,500 per month = \$2,500.
  - Then applying the ratio of program-related personnel costs calculated for each funding source and activity. There are 5.0 FTE staff: 2 CoC case managers, 2 non-HUD case managers, and 1 supervisor who spends 60% of her time on CoC-related activities and 40% on non-HUD activities.
  - This ratio is determined based on the proportion of hours charged by staff to each fund source and activity in the monthly staff time and activity reports, e.g. –

2.6 FTE staff for CoC activities =  $2.6/5 \times \$2,500 = \$1,300$  in CoC rent cost  
2.4 FTE staff for non-HUD activities =  $2.4/5 \times \$2,500 = \$1,200$  in non-HUD rent

### Example B

Agency B utilizes a 9-passenger van to assist clients to get to medical appointments. Only the ESG-funded Rapid Rehousing contract recognizes this as a reimbursable activity. Thus, for every trip, the van operator keeps track of each client, which program s/he is associated with, and the miles driven on behalf of that client. The amount eligible for ESG reimbursement is determined by calculating the ESG-eligible portion of total person-miles driven and applying that ratio to the total costs for that trip.

## I. Defining Administrative Costs for HUD Purposes

Because HUD programs have specific limits on the amount of funds spent on grant administration, separating program costs from administrative costs is essential for financial management compliance. For both the CoC and ESG programs, administrative costs include the costs of overall program management, budgeting, coordination, monitoring, reporting, and evaluation. This includes salaries and benefits for personnel engaged in these activities, as well as the costs of administrative services performed under third-party contracts or agreements, including general legal services, accounting services, and audit services. It can also include the costs of goods and services required for program administration, including the rental or purchase of equipment, insurance, utilities, office supplies, and the rental and maintenance (but not purchase) of office space. A more detailed description of allowable CoC administrative costs is included in the **Expense Guidelines** section above.<sup>277</sup>

## B. FINANCIAL MANAGEMENT OF GRANTS

### 1. Guiding Statutes, Regulations and Circulars

Financial management of federal grant programs, including HUD's homeless programs, is governed by a set of requirements that are contained in the following:

- Provisions in law, as set out in statutes;
- Regulations, which interpret and amplify the statute and are set out in the Code of Federal Regulations (CFR); and
- Office of Management and Budget (OMB) Circulars, which in some cases have been reissued as part of the CFR.

---

<sup>277</sup> 24 CFR 578.59 and 576.108



## 2. Accounting Controls

Having accurate and comprehensive documentation of revenue and expenses is a regulatory requirement, and it is also a necessary part of an agency's organizational responsibilities. Accounting controls consist of procedures that enable recipients and subrecipients of federal funds to maintain accounting records that sufficiently identify the source and application of funds that flow through the agency and, thereby, meet applicable standards. Most important of all, accounting records must be supported by source documentation.

## 3. Regulatory Standards

HUD standards for **accounting records**<sup>278</sup> require that all recipients and subrecipients:

- Maintain records that adequately identify the source and application of funds provided for financially assisted activities; and
- Assure that these records contain complete and accurate information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.

Per HUD standards for **source documentation**,<sup>279</sup> accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract and subgrant award documents, etc.

## 4. Basic Elements of Accounting Records

To meet these regulatory requirements, an organization's accounting system should include at least the following elements:

- **Chart of accounts.** A list of account names and the numbers assigned to each
- **Cash receipts journal.** A chronological listing of when funds were received, in what amounts, and from what sources
- **Cash disbursements journal.** A chronological listing of how much was paid, when and to whom payment was made
- **Payroll journal.** A chronological listing of payroll amounts, benefits, and payroll taxes
- **General journal.** A record of all non-cash transactions
- **General ledger.** A comprehensive depiction, with details by account, of the activities recorded in each account of an organization. Entries transferred to the

---

<sup>278</sup> 24 CFR 85.20(b)(2) and 24 CFR 84.21(b)(2)

<sup>279</sup> 24 CFR 85.20(b)(6) and 24 CFR 84.21(b)(2)

general ledger are cross-referenced to the applicable subsidiary journal or supporting documentation to permit the tracing of any financial transaction, thereby creating what is called an 'audit trail.'

## 5. Basic Elements of Source Documentation

Accounting records must be supported by source documentation that shows that all costs charged against the relevant HUD program were:

- Incurred during the effective period of the agreement between the recipient (or HSH/MOHCD for subrecipients) and HUD;
- Incurred for eligible items;
- Approved by the appropriate official(s) within the organization;
- Expended (i.e., have proof of actual payment); and
- Not reimbursed by another funding source.

Adequate documentation will vary depending on the specific activity. Basic documentation would include the following:

- ***Client eligibility.*** Proof of homeless status, as well as household income and composition (updated as required by statute and contract agreement)
- ***Rental assistance.*** Annual income determination, annual rent calculation, housing inspection, lease, rent standard, cancelled checks to landlord
- ***Facility-based housing.*** Documentation of adequate services, rent calculation, leases, records supporting operating costs (e.g., utility bills, lease, or mortgage payments)
- ***Supportive services.*** Documentation fitting with type of service (e.g., transportation, case management), that service was delivered, timesheets, client participation records
- ***Agency operating costs.*** Maintenance cost records, bills or invoices for utilities, insurance, and taxes, travel reimbursement records, office space leases, documentation for materials (paper, computers, phones) related to project, indirect cost documentation
- ***Grant administration.*** Administrative time and activity reports, indirect cost documentation



## 6. Fund and Cost Accounting

### a. Fund Accounting

**Fund accounting** is a method of recording financial information that groups resources into funds based on their source and the use of those resources. In fund accounting, each grant and source of cash match is unique, has its own fund, own chart of accounts, and own specific list of eligible activities. Incurred costs are only eligible for federal reimbursement when those costs are allocated to the specific fund source based on proper supporting documentation.

Some subrecipients concurrently receive funds through multiple federal, state, and local grants, as well as funds from private philanthropy and other sources of cash. The costs incurred by such an organization must be properly allocated to each fund/grant source. Any organization that operates programs that receive multiple grants or relies on a single federal grant along with other distinct funding sources will need to use fund accounting practices in order to meet the financial management requirements associated with the federal award.



*More information on fund accounting can be found in the Fund Accounting Clinic Manual, which was written for use with HUD's homeless programs at the HUD Exchange website:*

[www.hudexchange.info/resources/documents/FundAccountingManual.pdf](http://www.hudexchange.info/resources/documents/FundAccountingManual.pdf)

### b. Cost Accounting

**Cost accounting** is the process of tracking, recording, and analyzing individual costs associated with an organization's activities. Cost accounting is a critical tool that allows an organization to determine the full cost of each of its activities by identifying each element of cost contributing to the activity.

Cost accounting allows organizations to turn financial data into knowledge that is useful for the following:

- Understanding what it actually costs to deliver an activity;
- Tracking the adherence of the activity to its budgeted cost;
- Setting clear fundraising goals needed to ensure continuation of the activity;
- Evaluating the cost effectiveness of existing activities; and
- Evaluating the cost of expanding a program or savings that come with reducing an activity.



**Case Management Activities and Cost Accounting.** For example, the full cost of providing case management services to a client would include a number of cost categories in addition to the case manager's salary. Among the other costs are additional elements of compensation (fringe benefits, retirement contributions, and other authorized personnel costs); related costs of space, support staff, and supervision; and organizational costs such as accounting and human resources.

## 7. Documenting CoC and ESG Matching Funds

To be in compliance with HUD Match Documentation requirements, recipients and subrecipients are expected to implement operating policies and procedures sufficient to assure that:

- Cash match funding is tracked through the agency's financial system;
- In-kind match funding is tracked, and the valuation of donated goods and services is documented;
- Match funding is **from** eligible funding sources (for CoC programs, in-kind match funding is only used if the source was included in the CoC application); and
- Match funding is **used** for eligible activities only. For CoC programs match funding is used only in budget line items allowable in the contract's CoC program component(s). Expenditures are supported by documentation (e.g., Personnel activity reports, invoices, and receipts).

## 8. Subawards

All federal requirements apply to subrecipients performing work under a CoC or ESG award.<sup>280</sup>

## 9. Subsidy Layering<sup>281</sup>

Applicants that receive or can reasonably be expected to receive an aggregate amount of assistance in excess of \$200,000 must submit information in their application on other sources of governmental assistance that they have received, or reasonably expect to receive, for a proposed project or activities. HUD's review of this information is intended to prevent excessive public assistance for proposed project or activities by combining (layering) assistance under this program with other governmental housing assistance from federal, state, or local agencies, including assistance such as any loan,

---

<sup>280</sup> 24 CFR §84.5

<sup>281</sup> 24 CFR §578.29, 42 US Code §3545(b), 24 CFR 4.9





grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance. This disclosure is submitted via **HUD Form 2880**.

## 10. Transparency Act Reporting

Recipients awarded a new federal grant greater than or equal to \$25,000 as of October 1, 2010 must report a subrecipient award greater than or equal to \$25,000 in the Federal Government website [www.fhrs.gov](http://www.fhrs.gov) by the end of the month following the month the subrecipient contract is awarded. Information on federal awards is made available to the public via the single, searchable website [www.USASpending.gov](http://www.USASpending.gov) which empowers every American to hold the government accountable for each spending decision.<sup>282</sup>

## 11. Equipment Records<sup>283</sup>

Equipment "means tangible nonexpendable personal property including exempt property charged directly to the award having a useful life of more than one year and an acquisition cost of \$5000 or more per unit."<sup>284</sup> Equipment records shall be maintained that include a description of all equipment purchased with federal funds, serial numbers, acquisition dates and costs, and disposition information. A physical inventory of equipment shall be taken, and the results reconciled with the equipment records at least once every two years. A control system must be in place to ensure adequate safeguards to prevent loss, damage, or theft of the equipment and any loss, theft or damage should be investigated and documented.

## 12. Disposition of Equipment and Supplies

If supplies or equipment valued at more than \$5,000 remain in the possession of the recipient or subrecipient upon termination or completion of the project, the recipient or subrecipient may be required to compensate the Federal Government for its share.<sup>285</sup>

---

<sup>282</sup> Section 872 of the Duncan Hunter Defense Appropriations Act of 2009, Federal Financial Assistance Accountability and Transparency Act of 2006, as amended by section 6202 of Public Law 110-252 and 75 FR 55669

<sup>283</sup> 24 CFR §84.34

<sup>284</sup> 24 CFR §84.2

<sup>285</sup> 24 CFR §§84.34-35

### 13. Relocation

In the event that ESG or CoC funds are used for acquisition and rehabilitation, certain requirements apply related to the displacement and relocation of individuals and households.<sup>286</sup>

### 14. Section 3 of The Housing and Urban Development Act<sup>287</sup>

Employment and other economic opportunities generated by federal assistance should, to the greatest extent feasible, be directed toward low- and very low-income persons, particularly those who are recipients of government assistance housing. Notice of this requirement, including the name and location of the person(s) taking applications for each of the positions and the anticipated start date, must be sent to the labor organization or representative of workers with which the contractor has a collective bargaining agreement, and made visible at the work site. Every subcontract must include this employment targeting language. Positions may be filled by persons over the low-income limit only after attempts to meet this requirement have been made.<sup>288</sup> Homeless individuals have priority over other Section 3 residents.<sup>289</sup>

### 15. Davis-Bacon Act

The provisions of the Davis-Bacon Act do not apply to either CoC or ESG.<sup>290</sup>

### 16. Uniform Administrative Requirements<sup>291</sup>

The requirements of 24 CFR part 84—Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations—apply to all recipients and subrecipients. These regulations provide additional detail regarding financial management requirements, property and equipment standards, procurement standards, reporting requirements, termination, enforcement, and close-out.

---

<sup>286</sup> 24 CFR §§576.408, 578.83

<sup>287</sup> 12 U.S.C.. 1701u, 24 CFR §135.38

<sup>288</sup> 25 U.S.C.. 450e

<sup>289</sup> 24 CFR §§578.75(g), 576.405

<sup>290</sup> 24 CFR §578.99(h), 576.407(e)

<sup>291</sup> 24 CFR part 84 referenced in 24 CFR §§578.99(e) and 576.407(c)



### **a. Debarment and Suspension**

Rule that restricts subawards and contracts with certain parties that are debarred, suspended or otherwise excluded from or ineligible for participation in federal assistance programs or activities apply.<sup>292</sup>

### **b. Drug-Free Workplace**

Recipients must provide drug-free workplaces in accordance with the Drug-Free Workplace Act of 1988.<sup>293</sup> This includes publishing a statement that illegal drug use, possession, sales, or manufacture is prohibited and the actions that will be taken for violations. This statement must be given to all employees and must inform employees that they must notify the employer within five days of any conviction for a violation of a criminal drug statute occurring in the workplace. Employers are required to provide this information to HUD within ten calendar days along with the intended action, which can include requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program. The Act also requires the establishment of a drug-free awareness program.

## **17. Anti-Lobbying**

Grant recipients cannot use federal funds to pay a person to influence or attempt 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.

## **18. Audit Requirements**

Recipients and subrecipients must comply with the audit requirements described in the Code of Federal Regulations (2 CFR §200.500 – Subpart F).

---

<sup>292</sup> 24 CFR §84.13

<sup>293</sup> 41 U.S.C.. 701

## C. CONFLICTS OF INTEREST<sup>294</sup>

HUD requires that recipients and subrecipients implement and document procedures in order to ensure that no conflicts of interest emerge.

### 1. Procurement<sup>295</sup>

For the procurement of property (goods, supplies or equipment) and services, the recipients and subrecipients must use their own written and competitive procurement procedures. All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition.

Procurement requirements fall essentially into two categories— ***small purchases*** and ***substantial goods, services and property***.

- Most recipients and subrecipients use grant funds to procure ***small purchases*** such as office equipment or janitorial services, which do not exceed the small purchase acquisition threshold of \$150,000.<sup>296</sup> These purchases require fairly simple procurement procedures and documentation. The organization needs to obtain and compare price or rate quotations from more than one qualified source, such as a service provider or supply catalog. It is important to refer to 24 CFR 85.36 to discern when a sealed bid competition is required and when a non-competitive procurement is acceptable.
- For more ***substantial contracts for services or goods***, procurement procedures must follow more rigorous standards. For example, grantees (and sponsors) need to adhere to requirements for procurement methods such as competitive and non-competitive bids. They need to include various contract provisions such as compliance with equal employment opportunity requirements, termination for cause, reporting requirements, etc. They also need to determine whether bidders are on the federal list of parties that are barred from receiving federal funds, and they are not allowed to enter into contract agreements that are considered "cost plus" contracts.

Recipients and subrecipients must use the applicable procurement process to secure a contract with an entity that will provide goods or perform specific tasks. However, the entity itself is not further subject to the federal procurement rules as it carries out its work to provide the contracted goods or services. Appropriate contract management, nevertheless, is necessary to ensure that the work is performed as

---

<sup>294</sup> 24 CFR §578.95(a), §578.103(11), §576.404

<sup>295</sup> 40 CFR §247, 24 CFR §§84.40- 84.48

<sup>296</sup> 41 U.S.C.. 403(11)



contracted at a reasonable cost and that the contractor follows any and all stipulations that are part of the contract.

For both small purchases and more substantial procurements, recipients and subrecipients must have written policies and procedures that describe how their organizations will procure goods and services, what information they will require when receiving a price or rate quote, and who will have approval authority.

Additionally, recipients and subrecipients of HUD funds must have regular in-house trainings and a written code of standards for employees who award and administer contracts. An employee, officer or agent of a HUD recipient or subrecipient organization should not participate in awarding a contract if any of the following people have an interest—financial or otherwise—in a firm that might be selected:

- The employee, officer, or agent;
- Any member of their immediate family or a partner; and
- An organization that employs, or is about to employ, any of the above.

The board of directors and program staff should identify potential conflicts of interest. The board should review these situations, using the organization's own procedure for addressing conflicts of interest. Independent auditors of a recipient or subrecipient organization's finances will typically also review the organization's policies and activities for potential conflicts of interest.

Procurements are also subject to the following standards:

- Recipients should avoid purchasing unnecessary items.
- Where appropriate, an analysis should be made of lease and purchase alternatives to determine the most economical and practical procurement.
- Solicitations for goods and services should provide a clear and accurate description of the technical requirements for the material, product or service; requirements to be fulfilled by the bidder; and description of features, dimensions and functions to be performed including the minimum acceptable standards.
- Positive efforts shall be made to utilize small businesses, minority-owned firms, and women's business enterprises, whenever possible.
- Records must be kept that describe the basis for contractor selection and the basis for the award cost or price.
- In competitive procurements, descriptions shall not contain features that unduly restrict competition.

- Preference shall be given, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient. Procurement for item(s) expected to exceed \$10,000 over the fiscal year must also, to the extent practicable, contain the highest percentage of recovered material. Recipients and subrecipients must establish an affirmative procurement program for the procurement of recovered materials as identified in EPA guidelines.<sup>297</sup>

## 2. Codes of Conduct

The recipient must maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts. No employee, officer, or agent should participate in funding decisions nor solicit or accept gratuities, favors, or anything of monetary value from contractors, or parties to subrecipients. However, recipients may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must include disciplinary actions to be applied for violations.<sup>298</sup>

## 3. Contract Provisions

All contracts awarded by a recipient, including small purchases, shall contain provisions requiring compliance with *Equal Employment Opportunity* requirements, the *Copeland "Anti-Kickback" Act*, the *Contract Work Hours and Safety Standards Act*, the *Clean Air Act*, the *Byrd Anti-Lobbying Amendment*, *Debarment and Suspension* rules, and *Drug-Free Workplace Requirements*.<sup>299</sup>

## 4. Organizational Conflict<sup>300</sup>

An organizational conflict of interest arises when, because of their relationship with a recipient or subrecipient, an individual is unable or potentially unable to remain impartial and objective. For example, a board member cannot participate in the decision of the award of a grant to the organization that such member represents. It would also arise when an employee of a recipient or subrecipient participates in making rent reasonableness determinations and housing quality inspections of property owned by the recipient, subrecipient, or a related entity.

Persons covered by these requirements include:

---

<sup>297</sup> 24 CFR §578.99(b), Section 6002 of the Solid Waste Disposal Act

<sup>298</sup> 24 CFR §84.42

<sup>299</sup> 24 CFR Part 84, Appendix A

<sup>300</sup> 24 CFR §§576.404, 578.95(c) & (d)



- Employees;
- Agents;
- Consultants;
- Officers; and
- Elected/appointed officials of the recipient or subrecipient.

All contractors of the recipient or subrecipient must comply with the same requirements that apply to subrecipients.

No person or organization who is currently or previously involved in the activities funded by the CoC or ESG grant or participating in a decision-making process may:

- Have a financial interest or benefit in any contract, subcontract, or agreement with respect to a funded CoC or ESG activity; or
- Have a financial interest in the proceeds derived, either for themselves, their family, or those with whom they have business ties during their tenure or the one-year period following.

#### **a. Exceptions**

Upon the written request of the recipient, HUD may grant an exception to the provisions of this section on a case-by-case basis. HUD will consider an exception only after the recipient has provided the following documentation:

- Disclosure of the nature of the conflict and if the recipient is a private nonprofit organization, assurance that the conflict has been disclosed in accordance with the agency's written code of conduct or other conflict-of-interest policy, and
- An opinion of the recipient's attorney that the interest for which the exception is sought would not violate state or local law and that the exception would not violate the organization's internal policies

#### **b. Factors to be Considered For Exceptions**

HUD must conclude that the exception will serve to further the purposes of the Continuum of Care or ESG program and the effective and efficient administration of the recipient's or subrecipient's project. Factors considered include:

- A significant cost benefit or an essential degree of expertise
- An opportunity for open competitive bidding
- Withdrawal from the decision-making process regarding activity in question

- Presence of the interest or benefit prior to the affected person's role in the relevant position
- Hardship to the recipient, the subrecipient, or the person affected, outweighs the public interest served by avoiding the conflict
- If the person affected is a potential beneficiary of the funded activity, the exception will permit him/her to receive generally the same amount or type of benefit as others eligible for funded activity

## 5. Continuum of Care Board Members<sup>301</sup>

No CoC board member may participate in or influence discussions concerning the award of a grant or other financial benefits to the organization that the member represents.

## 6. ESG Organizational Conflict<sup>302</sup>

The provision of any type or amount of ESG assistance may not be conditioned on an individual's or family's acceptance or occupancy of emergency shelter or housing owned by the recipient, the subrecipient, or a parent or subsidiary of the subrecipient. No subrecipient may, with respect to individuals or families occupying housing owned by the subrecipient, or any parent or subsidiary of the subrecipient, carry out the initial evaluation required to determine eligibility for ESG programs or administer homelessness prevention assistance.

---

<sup>301</sup> 24 CFR §578.95 (b)

<sup>302</sup> 24 CFR §576.404(a)