

**FY 2003 AND 2004
EMERGENCY SHELTER GRANTS PROGRAM
REQUEST FOR PROPOSALS**



**CITY OF BATON ROUGE-PARISH OF EAST BATON
ROUGE**

OFFICE OF COMMUNITY DEVELOPMENT

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**PUBLIC NOTICE
PUBLISHED FEBRUARY 16, 2003
IN THE ADVOCATE**

**SOLICITATION OF PROJECT PROPOSALS
Emergency Shelter Grants Program**

The City of Baton Rouge-Parish of East Baton Rouge has been issued an application package for the 2003 Emergency Shelter Grants Program (ESGP) administered by the Louisiana Department of Social Services (DSS). The City-Parish is also anticipating ESGP funds directly from the U.S. Department of Housing and Urban Development (HUD) for Fiscal year 2003. Funding available under the Emergency Shelter Grants Program is dedicated for the rehabilitation, renovation, or conversion of buildings for use as shelters for the homeless, and for payment of certain operating costs and social services expenses relating to homeless emergency shelter. The Program also allows funding for use in homeless prevention activities as an adjunct to other eligible activities.

Applicants for grants under the State ESG Program are limited to units of local government which may distribute all or part of their grant amounts to private nonprofit organizations for use in eligible Program activities. Grant funds under the HUD ESGP Program are also planned to be awarded by the City-Parish to eligible nonprofit organizations. Nonprofit organizations interested in developing a project proposal for possible inclusion under either, or both, the State or HUD ESGP funding application under consideration by the City-Parish may request a copy of the proposal materials by contacting the City-Parish Office of Community Development by mail at P.O. Box 1471, Baton Rouge, Louisiana 70821 or by telephone at 389-3039. Proposal materials will be available to interested parties after 8:00 a.m., Monday, February 17, 2003. No materials will be released prior to this date and time.

To qualify for funding participation, a private nonprofit organization as defined by Program regulations must be one which is exempt from taxation under subtitle A of the Internal Revenue Code, has an accounting system and a voluntary board, and practices nondiscrimination in the provision of assistance. Matching funds (including in-kind contributions) equal to the amount of grants funds must be provided except under special circumstances when an exemption can be allowed. Program Rules require that ESGP recipients involve, to the maximum extent practicable, homeless individuals and families in ESGP funded activities, including constructing, renovating maintaining, and operating facilities assisted under the ESG Program, and in providing services for occupants of these facilities.

No funding obligations shall be implied based on the information in this solicitation of ESGP project proposals. **Congressional appropriations for HUD programs have not been completed; and, as a result, final estimates are not available.** The City-Parish (unit of local government) reserves the right to accept any proposals or reject any and all proposals on such a basis as may be deemed to be in its best interest. The deadline for receipt of a proposal is **5:00 p.m., Friday, March 14, 2003.**

**Office of Community Development
City of Baton Rouge
Parish of East Baton Rouge**

PART A - SUMMARY INFORMATION

**EMERGENCY SHELTER GRANTS PROGRAM
CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE**

REQUEST FOR PROPOSALS

PART A - SUMMARY INFORMATION

Introduction

This "Request for Proposals" (RFP) for FY'2003 and FY'2004 Emergency Shelter Grants Program (ESGP) funds is solicited in anticipation of receipt of the annual entitlement grant from the U. S. Department of Housing & Urban Development (HUD) and the annual competitive grant through the Louisiana Department of Social Services, Office of Community Services. Both the entitlement and the competitive grants are being submitted in compliance with the City-Parish's Consolidated Plan. The Consolidated Plan is a comprehensive planning document required by HUD, that mandates that state agencies and local governments, incorporate their planning processes into one master plan for use of allocated federal funds for four community planning and development programs. The Emergency Shelter Grants Program is one of the four HUD programs included in the Consolidated Plan.

This RFP is for consideration of funding assistance to eligible non-profit organizations for eligible activities to assist the homeless under the Emergency Shelter Grants Program. This RFP will consider proposals in connection with FY'03 and FY'04 (Anticipated) ESGP funds to the City-Parish under a formula grant from the U. S. Department of Housing and Urban Development and under a competitive proposal solicitation to local governments by the State of Louisiana. A grant application to the State is planned prior to April 4, 2003. State grant approval, if made, is estimated prior to July 1, 2003.

Congressional appropriations for HUD programs have not been completed; and, as a result, final estimates are not available.

Estimated Anticipated Funding (Available for non-profits)

FY'03 (HUD)	\$192,850
FY'03 (State)	<u>\$184,507</u>
Total:	\$377,357

Proposals will be considered under either grant source, or under both grant sources. Proposals, or parts of proposals, that are not recommended for funding under the State competitive grant will be held for consideration under the HUD grant upon a later Consolidated Plan submission to HUD, provided that said proposals are complete and otherwise eligible for assistance. Because the State ESGP application is competitive, the City-Parish reserves the right to recommend proposals that the Office Of Community Development (OCD) believes offer the best competitive funding advantage

regardless of the overall ranking of complete proposals. **Note: ESGP funds may not be used for administrative costs of non-profit recipients.**

Goal and Intent

This solicitation is to cover two funding cycles of anticipated funding for FY'2003 and 2004. Proposals should reflect need and budget for both grant cycles. The Office of Community Development (OCD) anticipates offering

two types of funding for this the first year of the covered period: 1) **Level I** or "Foundation" funding is guaranteed funding for the entire period covered by this RFP provided that the sub-recipient is adequately administering its program. (A finding by the OCD of inadequacy may result in any or all of the "Foundation" funding being deobligated and reallocated to another better performing organization); **Level II** or "Ancillary" funding is for currently unfunded organizations and first time ESGP proposers. Level II "Ancillary" funding will be awarded for a single grant period only. Applicants may receive either Level I "Foundation" Funding, or Level II "Ancillary" Funding or neither at the sole discretion of the OCD.

The intent of this solicitation is: 1) To establish a base funding level for adequately performing shelters funded under the 2003 grant; 2) To renew that funding level under the FY'2004 funding cycle, based on performance evaluation; and 3) To allow for funding of possible new emerging shelters and for expansion projects of established organizations. While the intent is to establish long term funding for ESG shelters, organizations funded under the FY'03 grant will be contacted to provide required information for submission of both the FY'2004 HUD and State Applications. The City-Parish will monitor expenditure rates and performance of funded organizations quarterly. Effective with this 2003 grant, sub-recipient agreements will be for a term of only one year

Application Components

Level I Foundation funding is for organizations with a minimum of two (2) years of satisfactorily ESGP grant administration through the City-Parish Office of Community Development, and for which OCD has determined has exhibited effective management of ESGP funds. Foundation funding is designed to provide a secured source of funding for established organizations and to reduce the annual paperwork burden of application development and submission. Level I Foundation Funding may be used only for operations, essential services and homeless prevention activities. Organizations granted Level I funding under this RFP will be allowed to apply for Level II Ancillary funding only if they are also proposing to materially maintain or expand (greater than 20%) their shelter capacity. Maintenance of Level I funding is contingent upon continued ESGP funding from HUD and the State. **Organizations granted Level I status under the two prior grant cycles (FY'01 & FY'02) should consider this Request for Proposals as a new funding cycle for consideration of Foundation funding status. Expenditure patterns under prior grants will be reviewed to evaluate the applicant's ability to implement and complete program activities appropriately and on a timely basis.**

Level II Ancillary funding is for: 1) currently unfunded organizations; and 2) first time ESGP

proposers. Level II funding may be used for building rehabilitation, operations, essential services and homeless prevention services. Level II funding is also available to organizations that have been determined to meet Level I status for building rehabilitation only. For building rehabilitation, both Level I and Level II applicants must demonstrate that ESG funds will be used to materially maintain or expand (greater than 20%) the shelter capacity. Level II funding will be provided in an amount not to exceed \$15,000 for any one shelter. Level II funded organizations approved under this solicitation will be subject to full evaluation with each notice of funds, until such time that the City-Parish determines the organization has the capacity and experience to receive Level I funding status.

During the two prior proposal solicitations, the City-Parish established funding proportions at 85% for Foundation Funding and 15% for Ancillary Funding. The City-Parish will continue to use this allocation for distribution of Level I and Level II funding. Both Level I Foundation funding and Level II Ancillary funding are subject to increase or decrease contingent upon future funding allocations and the availability of funds.

General Instructions

Enclosed is our Request for Proposals under the FY'2003 and FY'2004 (Anticipated) Emergency Shelter Grants Program. If you intend to submit a proposal, we encourage you to thoroughly review the program requirements (Part B), and proposal instructions.

Funding assistance made available under the Emergency Shelter Grants Program is awarded to the City-Parish, which then contracts with eligible non-profit organizations that provide shelter and services to homeless individuals and families. Program assistance is designed to be the first step in a *continuum of assistance* to enable homeless individuals and families to move toward independent living as well as to prevent homelessness. Program recipients must meet the federal definition of homeless. (See attachment 1)

< This Request for Proposals is for consideration of funding under both our direct grant from HUD and under a pending grant application to the State and is for a period to cover anticipated funding under the FY' 2003 ESGP. Funding may be for either Foundation (Level I) or Ancillary (Level II) funding. While an organization may, and is encouraged to state what level of funding they are seeking, the Office of Community Development (OCD) will make the final determination on both the type of funding offered and the source of such funds. Such consideration may also involve partial funding under both grants, if found to best meet program goals.

Applicant Eligibility Criteria and Required Documents

- < Current non-profit 501 (c) (3) certification, tax exempt status from the Internal Revenue Service,
- < Current Certification of Incorporation from the Secretary of State and Articles of Incorporation, etc.
- < Current list of Board of Directors

- < Audited Financial Statements for the agency's fiscal year ending no more than one year prior to the time of application. If the applicant does not have an audit then it must include its most recent independent financial statement. In such a situation an audit or financial statement will be required by the end of the program year for recipients of Level I Foundation Funding.
- < Written statement on financial management policies and procedures,
- < Provides shelter and services to the homeless within East Baton Rouge Parish.

In order to assure that we have the most current information concerning each organization requesting ESGP assistance, the documents listed in the proposal package must be submitted with the proposal. Organizations that submitted these documents during a prior grant solicitation are exempt from this requirement, provided that there have been no changes since the last submission. The organization is responsible for ensuring that documents on file with Community Development are current and complete.

Proposal Deadline

- < The complete proposal package must be returned on or before the submission deadline **Friday, March 14, 2003 at 5:00 p.m.** A complete proposal package includes all completed forms in Part D of this proposal package, plus all attachments that have been listed in Part D on the "Checklist of Required Documents." Proposals that lack any required submissions will be considered incomplete, and will not be given further consideration for funding under an ESGP application to the State. Submitters of incomplete proposals will

be allowed 15 days from the date of written notice by the Office of Community Development in order to correct any completeness deficiencies for subsequent consideration of the proposal under the direct HUD grant.

- < Proposals may be submitted on or prior to the submission deadline. However, no funding decisions will be made until after expiration of the proposal submission deadline. Information concerning submitted proposals will not be disclosed until after the submission deadline. **Proposal forms may be copied, but should not be re-typed.** Illegible and altered forms will render the application invalid and it will not be considered.
- < **Note:** Upon request, our office will copy on to a disk required forms in WordPerfect 6.0 or MS Word format. Further, all forms will be available at the OCD Internet site located at: <http://www.ci.baton-rouge.la.us/dept/oed>.

Proposal Parameters/Clarifications

- < During our review of proposals, we may request additional clarification concerning a particular funding request or proposed activity. Please note that the proposal instructions specify deadlines for submission of this clarifying information. In order to provide a timely review of all proposals and to complete funding recommendations, we will not delay review of a proposal for which clarifications are not received by our deadlines. Proposal clarification

requests will only address items for which additional information is needed in order to complete our review of a proposal. While we may request clarifications of required submission documents, one or more omitted required documents will constitute an incomplete proposal. Incomplete proposals/clarification requests that have not been satisfactorily addressed within this time allowed will not be considered for funding recommendation under the State application. It is the responsibility of the applicant to ensure that all required documents are submitted and include requested information.

Technical Assistance and Addenda

- < No assistance in developing a proposal will be individually provided to potential applicants by the Office of Community Development. Applicants should rely on no clarifications, nor interpretations of these submission requirements, except for any that are issued in writing and made available to all known recipients of RFP packages. A required pre-submission conference will be held on **Wednesday March 5, 2003 at 1:30 p.m.** to answer questions concerning proposal submission requirements. The meeting will be held at the Office of Community Development, 300 Louisiana Avenue, 2nd Floor. **All proposers are encouraged to attend.**
- < Potential submitters may make written requests for proposal clarifications. Responses to such written requests will be written and made available to all known potential proposal submitters. No clarifications will be issued later than three (3) days before the submission deadline.
- < Questions or clarifications concerning this Request for Proposals package or process, may be directed to Carolyn Breaux at (225) 389-3039.

Proposal Review

The OCD reserves the right to:

- < determine which program category will be used to fund specific proposals
- < negotiate and award contracts to multiple applicants,
- < reject any or all submittals,
- < offer less than requested in the funding proposal,
- < cancel, in whole or in part, this NOFA if it is in the best interest of the City-Parish to do so.

Funded proposals must comply with the regulation of the Emergency Shelter Grants Program and applicable OMB circulars. Copies of these regulations and circulars are attached and made a part of this RFP. Additional copies of the regulations and circulars are available at OCD or on its website located at: <http://www.ci.baton-rouge.la.us/dept/ocd>. An SGPDesk Guide is located on the internet and can be downloaded at: www.hud.gov/offices/cpd/homeless/programs/esg/index/cfm.

Proposal Conditions

This proposal solicitation is based upon anticipated funding availability through both grant sources.

Availability of ESGP funding through the State is subject to HUD's approval of the State's Consolidated Annual Action Plan for Fiscal Years 2003 and 2004. Availability of ESGP funding through a direct HUD grant to the City-Parish is subject to HUD's approval of the City-Parish's Consolidated Annual Action Plan for Fiscal Years 2003 and 2004.

No expenditure authority or funding obligations shall be implied based on the information in this request for proposals; and the City-Parish is under no requirement to fund any proposal nor execute any ESGP funding agreement on the basis of this solicitation. By submitting a proposal respondent acknowledges and agrees to the terms and conditions of this NOFA and to the accuracy of the information submitted. All proposals become the property of the OCD and, as such, are subject to the Public Information Act and become public property.

PART B-PROGRAM REQUIREMENTS

**EMERGENCY SHELTER GRANTS PROGRAM
CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE**

REQUEST FOR PROPOSALS

PART B. PROGRAM REQUIREMENTS

I. BACKGROUND

The Stewart B. McKinney Homeless Assistance Act of 1987, as amended, authorizes the Emergency Shelter Grants Program (ESGP) under the U.S. Department of Housing and Urban Development (HUD). From funds appropriated for this program, HUD is authorized to make formula grants to States, certain designated local governments (formula grantees), and for Indian Tribes. The City-Parish receives formula ESGP funds from the U.S. Department of Housing and Urban Development, and competes annually for ESGP funding made available through the Louisiana Department of Social Services/ Office of Community Services. Through a competitive Request for Proposals (RFP) process, funds may be awarded to successful non-profit applicants to carry out the purposes of the Emergency Shelter Grants Program. For the 2003 ESG Program, the total amount anticipated for contracting to eligible organizations from the U.S. Department of Housing and Urban Development to the City-Parish is \$192,850. The City-Parish Office of Community Development anticipates a City-Parish application to the State of Louisiana for additional ESGP funds available through the State, with \$184,507 of those funds available to eligible nonprofit organizations. This RFP is soliciting proposals in connection with both grants as well as anticipated funding for FY'2004.

II. DESIGN AND PURPOSE

The Emergency Shelter Grants Program (ESGP) is designed to be the first step in a *continuum of assistance* to enable homeless individuals and families to move toward independent living as well as to prevent homelessness.

The purpose of the program is to:

- . help improve the quality of existing emergency shelters for the homeless,
- . help make available additional emergency shelter,
- . help meet the costs of operating emergency shelters and of providing certain essential social services to homeless individuals, so that homeless persons have access not only to safe and sanitary shelter, but also to the supportive services and other kinds of assistance they need to improve their living situations,

The program is also intended to:

- . restrict the increase of homelessness through the funding of homeless prevention

programs and activities.

III. ELIGIBLE APPLICANTS

Eligible applicants for Emergency Shelter Grant funds are States, units of general local government, territories, and Indian tribes. These entities may in turn disburse ESGP funds to eligible private non-profit organizations as sub-grantees.

Eligible non-profit organizations under this RFP must:

- * be a private nonprofit organization, with a **current designation** as a 501 (c) organization under the Internal Revenue Code of 1988 and exempt from taxation under Subtitle A of the Code.
- * have an acceptable accounting system and a voluntary governing board; and
- * practice non-discrimination in its provision of assistance.
- * provide assistance to the homeless within East Baton Rouge Parish.

Through the City-Parish Office of Community Development, proposals are being solicited from qualified applicants for the provision of eligible activities in connection with emergency shelters.

IV. ELIGIBLE ACTIVITIES

Eligible activities under the Emergency Shelter Grants Program are set forth in 42 U.S.C Part 11374 (Title IV B of the Stewart B. McKinney Homeless Assistance Act) and HUD Program regulations at 24 CFR 576.21(a)[61] *Federal Register* Page 51549; Oct. 2, 1996]. Copies of ESGP statutory provisions and rules are included in this application packet. Only those activities specifically authorized under statutory provisions and Program regulations are eligible for use of ESGP funds. Other uses are ineligible.

As described under the Program law and regulations, ESGP grant amounts may be used for one or more of the following activities relating to emergency shelter for the homeless:

- A. Renovation, major rehabilitation, or conversion of buildings for use as emergency shelters for the homeless. [If proposal contains renovation, rehabilitation, or conversion activities, a copy of appraisal of property to be affected is required, if possible. A copy of the property appraisal must be on file before a contract will be finalized. Also, a copy of the lease agreement for shelter property that is leased by the nonprofit organization, if applicable.]

NOTE: Emergency Shelter Grants Program regulations require that in the administration of grant funds: to the maximum extent practicable, through employment, volunteer services, or otherwise, homeless individuals and families will

be involved in constructing, renovating, maintaining, and operating facilities assisted under the ESG program, and in providing services for occupants of facilities assisted with ESGP funds.

- B. Provision of essential services to the homeless. Essential services include services concerned with employment, health, drug abuse, and education and may also include (but are not limited to):
- 1) assistance in obtaining permanent housing,
 - 2) medical and psychological counseling and supervision,
 - 3) employment counseling,
 - 4) nutritional counseling,
 - 5) substance abuse treatment and counseling,
 - 6) assistance in obtaining other Federal, State and local assistance including mental health benefits; and income support assistance such as Supplemental Security Income benefits, Aids to Families with Dependent Children, General Assistance, and Food Stamps.
 - 7) Other services such as child care, transportation, job placement, and job training; and
 - 8) staff salaries necessary to provide the above services.

Grant amounts may be used to provide an essential service only if:

1. The service is:
 - a. a new service, or
 - b. a quantifiable increase in the level of a service above that which the unit of general local government or (in the case of a nonprofit organization, the unit of general local government in which the proposed activities are to be located), territory, or Indian tribe, as applicable, provided with local funds during the 12 calendar months immediately before the receipt of initial grant amounts; and
 2. Not more than **30 percent** of the City-Parish's ESG Program funding can be used for essential service activities. For FY '03 ESGP funding, this is up to \$57,855 under HUD formula grant funding and \$55,352 under the proposed State funding application.
- C. Payment of shelter maintenance, operation, rent, repairs, security, fuel, equipment, insurance, utilities, food and furnishings. An amount not to exceed ten (10) percent of total ESGP grant funds, may be spent on staff costs of operations related to emergency shelter.
- D. Developing and implementing homeless prevention activities subject to certain limitations. Homeless prevention activities are those designed to prevent the incidence of homelessness, including (but not limited to):

- short-term subsidies to defray rent and utility arrearages for families that have received eviction
- or utility termination notices;
- security deposits or first month's rent to permit a homeless family to move into its own dwelling;
- mediation programs for landlord-tenant disputes;
- legal services programs for the representation of indigent tenants in eviction proceedings;
- payments to prevent foreclosure on a home and other innovative programs and activities
- designed to prevent the incidence of homelessness.

If grant funds for homeless prevention activities are to be used to assist families that have received eviction notices or notices of termination of utility services, the following conditions must be met:

- 1) The inability of the family to make the required payments must be the result of a sudden reduction in income;
- 2) The assistance must be necessary to avoid eviction of the family or termination of services;
- 3) There is a reasonable prospect that the family will be able to resume payments within a reasonable period of time (this "reasonable period of time" means a time period determined reasonable by the ESGP grantee and applied consistently to all recipients); and
- 4) The assistance must not supplant funding for preexisting homeless prevention activities from any other sources.

Note: The references to "*family*" in the above conditions are interpreted by HUD to include one-person families. Subgrantee non-profits will be required to maintain detailed records of qualifying persons/families for this assistance.

If grant funds for homeless prevention activities are used to assist families to pay security deposits, first month's rent, or first month's utilities, for those families with children less than 6 years of age the units selected must be free from lead-based paint contamination. (See Attachment 5)

Not more than 30 percent of ESG program funding may be used for homeless prevention activities. This is a separate cap from the 30 percent maximum, applicable to essential service activities. For the FY' 03 HUD grant, this maximum again is up to \$57,855 (HUD) and \$55,352 (State).

Any proposal containing homeless prevention activities must describe the type(s) of

activities to be undertaken and a specific implementation plan, and specific clients and/or special population groups to be served. Any proposed homeless prevention activity must be described in relationship to other homeless assistance activities of the organization.

- E. ESG program regulation as stated in 42 U.S.C. 11375(d) require each recipient that is not a State to provide for the participation of not less than 1 homeless individual or former homeless individual on the board of directors or other equivalent policy making entity of such recipient, to the extent that such entity considers and makes policies and decisions regarding any facility, services, or other assistance of the recipient under this part. This may be waived only if the recipient is unable to meet this program requirement and if the recipient agrees to consult with homeless or formerly homeless individuals in considering and making such policies and decisions.

V. LIMITATIONS ON THE USE OF ASSISTANCE

A. Limitations - Primarily Religious Organizations

- C ESGP assistance may be provided to a primarily religious organization if the organization agrees to provide eligible activities in a manner that is free from religious influences and in accordance with principles stated at 24 CFR 576.23(a)(1). See Contractual Provisions for Sub grants to Religious Organizations, *Attachment #2*.
- C Grant amounts may be used to renovate, rehabilitate, or convert buildings owned by primarily religious organizations only if special conditions are met in compliance with Program Regulations as set forth at 24 CFR 576.23 (b).
- C A primarily religious organization may establish a wholly secular nonprofit organization which may be eligible for ESGP assistance subject to compliance with conditions specified in 24 CFR 576.23(c).

B. Administrative Costs

The use of ESGP funds for general administrative costs of non-profit sub-grantees is not allowed under this grant.

VI. GRANT AMOUNTS

The City-Parish has not established specific minimum or maximum grant amounts that an eligible non-profit can apply.. However, potential proposal submitters are advised of the following: Individual proposals for funding in excess of anticipated ESGP financial assistance are not competitive. The ESGP cost per number of homeless to be served is a factor in proposal evaluations. Proposals with a high cost per homeless are less competitive than those with a lower cost per homeless person under this evaluation criterion. Proposals that rely

almost exclusively upon ESGP assistance for shelter funding are typically not competitive. It is the Office of Community Development's intention that, ESGP assistance be made available to a diversity of shelters serving various homeless population categories. Except in cases of ESGP assistance that expands shelter bed capacity and address under served homeless groups and/or priority needs, proposals that involve high levels of financing assistance, to the detriment of ESGP resources being able to be made available to a diversity of shelters, may not be competitive. Availability of ESGP funds for distribution is subject to HUD approval of the City-Parish's Consolidated Plan (ESGP application) for Fiscal Years 2003 and 2004; and State approval of a City-Parish ESGP application, as well as Federal appropriations authority. **No expenditure authority or funding obligations shall be implied based on the information in this request for proposals; and the City-Parish is under no legal requirement to execute any contracts on the basis of this solicitation for proposals.**

If the maximum of 30% of a grant is awarded for each of the essential services and homeless prevention categories, available funding by category would be as shown in the table below. If less than 30% is awarded in either or both of these categories, there would be a corresponding increase in funding availability for the rehabilitation and operations categories. Not more than ten (10) percent of ESGP funding may be budgeted for staff costs of operations related to emergency shelter.

<u>ESGP Categories</u>	<u>HUD</u>	<u>State</u>
Essential Services	\$ 57,855	\$ 55,352
Homeless Prevention	\$ 57,855	\$ 55,352
Rehabilitation/Operations*	<u>\$ 77,140</u>	<u>\$ 73,803</u>
Total (FY'2003 Anticipated):	\$192,850	\$184,507

The City-Parish expects that grant proposals will greatly exceed available funding notices. It is our intent to assist as many qualified shelters as available funds will allow. Proposal submitters should submit realistic funding requests that falls within the announced funding expectations. Proposal budgets should consider long term project projections in consideration of the grant application and grant obligation process. Project budget worksheets are attached to assist with development of long term project budgets. Worksheets are a required submission. (*Attachment Form ESG-H03-03(a)-03(f)*)

VII. LOCAL MATCH REQUIREMENT

Except for limited exceptions, recipients shall be required to provide matching funds in an amount at least equal to their approved ESGP funding amounts for eligible program activities. Matching funds must be derived from sources other than the Program, and only funds provided after the date of the grant award to the City-Parish will be considered as eligible matching funds. Funds used to match a previous ESGP grant award or another Federal or State grant may not be used to match a subsequent grant. A recipient local government such as the City-Parish may comply with this requirement by providing the matching funds itself,

or through supplementary funds or voluntary efforts provided by non-profit recipients. The City-Parish has chosen the latter method for meeting this matching funds requirement.

In calculating the amount of matching funds, the following types may be included: "hard cash" amounts dedicated for homeless assistance activities; the value of any donated material or building; the value of any lease on a building; any salary paid to staff of the nonprofit sub-recipient in carrying out the Emergency Shelter Grants Program; and the time and services contributed by volunteers to carry out the emergency shelter program, determined at the rate of \$5 per hour. The City-Parish shall determine the value of any donated materials, or building, or any lease, using any method reasonably calculated to establish a fair market value.

The provisions of matching funds as specified by applicants in these proposal documents will be considered a commitment to provide the stated amounts and types of matching contributions as stated in each applicant's proposal, if the applicant is provided assistance under this grant solicitation. The provision of matching funds will be a contractual requirement of any assistance agreement.

During the review of proposals, the City-Parish reserves the right to require additional information concerning matching funds commitments, as necessary to be reasonably assured that such resources will be available. **ESGP funds will not be released until after sufficient matching funds requirements have been met.**

VIII. APPLICATION SELECTION CRITERIA AND PROCEDURES

This section of the RFP serves as the description of the process and criteria utilized by the City-Parish's Office of Community Development for award recommendations of these grant funds to eligible private non-profit organizations. While these guidelines are general in nature, it is felt that this is necessary to retain flexibility in dealing with local homeless problems.

There is a formal application process for non-profits to request ESGP assistance from the City-Parish. Specific forms are required to be completed. Information required from non-profits will depend on their past participation with ESGP projects, as well as the specific project for which funds are being requested. Typical information required at the earlier stages are: Evidence of status as a private nonprofit organization, and as a tax-exempt (501(c)) organization (these items are required for all applicants); specifics on the project, including type and number of clients (to be) served, services provided, location, and proposed budget; written assurances that grant matching requirements can be adequately met, as well as all other grant certifications; eligibility of proposed activities; and the person or staff to be responsible for the grant administration, if funded.

A part of this RFP includes a Request for Qualifications (RFQ), Part D. The RFQ portion of the proposal process is used to determine whether or not the non-profit proposer meets regulatory eligibility criteria, has the capacity to successfully undertake the proposed

activities, to identify basic information concerning the nonprofit, the shelter and the homeless population served. The RFP portion of the proposal format is used to identify the specifics of each proposed use of ESGP funds. Proposals that do not adequately demonstrate sufficient nonprofit qualifications requirements of this solicitation, will not be given further consideration for award of ESGP funds.

Based upon HUD's (or the State's) application commitment deadlines, the City-Parish Office of Community Development establishes RFP-RFQ submission deadlines. The City-Parish receives annual ESGP formula funding from HUD, and competes for ESGP funds annually via application to the State (Louisiana Department of Social Services). All known current, past or possible ESGP sub-recipients, as well as organizations identified under the Baton Rouge Continuum of Care- Capital Area Alliance for the Homeless are notified as to the availability of ESGP funding and proposal submission packages. Notice of funding availability will also be posted on the OCD Web site and in the local newspaper.

Proposals are evaluated by the Office of Community Development after the proposal submission deadline has expired. Proposals must meet required eligibility requirements before the specifics of individual funding requests are considered. Two levels of funding will be considered during the review process. Level I funding is established to provide a consistent level of funding for a two year solicitation period FY'2003 and FY'2004 to those organizations previously funded that have demonstrated to OCD their capacity to effectively administer ESGP funds. Level II funding will be awarded to currently unfunded and new proposers, or established proposers seeking rehabilitation funds for the material maintenance or expansion of shelter capacity. During the review process, the Office of Community Development may seek to negotiate the amounts of individual funding proposals when appropriate to meeting funding priorities and to enable assistance to be made available to as many eligible entities as possible. For both prior sub-grantees and new applicants, the capacity to manage grant funds, including financial management, and to satisfactorily perform proposed assistance is a consideration in the review and evaluation of proposals. **For current ESGP non-profit participants, this includes a review of current ESGP assistance, expenditure rates, and performance.**

As stated in the funding notice, ESGP funds through the State are on a competitive basis and recommendations for grant awards to sub-recipients must be included with the State application submission. The City-Parish is required to submit its application to the State by April 4, 2003. The review process will provide consideration for State ESGP grant awards prior to consideration of grant awards under the HUD ESGP grant. No contracts with shelter organizations will be executed until after grant funding has been provided to the City-Parish under agreements with the State and HUD. Grant award from the State, if the City-Parish application is successful, is not expected before July 1, 2003 and July 1, 2004. Grant approval from HUD is not expected to be available before October 1, 2003 and October 1, 2004. ESGP recipients must execute satisfactory contracts with the City-Parish within no more than 180 days from the date of obligation of the grant award to the City-Parish.

IX. PRIORITIES

Regarding ESGP funding priorities, it is felt that flexibility is necessary in order to adequately address assistance needs appropriate to individual shelters and the homeless population. However, the following priorities are strongly considered in reviewing project proposals:

- (1) Compliance/consistency with the City-Parish's Consolidated Planning Strategy;
- (2) Priority is generally given to shelters that are significantly expanding their capacity to serve the homeless;
- (3) Serving the unmet needs of special population groups;
- (4) Repair/rehabilitation of substandard conditions in existing shelters;
- (5) Homeless prevention activities particularly those that enable shelter occupants to become established in other housing;
- (6) Avoiding duplication of homeless services whereby there is evidence available that adequate services to a particular group are not being sufficiently provided for;
- (7) Project feasibility, as determined by financial review, property inspections, appraisals, management experience, etc; and
- (8) Review of grant expenditure rates for those non-profits with prior or current ESGP contracts with the City-Parish.

To address federal legislation that calls for involvement of homeless persons with ESGP assisted facilities and services, a required part of the RFP submission process will include written statements from proposal submitters as to how homeless persons/families will be so involved, or, if not to be involved, why it is not practical. Among equally competitive proposals, priority will be given to those that provide the most extensive levels of homeless involvement. A proposal commitment to involve homeless will be incorporated into any subsequent contract with the non-profit.

Federal regulations that allow up to 10% of ESGP funds to be utilized for staff costs of operations related to emergency shelters will be considered as follows: Such staff costs will be given low priority for funding assistance. In reviewing such requests, greater consideration will be given to proposals that can demonstrate that the staff cost assistance is directly related to increased cost burdens imposed as a result of other ESGP assistance. However, as a general rule, staff costs will only be considered if other facility and operating assistance needs have been adequately met.

In order to be considered for funding, a proposal must first meet priority #1 above, compliance/consistency with the City-Parish Consolidated Planning Strategy, and must meet

applicable nonprofit and shelter eligibility requirements. For non-profits currently or previously receiving ESGP assistance, consideration is also contingent upon there being no outstanding or unresolved contract noncompliance issues by the nonprofit. Any such issues must be satisfactorily resolved, or sufficient progress toward resolution be underway, before additional funding will be considered.

When negotiating and considering reductions to proposed funding, in order to conform total assistance to the grant amount and other grant requirements, reductions will first be considered in cost areas that can be addressed over time. That is, the Office of Community Development would typically look to a reduction in proposed long-term utility payments assistance, for example, while a short-term expense for a building improvement would be less apt to be reduced if the estimated cost appears reasonable. Such short-term, single-purpose expenses may not be able to be significantly reduced and still remain feasible, while other expenses over time may be, especially non-construction activities.

For ESGP categories having expenditure caps (essential services and homeless prevention), proposed funding may be negotiated so as to enable assistance to remain within those caps and to enable such assistance to be offered to a diversity of homeless persons according to relative need levels.

The criteria and priorities used during this process are as follows:

- 1) Priority is given to funding, as fully as possible, those proposals from qualified organizations that will expand occupancy capacity of existing shelters for previously unserved homeless populations.
- 2) Building repairs/rehabilitation to correct housing quality deficiencies, deferred maintenance, and/or improve the efficiency of the shelter facility or that will extend its useful life.
- 3) Those funding needs identified by the shelter as most important to its operations.
- 4) Those shelters that demonstrate a view toward a "*continuum of assistance*" that will focus on the extent to which basic shelter is coordinated with services and delivery capacity and to which it integrates short-term with longer-term self-sufficiency goals.

Priority will also be given to proposals that define assistance to the homeless in line with specific objectives outlined in the Five Year Consolidated Plan. Consolidated Plan objectives are:

- 1) To maintain a level of at least 500 beds for homeless individuals and families through emergency shelter or transitional housing,
- 2) To provide an additional 30 beds for women with children, especially women with male children over the age of 5 years,

- 3) To provide an additional 12 beds for single women who are not a part of a family unit, and who are not part of a homeless sub-population, e.g. severely mentally ill, alcohol or drug dependent, victims of domestic violence, or HIV/AIDS.
- 4) To identify and plan for additional appropriate permanent supportive housing units for homeless individuals in an effort toward family reunification
- 5) To provide at least 10 emergency shelter beds for larger size families;
- 6) To document the need for shelter and services for dually diagnosed individuals

Proposals reviewed for consideration under the State ESGP must meet priorities set forth in the State Consolidated Plan as follows:

Priority: To give preference in awarding homeless assistance funds and in endorsing grant proposals to those proposed activities and projects which are designed within the context of a regional or community based “Continuum of Care” collaborative process and which are integral to a local “Continuum of Care” resource system.

Priority: To increase the availability of longer term shelter and transitional housing projects that incorporate treatment components and special supportive services for homeless persons with addictive disorders and/or mental illness, and/or projects incorporating life skills training and independent living components designed for the special needs of homeless families with children.

Optional (preference items for State Application):

Indicate whether the proposed project is (or will be) an integral strategic component of the local Continuum of Care (Capital Area Alliance for the Homeless) resource system.

When applicable, documentary evidence that the proposed project incorporates treatment components and special supportive services for persons with addictive disorders and/or mental illness; or incorporates life skills training and independent living services for the special needs of homeless families with children.

X. REQUIRED USE OF BUILDINGS AS A SHELTER

If grant amounts are used for major rehabilitation or conversion of a building (i.e., where rehabilitation or conversion involves costs **in excess of 75%** of the value of the building prior to rehabilitation or conversion), the building must be maintained as a shelter for the homeless for not less than a **10-year period**.

When ESGP assisted renovation or rehabilitation of a building involves costs of **75% or less** of the value of the building before rehabilitation, the building must be maintained as a shelter for the homeless for not less than a **3-year period**.

Any building for which emergency shelter grant amounts are used for essential services or operational costs as described in [42 U.S.C. Section 11374(a)] must provide services or shelter to homeless individuals and families for the period during which such assistance is provided, without regard to a particular site or structure as long as the same general population is served.

Any renovation carried out with ESGP assistance must be sufficient to ensure that the building involved is safe and sanitary.

XI. ENVIRONMENTAL REVIEW

Funds may not be obligated or expended for activities in projects that have not been environmentally cleared. The environmental effects of each application must be assessed by the City-Parish in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and related authorities at 24 CFR parts 50 and 58. The City-Parish's Office of Community Development will perform the necessary assessments, and secure necessary releases and certifications and notify grant sub-recipients as to when grant funds may be expended and/or obligated.

Activities that are to be assisted with ESGP funds which are located in any 100-year flood plain as designated by maps prepared by the Federal Emergency Management Agency (FEMA) are subject to the flood plain review requirements of *Executive Order 11988*, Flood plain Management. In the event of rehabilitation involving property located within a flood plain, flood insurance on the property will be required of the sub-recipient if the project is funded.

In cases where ESGP assistance and matching contributions solely involve operating costs for facilities or the provision of essential services, and the structures and sites involved in the project meet program requirements, these activities are categorically excluded under NEPA and may be determined fully exempt from environmental review by the City-Parish.

XII. DEADLINES FOR USING GRANT AMOUNTS

The City-Parish, as a grant recipient, must have its grant amounts obligated within 180 days of the date on which HUD and the State makes the grant amounts available (i.e., formally approves the grant). Obligated means that the grant recipient has placed orders, awarded contracts, received services or entered similar transactions that require payment from the grant amount. Grant amounts that a unit of general local government awards to private non-profit organizations by written agreements or letters of award requiring payment from the grant amount are considered obligated.

Note: Program rules stipulate that costs may not be obligated nor expended on projects until environmental clearance has been completed.

All grant amounts must be expended within 24 months of the date on which any grant amounts were made available to the City-Parish. Effective with this grant cycle, sub-recipient contracts will be only for a 12 month period.

XIII. REPORTING REQUIREMENTS

Each sub-recipient will be required to submit:

- (1) Cost reports, listing ESGP expenditures by eligible activity category, and describing sources and amounts of matching funds.
- (2) Annual performance reports on the obligation and expenditure of funds for each ESGP assisted category, and on project accomplishments.
- (3) Other reports or information in such form and manner as may be requested by the City-Parish, U. S. Department of Housing & Urban Development and/or by DSS/Office of Community Services.

Organizations that receive \$25,000 or more per year in federal financial assistance are required to have an annual independent audit covering all funding, including ESGP. This applies to total annual federal assistance, and thus may apply in instances where ESGP assistance is below the \$25,000 threshold. Regardless of federal or state funding levels, ESGP sub-recipients must maintain financial records in accordance with applicable requirements of Federal Office of Management and Budget Circulars A-110, A-122, and A-133. Financial records of sub-recipients are subject to review by the City-Parish, HUD and the State (in the case of State ESGP assisted organizations). All proposals must be accompanied by a description of the financial management system of the organization.

XIV. NONDISCRIMINATION AND EQUAL OPPORTUNITY REQUIREMENTS

Applicants must provide assurances that shelter facilities and services are available to all on a nondiscriminatory basis. ESGP recipients must adopt and implement procedures designed to make available to interested persons information concerning the existence and location of services and facilities that are accessible to person with a handicap.

XV. INSURANCE REQUIREMENTS

Applicant's approved for funding under the ESG program will be required to procure and maintain liability, automobile and worker's compensation insurance during the term of ESGP assistance. Required liability and automobile insurance shall be in limits not less than \$1,000,000. Prior to execution of a grant agreement, the funded organization must furnish

the City-Parish with a certificate of insurance showing that such coverage is in full force and effect. The cost of the insurance shall be in an amount and contain such provisions as are reasonably required by the City-Parish. The City-Parish shall be named as an additional insured on all liability policies.

XVI. WORKER'S COMPENSATION

Worker's Compensation insurance coverage will be required for all employees engaged in services of the organization/shelter facility in compliance with laws of the State of Louisiana.

PART C - PROPOSAL SUBMISSION

INSTRUCTIONS

**EMERGENCY SHELTER GRANTS PROGRAM
CITY OF BATON ROUGE-PARISH OF EAST BATON ROUGE**

REQUEST FOR PROPOSALS

PART C. PROPOSAL SUBMISSION INSTRUCTIONS

I. Proposal Delivery

The deadline for receipt and consideration of a proposal is **Friday, March 14, 2003, 5:00 P.M.**

Each proposal must be mailed or delivered in person to the following address:

Mailing Address:

**Office of Community Development
City of Baton Rouge and
Parish of East Baton Rouge
P.O. Box 1471
Baton Rouge, LA 70821**

Delivery Address:

**Office of Community Development
City of Baton Rouge and
Parish of East Baton Rouge
300 Louisiana Avenue, 2nd Floor
Baton Rouge, LA 70802**

Proposals must be received on or before the stated deadline. The City-Parish assumes no responsibility for proposals delivered by mail or commercial carrier after the deadline date. Proposals hand delivered to the Office of Community Development will be issued a receipt. **Deadlines are firm and late proposals will not be accepted.**

Proposal forms must be typed. Narrative statements must be on standard 8 1/2" by 11" paper with a font size no smaller than "11".

Applications transmitted via fax will not be accepted.

ALL PROPOSALS MUST BE IN A SEALED ENVELOP.

II. Proposal Clarification

The Office of Community Development expects to complete all proposal reviews for consideration of the State application submission within fifteen (15) working days of the submission deadline. In the event that clarification of any item in a proposal is needed during the review process, applicants must submit the clarification within five (5) days of receipt of written notice from OCD.

Proposals will first be reviewed for completeness. Incomplete proposals will not be considered for funding under the State application. Submitters of incomplete proposals will be allowed fifteen (15) days to correct any deficiencies, for subsequent consideration under the HUD grant. Proposals remaining incomplete fifteen (15) days past the Office of Community Development's notice date will not be considered. All proposal items that are shown as required must be included with the original submission.

At the conclusion of the proposal review, each applicant will be provided written notice as to the status of the applicant's proposal.

III. Proposed Use of Funds

EACH ACTIVITY PROPOSED FOR FUNDING UNDER THE EMERGENCY SHELTER GRANTS PROGRAM MUST ADDRESS ONE OF THE ELIGIBLE CATEGORIES LISTED BELOW.

CATEGORIES:

- A. Renovation, major rehabilitation, or conversion of buildings for use as emergency shelters for the homeless.
- B. Provision of essential services to the homeless, including services concerned with employment, health, drug abuse, and education.
- C. Payment of maintenance, operations, rent, repairs, security, fuel and equipment, insurance, utilities and furnishings.
- D. Developing and implementing homeless prevention activities.

IV. General Instructions

All proposal forms must be completed and submitted. In the case of forms for a budget category for which no assistance is being proposed under this ESGP proposal, enter "-0-" or "NA" in the columns for funding totals.

If a proposal involves a joint venture with more than one qualified non-profit, a single proposal may be submitted. However, both non-profits must be identified and all questions

answered for each organization. On the ESGP Budget Category forms, indicate which entity is proposed to receive the assistance. On the Matching Funds Table, indicate which entity will be responsible for providing each source of matching funds.

Attach additional pages behind each form, if necessary, to clarify or further explain that form.

- . If an organization is submitting proposals involving more than one shelter, a separate proposal for each shelter is necessary; however, only one set of corporate documents in support of the organization's nonprofit status is required.
- . If property improvements/rehabilitation are proposed, specify how the cost estimate was determined, as an attachment to *Form ESG-H03-04 (Rehabilitation)*.

V. RFP Clarifications

A workshop with interested applicants will be held at 1:30 p.m. on Wednesday, March 5, 2003 at the Office of Community Development, 300 Louisiana Avenue, 2nd Floor, Baton Rouge, LA. Attendance is not required in order for a proposal to be considered, but is encouraged. The meeting will be held to answer any potential applicant questions concerning proposal submission requirements. All proposers are encouraged to attend.

Organizations wishing to have a representative attend should contact the Office of Community Development @ 389-3039, or by writing to the Office of Community Development. Because of space limitations, organizations are requested to limit attendance to no more than two persons.

General questions concerning this RFP may be addressed to Ms. Carolyn Breaux during the time period of this proposal solicitation.

Any revisions to the proposal instructions/requirements will only be issued in writing and sent to those recipient's of OCD record who have been sent a proposal solicitation.

VI. Required Documents

Included with this RFP is a "Checklist of Required Documents". **ALL** items on this checklist must be completed and submitted with the application package by the proposal deadline. The completed checklist should be returned with the application package.

Required attachments should be placed behind the form referencing the attachment. Shelter Budget Worksheets have been attached to assist with long range planning goals. Lengthy responses are not required, however, clear concise information must be provided.

PART D - PROPOSAL FORMS

CHECKLIST OF REQUIRED DOCUMENTS

 1. *ATTACHMENTS

REQUEST FOR QUALIFICATIONS: FORM ESG-H03-01

- A-G Applicant Information
- H 501(c) IRS determination
 - a) State Incorporation Certificate
 - b) Articles of Incorporation
 - c) Corporation By-laws
 - d) Current Board Member list

SUMMARY DESCRIPTION: FORM ESG -H03-01

- J.1 Narrative description, if a new shelter
- J.2 Certificate of insurance and/or Lease agreement
- J.3 Services Description (1, 2, 3, 4, 5)
- J.4 Grant Certifications (a, b, c, d)
- J.5 Participation of homeless individuals (*no required attachment*)
- J.6 Funding Sources (a, b, c, d, e)

FINANCIAL MANAGEMENT SUMMARY: FORM ESG-H03-01

- K.1 Audit Report, if response is "YES"
*(Attach **separately** or with corporation documents)*
- K.2 Financial Records (*no attachment required*)
- K.3 Federal Assistance (2002)
- K.4 Federal Funding Sources (2003)
- K.5 Non-Federal Assistance (2002 and 2003)
- K.6 Audit Requirement Explanation
- K.7 Governing Board List, if K.6 is "Yes"
- K.8 Explanation of Financial Interest, if applicable
- L All Proposals: Financial Management System (a, b, c, d, e)

- 2. PROJECT SUMMARY (Form ESG-H03-02)
- 3. PROJECT SUMMARY - HUD IDIS (Form ESG-H03-02(a))
- 4. PROJECT/BUDGET SUMMARY *(Form ESG-H03-03)
 Attachment: (Narrative description and 3 Yr. Shelter Budget Sheets)
- 5. REHABILITATION CATEGORY * (Form ESG-H03-04)
- 6. SERVICES CATEGORY * (Form ESG-H03-05)
- 7. OPERATIONS CATEGORY * (Form ESG-H03-06)
- 8. HOMELESS PREVENTION Category * (Form ESG-H03-07)
- 9. MATCHING FUNDS TABLE (Form ESG-H03-08)
 Attachment: Exception request, if proposed
- 10. ADDITIONAL INFORMATION (Form ESG-H03-09)
 Attachment:
 - Essential Services need description (#2), if #1 is "YES"
 - Homeless Prevention activities description (#4)

* If assistance is not proposed for a category of Eligible ESGP funding, so state on the appropriate category form and enter "-0-" or "NA" on the Total line for that form.

* If Corporation Document attachments H-I submitted under a prior solicitation are still current, enter "**PS**". A current board member list is required. NOTE: Currently funded organizations may contact the Office of Community Development for verification of required information on file.

PART D: REQUEST FOR QUALIFICATIONS

TYPE/S OF FUNDING: Level I Foundation Funding
 Level II Ancillary Funding

This form must be completely filled out and all referenced documents attached. If not, this proposal will be given low priority under the proposal review process.

APPLICANT INFORMATION

- A. ORGANIZATION NAME: _____
- B. ORGANIZATION ADDRESS: _____
- C. SHELTER ADDRESS: _____
- D. CONTACT PERSON: _____
- E. PHONE: _____
- E-MAIL ADDRESS: _____
- FAX# OF CONTACT PERSON: _____
- F. FEDERAL EMPLOYER TAX ID #: _____
- G. PERSON AUTHORIZED TO SUBMIT THIS PROPOSAL ON BEHALF OF APPLICANT ORGANIZATION:

 [NAME (PRINT/TYPE)]

 [TITLE]

 [SIGNATURE]

 [DATE]

INFORMATION REQUESTED IN ITEMS (H-I) MUST BE SUBMITTED UNLESS PREVIOUSLY SUBMITTED UNDER A PRIOR ESG PROGRAM SOLICITATION. ALL PREVIOUSLY SUBMITTED INFORMATION MUST STILL BE CURRENT.

H. NON-PROFIT STATUS:

Is the applicant organization a 501(c) non-profit entity as determined by the Internal Revenue Service?
 YES NO

If "YES", attach a copy of the IRS determination. If "NO", organization is not eligible for ESGP assistance.

I. CORPORATION DOCUMENTS (Attach the following):

- a) Incorporation Certificate (Registration with LA Secretary of State)
- b) Articles of Incorporation
- c) Corporation By-Laws
- d) List of Current Board Members (Note homeless or formerly homeless individual on list, if applicable)

J. SUMMARY DESCRIPTION

1. Is this an existing, operating homeless shelter? ____ YES ____ NO

If "YES", how long has it been in operation? _____

If "NO", attach a narrative description (no more than 2 pages) describing the planned shelter facility, including a schedule for development and opening of the facility, an explanation of why the facility is needed to address homeless needs.

2. Is the shelter property _____ owned _____ leased by the organization?

If owned by the organization attach a copy of certificate of insurance. If property is leased attach a copy of lease agreement and certificate of insurance.

3. **Services Description:**

Attach a narrative summary (not to exceed 3 pages) to include the following: 1) Description of organization and shelter facility to include services offered, or to be offered, in connection with the shelter facility (identify services regardless of whether or not proposed for, or currently ESGP assisted); 2) Explain how your program implements a *continuum of assistance* that enables homeless individuals and families to move toward independent living as well as to prevent homelessness. 3) List or describe appropriate supportive services, including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living and other Federal, State, local and private assistance for such individuals. 4) Describe the nature and extent of the unmet need for adequate shelter and related assistance for the homeless population served by your organization. Provide information on numbers served as well as numbers of requests for shelter which could not be fulfilled; State the source of your information, e.g. previous studies, reports, inventory of existing homeless resources. Describe any unique or significant circumstances which are pertinent to the particular homeless population served by your organization. 5) When applicable, include documentary evidence that the proposed project incorporates treatment components and special supportive services for persons with addictive disorders and/or mental illness; or the proposed project incorporates life skills training and independent living services for the special needs of homeless families with children.

4. **Grant Certifications:**

Attach a narrative description (not to exceed 3 pages) to include a description of the following:

- shelter **admission** procedures;
- shelter **termination** procedures to an individual or family;
- current or planned **involvement** of homeless individuals/families in constructing, renovating, maintaining and operating shelter facilities;
- policy concerning **confidentiality of records** pertaining to the provision of family violence prevention or treatment services, if applicable.

5. **Participation of Homeless Individuals:**

Does a homeless individual or formerly homeless individual serve on the board of directors or other equivalent policy making entity of your organization? ____ YES ____ NO

6. **Funding Sources:**

- Fiscal Year of Applicant: From _____ Through _____
- Current annual budget for the shelter being proposed for assistance (including any currently contracted ESG assistance): _____
- Estimated next annual budget for the shelter being proposed for assistance (including any currently contracted and proposed ESG assistance) to be undertaken in this time period: _____
- Current staff of the proposed assisted shelter for services and operations not including general administrative staff: _____
- Attach a list of all current funding sources applicable to the shelter. Include amounts for each source. If volunteer time forms a part of the shelter operations, estimate total annual time in man-hours, and summarize the use of that time, but do not show as shelter budget cost under *b* and *c* above. Similarly, summarize any estimated donations of materials and supplies that are not a part of the actual shelter expense budget.

K. FINANCIAL MANAGEMENT SUMMARY

1. Audit Report: Does the organization have an independent audit of your financial records conducted?
 YES NO Annually Every Two Years
 If yes, enclose a copy of the most recent audit report.

2. Financial Records: Does the organization maintain financial records that allow for a separation of expenses and revenues? YES NO

3. Federal Assistance: During the calendar year 2002, did your organization receive more than \$25,000 in federal assistance? If yes, list all sources including ESGP.
 YES NO

4. Federal Funding Sources: If your proposal is fully funded as submitted, will your organization receive more than \$25,000 in assistance from federal sources during calendar year 2003? If yes, list all proposed federal funding sources, including ESGP.
 YES NO

5. Non-Federal Assistance: What is the amount of non- federal assistance that your organization received in 2002 _____ estimated to receive in 2003 _____

6. If your organization does not have an audit report, and if your organization will receive more than \$25,000 in federal assistance, attach a narrative explanation of how you will meet the audit requirements.

7. Governing Board: Are there members of the Organization's governing board who are City-Parish, State or Federal employees, including elected officials?
 YES NO If "YES", attach a list of such persons.

8. If #7 is "YES", do any of these persons have a financial interest in the services or operations of the organization?
 YES NO NA
 If "YES", attach an explanation of that financial interest.

L. ALL PROPOSALS:

ATTACH A NARRATIVE DESCRIPTION OF YOUR FINANCIAL MANAGEMENT SYSTEM (NOT TO EXCEED 2 PAGES). IN THIS NARRATIVE, ADDRESS:

- a) How your financial management system provides for accurate, current and complete disclosure of the financial results of each federally sponsored project or program.

- b) How records are maintained so as to adequately identify the source and application of funds for all activities.

- c) How your organization maintains effective control over and accountability for all funds, property and other assets.

- d) A summary description of your budget process, including how actual outlays are compared with budgeted amounts.

- e) How your accounting (financial) records are maintained so as to demonstrate that all federally assisted costs are supported by source documentation.

PROJECT SUMMARY**(To be completed for each shelter/facility/project to receive ESGP assistance)**

Applicant/Shelter Name: _____

Bed Capacity: If the proposed project is a shelter, indicate the nightly bed capacity for homeless persons to be served. _____

If facility is to be newly established, enter planned capacity: _____

If an existing facility, enter Current Capacity: _____ and Capacity after Increase from ESGP assistance _____* when applicable. (*Enter NA if no increase in shelter capacity anticipated)

If an existing shelter indicate:

1. Racial Beneficiaries (Proportion Served) from 01/01/02 - 12/31/02:

Black _____	White/Non Hispanic _____
Hispanic _____	Asian _____ American Indian _____

If the proposed project is a day facility, indicate projected numbers served per day: _____

Homeless Beneficiaries: From the following list, indicate the type/s of beneficiaries to be served by the proposed project. If more than one type to be served, list all, with the predominant type of beneficiary first: _____

UM Unaccompanied Men	SPF Single Parent Families
UW Unaccompanied Women	TPF Two Parent Families
UFY Unaccompanied Female Youth Under 18	AC Adult Couples Without Children
UMY Unaccompanied Male	DK Don't Know

ESGP Assistance and Proposed Accomplishments by Eligible Activity

Indicate the proposed amount of ESGP assistance by activity type and briefly described the accomplishments anticipated through use of ESGP funds. [For rehabilitation, indicate whether proposed activity involves costs in excess of 75% of the value of the building before rehabilitation (Major Rehabilitation)].

Rehabilitation \$_____ (ESGP assistance requested)

Proposed Accomplishments (brief description):

Essential Services \$_____ (ESGP assistance requested)

Summary of Proposed Services:

Operations/Maintenance \$_____ (ESGP assistance requested)

Proposed Operational Cost Items to be met:

Homeless Prevention Services \$_____ (ESGP assistance requested)

Summary of Proposed Homeless Prevention Activities:

Project number of homeless prevention recipients*: _____
(Single person households and/or family groups)

TOTAL ASSISTANCE REQUEST: \$_____

PROJECT SUMMARY
[HUD-IDIS REQUIRED INFORMATION]

LOCAL GOVERNMENT APPLICANT: _____

PROJECT/SPONSOR NAME: _____

ESG HOUSING AND SERVICES

INDICATE WITH AN " " ACTUAL OR PROPOSED PROGRAM(S) AND SERVICES(S):

- | | |
|----------------------------------|------------------------------------|
| ___ EMERGENCY SHELTER FACILITIES | ___ TRANSITIONAL HOUSING |
| ___ VOUCHERS FOR SHELTERS | ___ OUTREACH |
| ___ DROP-IN CENTER | ___ SOUP KITCHEN/MEAL DISTRIBUTION |
| ___ FOOD PANTRY | ___ HEALTH CARE |
| ___ MENTAL HEALTH | ___ HIV/AIDS SERVICES |
| ___ ALCOHOL/DRUG PROGRAM | ___ EMPLOYMENT |
| ___ CHILD CARE | ___ HOMELESS PREVENTION |
| ___ OTHER _____ | |

ESG BENEFICIARIES [Actual or Proposed]

RESIDENTIAL SERVICES [Shelter/Housing]

AVERAGE NUMBER SERVED DAILY: ADULTS: _____ CHILDREN: _____

AVERAGE NUMBER SERVED YEARLY: _____ (UNDUPLICATED COUNT)

RACIAL/ETHNIC CHARACTERISTICS:

- WHITE, HISPANIC _____
- WHITE, NON-HISPANIC _____
- BLACK/AFRICAN AMERICAN, HISPANIC _____
- BLACK/AFRICAN AMERICAN, NON-HISPANIC _____
- ASIAN, HISPANIC _____
- ASIAN, NON-HISPANIC _____
- AMERICAN INDIAN/ALASKAN NATIVE, HISPANIC _____
- AMERICAN INDIAN/ALASKAN NATIVE, NON-HISPANIC _____
- NATIVE HAWAIIAN/OTHER PACIFIC ISLANDER, HISPANIC _____
- NATIVE HAWAIIAN/OTHER PACIFIC ISLANDER, NON-HISPANIC _____
- AMERICAN INDIAN/ALASKAN NATIVE & WHITE, HISPANIC _____
- AMERICAN INDIAN/ALASKAN NATIVE & WHITE, NON-HISPANIC _____
- ASIAN & WHITE, HISPANIC _____
- ASIAN & WHITE, NON-HISPANIC _____
- BLACK/AFRICAN AMERICAN & WHITE, HISPANIC _____
- BLACK/AFRICAN AMERICAN & WHITE, NON-HISPANIC _____
- AMERICAN INDIAN/ALASKAN NATIVE & BLACK/AFRICAN AMERICAN, HISPANIC _____
- AMERICAN INDIAN/ALASKAN NATIVE & BLACK/AFRICAN AMERICAN, NON-HISPANIC _____
- OTHER MULTI-RACIAL, HISPANIC _____
- OTHER MULTI-RACIAL, NON-HISPANIC _____
- ASIAN/PACIFIC ISLANDER, HISPANIC _____
- ASIAN/PACIFIC ISLANDER, NON-HISPANIC _____

NON-RESIDENTIAL SERVICES

AVERAGE NUMBER SERVED DAILY: _____

RESIDENTIAL SERVICES [Shelter/Housing]

ENTER APPROXIMATE PERCENTAGES OF:

SINGLE/UNACCOMPANIED PERSONS

- | | | |
|----------------------------------|---------------|----------------|
| UNACCOMPANIED 18 AND OVER . . . | MALE: _____ % | FEMALE _____ % |
| UNACCOMPANIED UNDER 18 . . . | MALE: _____ % | FEMALE _____ % |
| FAMILIES WITH CHILDREN HEADED BY | | |
| SINGLE 18 AND OVER . . . | MALE: _____ % | FEMALE _____ % |
| YOUTH 18 AND UNDER: | _____ % | |
| TWO PARENTS 18 AND OVER: | _____ % | |
| TWO PARENTS UNDER 18: | _____ % | |
| FAMILIES WITH NO CHILDREN: | _____ % | |

ESG BENEFICIARIES [Actual or Proposed]

RESIDENTIAL SERVICES [Shelter/Housing]

ON AN AVERAGE DAY, PERCENTAGE OF THE POPULATION SERVED WHO ARE:

BATTERED SPOUSE:	_____ %	ALCOHOL DEPENDENT INDIVIDUALS:	_____ %
RUNAWAY/THROWAWAY YOUTH:	_____ %	DRUG DEPENDENT INDIVIDUALS:	_____ %
CHRONICALLY MENTALLY ILL:	_____ %	ELDERLY:	_____ %
DEVELOPMENTALLY DISABLED:	_____ %	VETERANS:	_____ %
HIV/AIDS:	_____ %	PHYSICALLY DISABLED:	_____ %
		OTHER:	_____ %

RESIDENTIAL SERVICES [Actual or Proposed - on an Average Day]

NUMBER OF		NUMBER OF	
SHELTER TYPE	PERSONS HOUSED	SHELTER TYPE	PERSONS HOUSED
BARRACKS:	_____	SINGLE ROOM OCCUPANCY:	_____
GROUP/LARGE HOUSE:	_____	MOBILE HOME/TRAILER:	_____
SCATTERED SITE APARTMENT:	_____	HOTEL/MOTEL:	_____
SINGLE FAMILY DETACHED HOUSE:	_____	OTHER:	_____
		TOTAL:	_____

ESG FUNDING

FUNDING SOURCES[ANNUAL - Actual or Proposed]

ESG:	\$ _____	PRIVATE:	\$ _____
OTHER FEDERAL:	\$ _____	FEES:	\$ _____
LOCAL GOVERNMENT:	\$ _____	OTHER:	\$ _____

PROJECT/BUDGET SUMMARY

Funding Level Proposed: **Level I (Foundation)** **Level II (Ancillary)**

Applicant: _____

ATTACH a narrative statement describing *each* proposed use of ESGP funds, by ESG category,(such as rehabilitation, essential services, operations or homeless prevention), including a schedule for initiating and completing the proposed activity; and an explanation as to why the assistance is needed and its anticipated effect on meeting homeless needs in East Baton Rouge Parish. Complete the attached 3 Year Shelter Budget Worksheet.

Estimated Services:

Shelter Projects

Average number of Persons to be served daily _____

Unduplicated number of Persons to be served annually _____

Other Services [List type(s) and annual number of services for each type] _____

ESG Category	ESG Funds Applied For	Matching Funds	Totals
A) Rehabilitation			
B) Essential Services			
C) Operations Staff (Up to 10%) All Other			
D) Homeless Prevention Services			
TOTALS			

MATCHING FUNDS TABLE

Source	(X)	\$Value	Method of Calculation (Determined by)
DONATIONS			
Materials	_____	\$ _____	_____
Building	_____	\$ _____	_____
Funds	_____	\$ _____	_____
LEASE OR RENT	_____	\$ _____	_____
SALARIES	_____	\$ _____	_____
VOLUNTEERS	_____	\$ _____	_____
(at \$5/hr.)	_____	\$ _____	_____
OTHER	_____	\$ _____	_____
_____	_____	_____	_____
_____	_____	_____	_____
MATCH TOTAL*		\$ _____	

*Matching funds must equal or exceed the total ESGP funding proposed for eligible program activities, unless an exception to match requirements is being requested. If the above match total does not equal requested ESGP Program funding, complete the space below. Exceptions will only be considered if total matching funds from other approved proposals are sufficient to meet total grant requirements.

Exception to Match Requirements is requested for ESGP Amount of

\$ _____

If an exception to the match requirements is requested, attach information to this form supporting the request for an exception on grounds that the applicant is incapable or his limited capability to provide the required match amounts. An exception may be requested for all or part of necessary matching funds. The amount of the match exception request must be specified.

ADDITIONAL INFORMATION

ESSENTIAL SERVICES

1. Is "essential services" assistance proposed? _____ YES; _____ NO
 If "YES", is the proposed assistance to:

_____ establish a new service
 _____ increase the level of a current service
 _____ maintain the level of a service previously/currently funded through ESG
 _____ other (specify): _____

2. If a new or increased level of a proposed "essential service" is being proposed, attach a summary description of the need for the proposed service.

3. Describe how the homeless will be involved in the provision of "essential services", or why such involvement is not practical in connection with this proposal. (Attach additional pages if necessary)

HOMELESS PREVENTION

4. Are "Homeless Prevention" activities proposed? _____ YES _____ NO
 If "YES" describe the type{s} of activities to be undertaken and a specific implementation plan,(i.e. who will provide the homeless prevention activities; what criteria will be used to determine who will receive assistance, method for determining if the homeless prevention assistance applicant meets the guidelines set forth for provision of this assistance through ESGP funding.

PROPOSAL PRIORITY

5. For each proposed ESG assistance activity, rank each in your priority order according to your overall funding needs ("1" being highest priority, "2" second highest, etc.) in the space below.

Rank	Activity
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

PART E - ATTACHMENTS

DEFINITIONS

The following definitions are from the federal regulations governing the Emergency Shelter Grants Program.

Homeless means:

- (a) An individual who lacks a fixed, regular, and adequate nighttime residence; and
- (b) An individual who has a primary nighttime residence that is:
 - 1) A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);
 - 2) An institution that provides a temporary residence for individuals intended to be institutionalized; or
 - 3) A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.
 - 4) The term "homeless" or "homeless individual" does not include any individual imprisoned or otherwise detained pursuant to an Act of the Congress or a State law.

Emergency Shelter means:

Any facility, the primary purpose of which is to provide temporary or transitional shelter for the homeless in general or for specific populations of the homeless.

Income Eligibility means:

- 1) In general, a homeless individual shall be eligible for assistance under any program provided by Title 42 Chapter 119, only if the individual complies with the income eligibility requirements otherwise applicable to such program.
- 2) Exception - Notwithstanding paragraph (1), a homeless individual shall be eligible for assistance under the Job Training Partnership Act (29 U.S.C. 1501 et seq.)

Major Rehabilitation means:

Rehabilitation that involves costs in excess of 75 percent of the value of the building before rehabilitation.

Rehabilitation means:

The labor, materials, tools, and other costs of improving buildings, other than minor or routine repairs. The term includes where the use of a building is changed to an emergency shelter and the cost of this change and any rehabilitation costs does not exceed 75 percent of the value of the building before the change in use.

ESGP assisted rehabilitation must meet local government safety and sanitation standards, and applicable accessibility requirements of federal law.

Renovation means:

Rehabilitation that involves costs of 75 percent or less of the value of the building before rehabilitation.

**CONTRACTUAL PROVISIONS FOR SUBGRANTS
TO PRIMARILY RELIGIOUS ORGANIZATIONS**

- A. 24 CFR 576.23(a) of the Emergency Shelter Grants Program (ESGP) regulations state that ESGP assistance may be provided to a primarily religious organization if the organization agrees to provide all eligible activities under this Program in a manner that is free from religious influences and in accordance with the following principles:
- (1) It will not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion;
 - (2) It will not discriminate against any person applying for shelter or any of the eligible activities under this Program on the basis of religion and will not limit such housing or other eligible activities or give preference to persons on the basis of religion; and
 - (3) It will provide no religious instruction or counseling, conduct no religious services or worship, (not including voluntary non-denominational prayer before meetings), engage in no religious proselytizing, and exert no other religious influences in the provision of shelter and other eligible activities under this part; and
- B. Emergency shelter grant amounts may be used to rehabilitate or convert to an emergency shelter a structure that is owned by a primarily religious organization, only if;
- (1) The structure (or portion thereof) that is to be renovated, rehabilitated or converted with ESGP assistance has been leased to an existing or newly established wholly secular organization; (which may be an entity established by the primarily religious organization);
 - (2) The ESGP assistance is provided to the secular organization (and not the religious organization) to make the improvements;
 - (3) The leased structure will be used exclusively for secular purposes available to all persons;
 - (4) The lease payments paid to the primarily religious organization do not exceed the fair market rent for the structure before the renovation, rehabilitation or conversion;
 - (5) The portion of the costs of any improvements that benefit any unleased portion of the structure will be allocated to, and paid for by, the religious organization; and
 - (6) The primarily religious organization agrees that if the recipient does not retain the use of the leased premises for wholly secular purposes for the useful life of the improvement, the primarily religious organization will pay an amount equal to the residual value of the improvements to HUD via the City-Parish.
- C. A primarily religious organization may establish a wholly secular private nonprofit organization to serve as ESGP recipient.
- (1) The secular organization must agree to provide shelter and services in a manner that is free from religious influences and in accordance with the principles stated at A, (1), (2) and (3) above.
 - (2) The secular organization may enter into a contract with the religious organization to provide

ATTACHMENT #2 CONT'D

essential services or undertake homeless prevention activities. The religious organization must agree in the contract to carry out its contractual responsibilities in a manner free from religious influences and in accordance with the principles stated at A,(1), (2) and (3) above.

- (3) The rehabilitation, conversion, or renovation of emergency shelters are subject to the requirements of section B(1) through(6).

The religious organization is not required to establish the secular organization before the selection of its application. In such a case, the religious organization may apply on behalf of the secular organization. After formation, a secular organization that is not in existence at the time of the application will be required to demonstrate that it meets the definition of private nonprofit organization contained in 42 U.S.C. 11371 and ESGP regulations at 24 CFR 576.3. The obligation of funds will be conditioned upon compliance with these requirements.

GUIDELINES FOR EMERGENCY SHELTER GRANT APPLICANTS

The following guidelines are being provided to assist Grant Applicants in understanding the governing regulations (24 CFR Part 576) of the U. S. Department of Housing and Urban Development. This guidance is provided to ensure that the ESG grants are administered in compliance with statutory and regulatory requirements of the program.

Grant applicants should consider not only ESG programmatic regulations, but should also give careful consideration to all the following federal requirements in developing a proposal for ESGP funding: Financial Management of the Grant; Procurement Procedures, if appropriate; Separation of Church/State Compliance Issues; Certifications Compliance; and Compliance with any other Program Requirements.

The following overview is provided for your consideration during grant preparation. It is our hope that this information will insure for smooth grant start-up and answer any questions which may arise not only during the application process, but during grant implementation, as well.

Sub-Grantees must ensure that facilities meet the requirements of 24 CFR 576.57(c) regarding lead based paint.

Sub-Grantees must ensure that facilities meet the requirements of 42 U.S.C. 4001 *et seq.* regarding flood insurance.

Sub-Grantees must meet the requirements imposed by Section 1352, Title 31, of the U.S. Code regarding lobbying and disclosure of information.

24 CFR 84.48 sets minimum thresholds for bid, performance and payment bonds in connection with construction and improvements contracts over \$100,000 which contractors must meet to ensure, in case of default, the completion of general and subcontract work.

Access to grant records of a nonprofit organization shall be available to HUD authorized personnel and the Comptroller General of the U.S. Records must be kept for at least four years after submission of the final expenditure report, except where there is litigation, claims or findings against the grant requiring a longer period.

Sub-recipients must have source documentation for expenditures associated with real property or equipment. For equipment, additional records are to evidence HUD's participation in the original cost of the equipment, a description of the equipment, a system of coding or tagging, a description of the equipments condition, a record of bi-annual inventories, and property disposition procedures.

Sub-recipients must maintain a system to handle disputes, protest, and other matters arising out of its contract; maintain a code of conduct to prevent conflicts of interest; and use solicitations which are clear and accurately describe the materials, products or services being procured.

Environmental clearances must be conducted and expenditure authority issued by HUD and the State DSS before grant expenditures can begin.

CONTINUUM OF CARE

As envisioned in the Federal Plan to Address Homelessness, a comprehensive system of services, as well as permanent housing, is necessary to help individuals and families in our communities reach independence. This system and philosophy, called a "continuum of care" strives to fulfill those requirements with three fundamental components: emergency shelter, transitional housing and permanent housing.

The fundamental components of a Continuum of Care system are:

Outreach and assessment to identify an individual's or family's needs and make connections to facilities and services.

Immediate (emergency) shelter and safe decent alternatives to the streets

Transitional housing with appropriate supportive services. Such services include job training/placement, substance abuse treatment, short-term mental health services, independent living skills, etc.

Permanent housing or permanent supportive housing arrangements.

Lead-based Paint Requirements

Background

The purpose of these requirements is to ensure that housing receiving federal assistance (or being sold by the federal government) does not pose lead-based paint hazards to young children. As such, ESG grantees are subject to the requirements, as applicable, of the Lead-Based Paint Poisoning Prevention Act (LBPPPA) and the Act's implementing regulations at 24 CFR Part 35 (see [Memorandum summarizing the Rule's requirements and effective dates at: http://www.hud.gov/lea/donovan_letter.pdf](http://www.hud.gov/lea/donovan_letter.pdf)). This Act, first passed by Congress in 1971 and amended several times since then, found that lead poisoning in children causes permanent damage to the brain and many other organs and results in reduced intelligence, low attention span, reading and learning disabilities, and can be linked to behavioral problems. The Centers for Disease Control and Prevention (CDC) have claimed lead poisoning to be the most common environmental disease that threatens our young children today. The most common sources of childhood exposure to lead are deteriorated lead-based paint and lead-contaminated soil in the residential environment.

In 1992, Congress passed the [Residential Lead-Based Paint Hazard Reduction Act](http://www.hud.gov/lea/leatilex.html), (<http://www.hud.gov/lea/leatilex.html>) referred to as "Title X." This law redefined the lead-paint hazard and set out specific requirements that necessitated a comprehensive revision of HUD's lead-based paint regulations. Title X stressed identification of hazards, notification to occupants of the existence of these hazards, and control of these hazards. HUD developed a [Final Rule](http://www.hud.gov/lea/1012_3final.pdf) (http://www.hud.gov/lea/1012_3final.pdf) in September 1999 to implement sections 1012 and 1013 the statutory requirements of Title X (the sections that amend the LBPPPA) and to update and consolidate all of its lead-based paint regulations. The provisions of the new rules went into effect on September 15, 2000.

Effect of Lead-Based Paint Rules on ESG Projects

Since the ESG program deals primarily with the operation of short-term emergency shelters and the delivery of essential services to formerly homeless persons, ESG is governed by Subpart K of the Lead-Based Paint Hazard regulations. According to the *Interpretive Guidance* (http://www.hud.gov/lea/1012QA_final_sept21.PDF) to the regulations, most emergency shelters are exempt from the lead-based paint regulations. Thus, emergency housing using efficiencies, studio apartments, dormitories, single room occupancy units, barracks, group homes, or room rentals in residential dwellings are all excluded from the lead-based paint requirements. The only ESG-assisted housing covered under the lead-based paint requirements is longer-term transitional housing in an apartment with one or more bedrooms AND which has family residents who are part of a program requiring continual residence of more than 100 days.

The majority of ESG projects, with their relatively short stays in HUD-assisted housing, are exempt from the Lead-based Paint requirements. Additionally, ESG projects providing essential services only are also excluded from the lead-based paint regulations. However, any ESG housing or services sites regularly frequented by children less than 6 years of age are encouraged to use ESG funds for testing and may use ESG rehabilitation funds for necessary abatement procedures.

In ESG projects where the residents select their own housing or where the grantee or recipient provides services such as housing search and homeless prevention services such as first month's rent, the units selected must be free from lead-based paint contamination. The remainder of Section 8.2 of the ESG Guide provides a summary of the basic requirements for transitional housing programs where the grantee or recipient provides the apartment units using ESG funds.

Section 8.2 of the ESG Guide summarizes the basic provisions of the lead-based paint regulations pertaining to ESG funded activities, such as rehabilitation and conversion of property. While the requirements pertaining to rehabilitation differ according to level of federal support (see below), the requirements around notification and provision of an information pamphlet apply for *all* types of federal housing assistance. Exemptions to the lead-based paint regulation are provided at the end of the section. Note that the lead-based paint requirements do not apply to housing assistance (such as for homeless persons) unless the assistance lasts more than 100 days.

Notice of Evaluation, Presumption, and Hazard Reduction Activities

When evaluation, or hazard reduction activities (or both) of lead-based paint is undertaken as part of federally-funded rehabilitation activities in long-term assisted housing, the grantee/recipient must notify occupants of the property. Notification is also required when a presumption is made that lead-paint hazards are present. The grantee/recipient should provide notice to occupants within 15 days of the date the evaluation is completed (or a presumption is made) that lead-based paint hazards exist. In a format that it is clear and easy to read (i.e., in the occupant's primary language), the notice should include:

- 1.a summary of the nature, scope and results of the evaluation;
- 2.contact name, address and telephone number for more information; and
- 3.the date of the notice.

When hazard reduction activities are undertaken, the responsible party must provide notice to occupants no more than 15 days after the activity is completed. The notice should include the same elements as above, but also include available information on the location of any remaining lead-based paint hazards. The grantee/recipient should also provide the *Lead Hazard Information Pamphlet* available through HUD.

Rehabilitation, Renovation or Conversion

Requirements differ depending on the level of federal funding provided for these activities. The three categories include: 1) assistance of up to and including \$5,000 per unit; 2) assistance of more than \$5,000 per unit and up to and including \$25,000 per unit; and 3) assistance of more than \$25,000 per unit.

For long-term assisted housing properties receiving federal assistance of *up to \$5,000 per unit*, the following requirements apply:

- 1.Conduct paint testing (or presume the presence of lead-based paint);
- 2.Implement safe work practices during rehabilitation work if paint testing shows the presence of lead-based paint; repair any paint surfaces that are disturbed; and
- 3.Perform a clearance examination of the work site after completion of rehab disturbing painted surfaces. A clearance is not necessary if the rehab does not disturb painted surfaces.

For long-term assisted housing properties receiving federal assistance of *\$5,000 and up to \$25,000 per unit*, the following requirements apply:

- 1.Conduct paint testing (or presume the presence of lead-based paint);

2.Perform a risk assessment in the units, common areas and exteriors of those being rehabilitated using federal assistance; and

3.Perform interim controls. Interim controls include paint stabilization of deteriorated paint, treatments for friction and impact surfaces where levels of lead dust are above those specified in 24 CFR 35.1320, dust control and lead-contaminated soil control. *Paint stabilization* means: repair of any defective substrate that is causing paint deterioration, and removal of loose paint and other material using methods such as wet scraping, wet sanding or power sanding in conjunction with use of a HEPA filtered local exhaust attachment (dry sanding or scraping is allowed only for electrical safety reasons) and application of a new protective coating or paint.

For long-term assisted housing properties receiving federal assistance of *above \$25,000 per unit*, the following requirements apply:

1.Conduct paint testing (or presume the presence of lead-based paint);

2.Perform a risk assessment in the units, common areas and exteriors of those being rehabilitated using federal assistance; and

3.Abate all lead hazards identified in the test or assessment as well as any lead-based paint hazards created as a result of the rehab work.

Essential (Support) Services and Operations

For eligible ESG housing properties that receive federal assistance for essential support services or operations, a number of lead-based paint requirements apply. The grantee/recipient should conduct the following activities:

1.A visual assessment of all painted surfaces to identify deteriorated surfaces;

2.Complete paint stabilization of all deteriorated surfaces.

3.Incorporate ongoing lead-based paint maintenance activities into the regular building maintenance operations; and

4.Notification as described above.

Inspection and Abatement

In addition to complying with the regulations at 24 CFR 35, the grantee (or in the case of States, the State recipient) must also meet the following requirements relating to inspection and abatement of defective lead-based paint surfaces:

- Treatment of defective paint surfaces must be performed before final inspection and approval of the renovation, rehabilitation or conversion activity; and
- Appropriate action must be taken to protect shelter occupants from the hazards associated with lead-based paint abatement procedures.

The following chart summarizes the lead-based paint requirements applicable to the ESG program by type of program and the building's period of construction:

Type of Program	Construction Period	Requirements
Rehabilitation - Property receiving less than \$5,000 per unit	Pre-1978	Provision of pamphlet. Paint testing of surfaces to be disturbed, or presume LBP. Safe work practices in rehab. Repair disturbed paint. Clearance of the worksite. Notice to Occupants.
Rehabilitation - Property receiving more than \$5,000 and up to \$25,000 per unit	Pre-1978	Provision of pamphlet. Paint testing of surfaces to be disturbed, or presume LBP. Risk assessment Interim Controls. Notice to Occupants.
Type of Program	Construction Period	Requirements
Rehabilitation - Property receiving more than \$25,000 per unit	Pre-1978	Provision of pamphlet. Paint testing of surfaces to be disturbed, or presume LBP. Risk assessment. Abatement of LBP hazards. Notice to Occupants.
Support Services or Operation	Pre-1978	Provision of pamphlet. Visual Assessment. Paint stabilization. Notice to Occupants. Ongoing LBP maintenance

Are there Exemptions from these Regulations?

A number of properties are exempt from this regulation. For the properties that fall under the following categories, the lead-based paint regulations do not apply:

- Housing built after January 1, 1978 (the date when lead-based paint was banned for residential use);
- Housing exclusively for the elderly or persons with disabilities, unless a child under age 6 is expected to reside there;
- Zero bedroom dwellings, including efficiency apartments, single-room occupancy housing, dormitories, or military barracks;

ATTACHMENT #5 CONT'D

- Property that has been found to be free of lead-based paint by a certified inspector;
- Property from which all lead-based paint has been removed, and clearance has been achieved;
- Unoccupied housing that will remain vacant until it is demolished;
- Non-residential property;
- Any rehabilitation or housing improvement that does not disturb a painted surface;
- Emergency repair actions which are needed to safeguard against imminent danger to human life, health or safety, or to protect property from further structural damage;
- Emergency housing assistance (such as for the homeless) unless the assistance is for long-term assistance that lasts more than 100 days. **In the case where long-term housing assistance lasts for more than 100 days, then the rule does apply.**

Copies of the lead-based paint regulation can be obtained by downloading it from the HUD Office of Lead Hazard Control web site at www.hud.gov/lea or by calling 1-800-424-LEAD.

Information in Attachment G was taken from Emergency Shelter Grants [ESG] Program Desk Guide, March 2001, U. S. Department of Housing and Urban Development, Office of Community Planning and Development, pp 84-89.

**NEW OMB STANDARDS FOR FEDERAL DATA ON
RACE AND ETHNICITY: HUD POLICY STATEMENT
AND IMPLEMENTING GUIDELINES**



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-7000

OFFICE OF THE ASSISTANT SECRETARY
FOR COMMUNITY PLANNING AND DEVELOPMENT

Dear Chief Executive:

The purpose of this letter is to advise entitlement grantees of the transition policy for implementing new data collection requirements, as required by the Office of Management and Budget (OMB). The enclosed memorandum from Deputy Secretary Alphonso Jackson more thoroughly describes the new requirements.

In October 1997, OMB significantly revised standards for Federal agencies that collect, maintain or report Federal data on race and ethnicity for statistical purposes, program administrative reporting or civil rights compliance reporting. Under the revised policy, HUD must offer respondents the option of selecting one or more of five racial categories. As previously, HUD must also treat ethnicity as a category separate from race. Finally, terminology for certain racial groups and ethnic groups has been changed.

The changes will have two significant impacts on grantee data collection and reporting: (1) Hispanic will now be considered an ethnicity category rather than a race category; and (2) Asian/Pacific Islander will be split into the two categories of Asian and Native Hawaiian/Other Pacific Islander.

Due to what was learned from conducting the 2000 Census, OMB recommends that when collecting this data, grantees ask respondents to identify their ethnicity prior to asking them to identify their race. The five single-race categories will be White, Black/African American, Asian, American Indian/Alaskan Native, and Native Hawaiian/Other Pacific Islander. When reporting to HUD, grantees will also be asked to classify responses using five new multi-race categories: American Indian/Alaskan Native & White; Asian & White; Black/African American & White; American Indian/Alaskan Native & Black/African American; and Other Multi-racial.

OMB has required implementation by December 31, 2002. This requirement has been a topic of informal discussions and information sharing among HUD and grantee staff responsible for computerized reporting in the Integrated Disbursement and Information System (IDIS). The most significant impact on entitlement communities will be the need to revise contract documents with subrecipients and any forms that include data collection such as applications for direct assistance. HUD staff stand ready to help local staff in this effort.

The new screens will be available on IDIS in December 2002. Inputting this data will be mandatory for all grantees. Our transition policy will be as follows:

For activities entered into IDIS following the addition of the new race/ethnicity

categories, the requirement will start immediately. Grantees will only see the new race/ethnicity categories when they come to those screens in IDIS.

*Grantees should transition to collecting race/ethnicity using the new categories as soon as possible. For activities **already entered into IDIS at the time of the IDIS release**, grantees will be given until April 1, 2004, to transition to the new categories. This transition policy takes into account that grantees often have agreements with non-profits on how to collect this data, and that grantees may not be able to change that process for a few months. The last grantees that would be allowed to enter data into the current "Asian/Pacific Islander" or "Hispanic" race categories, which are not included in the new classification, will be March 31, 2004. Beginning April 1, 2004, these two race fields will be locked.*

Grantees will not be required to convert any racial data they have already saved to IDIS for the existing five race categories. That data will continue to display in IDIS and appear on IDIS reports for the current race categories.

Thank you for your ongoing efforts and achievements to make our nation's cities viable communities. I look forward to continuing to serve with you in this endeavor.

Sincerely,

Roy A. Bernardi
Assistant Secretary

Enclosure

MEMORANDUM FOR: SEE LIST ATTACHED

FROM: Alphonso Jackson, Deputy Secretary, SD

SUBJECT: New OMB Standards for Federal Data on Race and Ethnicity: HUD Policy Statement and Implementing Guidelines.

On October 30, 1997, the Office of Management and Budget (OMB) significantly revised standards for Federal agencies, including HUD and its program offices and partners, that collect, maintain, and report Federal data on race and ethnicity for statistical purposes, program administrative reporting, and civil rights compliance reporting. The new standards give Federal agencies enhanced ability to collect information that reflects, with immigration and interracial marriages on the rise, the growing diversity of the U.S. population.

The new provisions changed OMB standards that had been operative for the Federal government for two decades (since 1977). OMB's most recent provisional guidance on these changes, which continues to evolve, was issued on December 15, 2000. Based upon OMB's December 2000 provisional guidance and appendices, this memorandum establishes HUD policy and guidelines for implementing the new data collection procedures.

Under this new policy, HUD must offer individuals, who are responding to agency data requests for race, the option of selecting *one or more* of five racial categories. HUD must also treat ethnicity as a category separate from race, and change the terminology for certain racial and ethnic groups.

1. Definitions

The five racial categories as revised by OMB are defined as follows:

- a) **American Indian or Alaska Native.** A person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment.
- b) **Asian.** A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.
- c) **Black or African American.** A person having origins in any of the black racial groups of Africa. Terms such as "Haitian" or "Negro" can be used in addition to "Black or

African American.”

- d) **Native Hawaiian or Other Pacific Islander.** A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.
- e) **White.** A person having origins in any of the original peoples of Europe, the Middle East, or North Africa.

The two ethnic categories as revised by OMB are defined as follows:

- a) **Hispanic or Latino.** A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race. The term, “Spanish origin,” can be used in addition to “Hispanic or Latino.”
- b) **Not Hispanic or Latino.** A person not of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.

Under the old OMB guidelines, four racial categories (American Indian or Alaskan Native, Asian or Pacific Islander, Black, and White) and a single race response were in effect. The new standards provide for *five* racial categories and allow an optional multiple race response. The new standards, however, do not *require* a multiple race response. “Asian” replaces the former “Asian or Pacific Islander” category. The “Native Hawaiian or Other Pacific Islander” category is added.

In the past, some program offices and HUD partners classified “Hispanic” as a racial instead of an ethnic category, contrary to OMB guidelines. HUD must now designate “Hispanic or Latino” and “Not Hispanic or Latino” as separate ethnic categories. Unlike the new standards for race, the OMB provisions for ethnicity *do not* permit a multiple response. A respondent claims either “Hispanic or Latino” or reports “Not Hispanic or Latino.”

Program offices and HUD partners must also comply with some important terminology changes with respect to race and ethnicity. “Alaska Native” replaces “Alaskan Native.” The term “Black” is now referenced as “Black or African American.” “Hispanic or Latino” replaces “Hispanic.” “Not Hispanic or Latino” replaces “Not Hispanic.”

Prior Ethnic Categories:

- Hispanic Origin
- Not of Hispanic Origin

Prior Racial Categories:

- American Indian or Alaskan Native
- Asian or Pacific Islander
- Black
- (NA)
- White

Revised Ethnic Categories:

- Hispanic *or Latino*
- Not Hispanic *or Latino*

Revised Racial Categories:

- American Indian or *Alaska* Native
- Asian (“*or Pacific Islander*” dropped)
- Black *or African American*
- *Native Hawaiian or Other Pacific Islander*
- White

2. Data Collection Format

Program offices and HUD partners should use a two-question format, meaning that separate questions for race and ethnicity should be used. *Both* questions must be answered. The ethnicity question should *precede* the race question. OMB recommended this sequence because pre-tests conducted by the U.S. Census Bureau found that placing ethnicity before race significantly reduced the non-response rate to the ethnicity question.

Ethnicity: (select *only one*)

- Hispanic or Latino
- Not Hispanic or Latino

Race: (select *one or more*)

- American Indian or Alaska Native
- Asian
- Black or African American
- Native Hawaiian or Other Pacific Islander
- White

Self-reporting or self-identification, rather than observer identification, is the preferred method for collecting race and ethnicity data. Self-identification for race and ethnicity means that responses are based on self-perception.

During data collection some respondents may find some of these revised racial and ethnic categories confusing. HUD will explore ways to assist in fully explaining these revised categories to respondents who have questions.

OMB’s new standards for race and ethnicity *do not* include an “other race” category. Therefore, program offices and HUD partners *must make every effort* to collect data for the aforementioned racial and ethnic categories. OMB does not provide guidance as to how to collect and report responses that do not easily fit into one or more of the revised racial categories. For example, some respondents may not identify with any of the categories for race. These are responses that might have been assigned to an “other race” category had one been available.

Program offices and HUD partners that collect race and ethnicity data should maintain a narrative record of such problematic responses. Program offices and HUD partners may choose to report these responses in the “balance” category in the tabulation and reporting template described below. However, some program offices and HUD partners may find it more appropriate to include these responses in a separate narrative paragraph following the reporting template.

3. Data Tabulation and Reporting

The policy change in Federal data collection for race and ethnicity affects the reporting categories for presenting the data. For tabulation and reporting purposes, program offices and HUD partners should include *at a minimum* these 22 items:

	<i>Total</i>	<i>Hispanic or Latino</i>
1. American Indian or Alaska Native	X	X
2. Asian	X	X
3. Black or African American	X	X
4. Native Hawaiian or Other Pacific Islander	X	X
5. White	X	X
6. American Indian or Alaska Native <i>and</i> White	X	X
7. Asian <i>and</i> White	X	X
8. Black or African American <i>and</i> White	X	X
9. American Indian or Alaska Native <i>and</i> Black or African American	X	X
10. Balance of individuals reporting more than one race	X	X
11. Total	X	X

This reporting template provides *at a minimum* five single race and the four most frequent multiple race categories, and a “balance” category for reporting individual responses that are not included in any of the nine categories listed above. Any aggregate count of a multiple race combination not included in the reporting template that exceeds one percent of the population should be included in narrative form. The narrative should report both the count and its population percentage.

Program offices and HUD partners must provide as much detail as possible on the multiple race responses. When confidentiality and data quality criteria do not allow a complete tabulation of the multiple race categories, the total number of persons identifying more than one race should be reported. When confidentiality does not permit a complete tabulation of race *by ethnicity*, then ethnicity by the single race categories and ethnicity for those identifying more than one race should be reported.

4. Bridging Data

Some program offices will often need to compare across time racial data collected under both the old and new standards. For some period of time (the “bridge period”), program offices

may opt to use two sets of numbers: (1) a tabulation of respondent data collected under the new standards, and (2) a “bridging estimate,” which predicts how those respondents would have answered under the old race standards. This sets the stage for longitudinal data comparisons.

However, program offices should carefully consider whether “bridging” is useful or necessary. Some offices may find that a “break” in their data sets can be tolerated. Offices that do not use bridging estimates should footnote the first occurrence of the data collected under the 1997 standards.

OMB outlines various methodologies for bridging, but offers no consensus on the best way to allocate responses under the new categories to the old categories. Further HUD guidance on such bridging methodologies is attached (Attachment 1).

5. Civil Rights Monitoring and Enforcement

On March 9, 2000, OMB issued rules for allocating multiple race responses for Federal agencies to use specifically in civil rights monitoring and enforcement. At HUD, these allocation rules are particularly relevant to the Office of Fair Housing and Equal Opportunity (FHEO). According to OMB guidelines, responses that combine *one minority race and white* are assigned to the minority race. When the responses involve *two or more minority races*, there are two possible scenarios. If the enforcement action was prompted by an individual complaint, allocate to the race upon which the discrimination was allegedly based. For example, in analyzing an enforcement action involving complaints of discrimination because one is Black or African American, responses from individuals reporting themselves as Black or African American *and* American Indian or Alaska Native will be allocated into the Black or African American category. If the enforcement action involved a claim of disparate impact or discriminatory patterns, analyze the patterns based on the alternative allocations to each minority group. Responses in the five single race categories are not reassigned.

Allocation for civil rights enforcement purposes *should not* be confused with the aforementioned allocation methodologies for bridging back to past data. Allocation for bridging may serve a very different purpose, such as for trend or time series analysis.

6. Effective Date

HUD program offices that collect, maintain, and report racial and ethnic information should adopt these new standards for *existing* record keeping or reporting requirements as soon as possible, but not later than *January 1, 2003*. For all *new* and *revised* record keeping or reporting requirements that include racial and ethnic information, the new standards take effect *immediately*.

REGULATIONS

**U.S.C. TITLE 42 , CHAPTER 119, SUBCHAPTER 1
(The Public Health and Welfare, Homeless Assistance, General Provisions)**

**24 CFR 576
EMERGENCY SHELTER GRANTS PROGRAM:
(Stewart B. McKinney Homeless Assistance Act)**

**42 U.S.C. 11371 - 11378
TITLE IV
(Stewart B. McKinney Homeless Assistance Act)**

UNITED STATES CODE
TITLE 42 - THE PUBLIC HEALTH AND WELFARE
CHAPTER 119 - HOMELESS ASSISTANCE
SUBCHAPTER I - GENERAL PROVISIONS

§ 11302. General definition of homeless individual

(a) In general

For purposes of this chapter, the term "*homeless*" or "*homeless individual or homeless person*" includes -

- (1) an individual who lacks a fixed, regular, and adequate nighttime residence; and
- (2) an individual who has a primary nighttime residence that is
 - (A) a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);
 - (B) an institution that provides a temporary residence for individuals intended to be institutionalized; or
 - (C) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

(b) Income eligibility

(1) In general

A homeless individual shall be eligible for assistance under any program provided by this chapter, only if the individual complies with the income eligibility requirements otherwise applicable to such program.

(2) Exception

Notwithstanding paragraph (1), a homeless individual shall be eligible for assistance under the Job Training Partnership Act (29 U.S.C. 1501 et seq.).

(c) Exclusion

For purposes of this chapter, the term "*homeless*" or "*homeless individual*" does not include any individual imprisoned or other-wise detained pursuant to an Act of the Congress or a State law.

PART 576. EMERGENCY SHELTER GRANTS PROGRAM: STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT

Authority: 42 U.S.C. 3535(d) and 11376.

Source: 54 FR 46799, Nov. 7, 1989; 54 FR 52396, Dec. 22, 1989; 56 FR 56128, Oct. 31, 1991; 57 FR 33256, July 27, 1992; [57 FR 54507](#), Nov. 19, 1992; 61 FR 51548, Oct. 2, 1996, unless otherwise noted.

SUBPART A. GENERAL

§ 576.1 Applicability and purpose.

This part implements the Emergency Shelter Grants program contained in subtitle B of title IV of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11371-11378). The program authorizes the Secretary to make grants to States, units of general local government, territories, and Indian tribes (and to private nonprofit organizations providing assistance to homeless individuals in the case of grants made with reallocated amounts) for the rehabilitation or conversion of buildings for use as emergency shelter for the homeless, for the payment of certain operating expenses and essential services in connection with emergency shelters for the homeless, and for homeless prevention activities. The program is designed to be the first step in a continuum of assistance to enable homeless individuals and families to move toward independent living as well as to prevent homelessness.

[61 FR 51548, Oct. 2, 1996]

§ 576.3 Definitions.

The terms Grantee and HUD are defined in 24 CFR part 5.

Administrative costs means as the term is defined in § 583.135(b) of this part, except that the exclusion relates to the costs of carrying out eligible activities under § 576.21(a).

Consolidated plan. Consolidated plan means the plan prepared in accordance with part 91 of this title. An approved consolidated plan means a consolidated plan that has been approved by HUD in accordance with part 91 of this title.

Conversion means a change in the use of a building to an emergency shelter for the homeless under this part, where the cost of conversion and any rehabilitation costs exceed 75 percent of the value of the building after conversion.

Emergency shelter means any facility, the primary purpose of which is to provide temporary or transitional shelter for the homeless in general or for specific populations of the homeless.

Essential services includes services concerned with employment, health, drug abuse, and education and may include (but are not limited to):

- (1) Assistance in obtaining permanent housing.
- (2) Medical and psychological counseling and supervision.
- (3) Employment counseling.
- (4) Nutritional counseling.
- (5) Substance abuse treatment and counseling.

(6) Assistance in obtaining other Federal, State, and local assistance including mental health benefits; employment counseling; medical assistance; Veteran's benefits; and income support assistance such as Supplemental Security Income benefits, Aid to Families with Dependent Children, General Assistance, and Food Stamps;

(7) Other services such as child care, transportation, job placement and job training; and

(8) Staff salaries necessary to provide the above services.

Formula city or county means a metropolitan city or urban county that is eligible to receive an allocation of grant amounts under § 576.5.

Homeless means as the term is defined in 42 U.S.C. 11302.

Homeless prevention means activities or programs designed to prevent the incidence of homelessness, including (but not limited to):

(1) Short-term subsidies to defray rent and utility arrearages for families that have received eviction or utility termination notices;

(2) Security deposits or first month's rent to permit a homeless family to move into its own apartment;

(3) Mediation programs for landlord-tenant disputes;

(4) Legal services programs for the representation of indigent tenants in eviction proceedings;

(5) Payments to prevent foreclosure on a home; and

(6) Other innovative programs and activities designed to prevent the incidence of homelessness.

Indian tribe means as the term is defined in 42 U.S.C. 5302(a).

Major rehabilitation means rehabilitation that involves costs in excess of 75 percent of the value of the building before rehabilitation.

Metropolitan city means a city that was classified as a metropolitan city under 42 U.S.C. 5302(a) for the fiscal year immediately preceding the fiscal year for which emergency shelter grant amounts are made available.

Nonprofit recipient means any private nonprofit organization providing assistance to the homeless, to which a State or unit of general local government distributes emergency shelter grant amounts.

Obligated means that the grantee or State recipient, as appropriate, has placed orders, awarded contracts, received services, or entered similar transactions that require payment from the grant amount. Grant amounts that a unit of general local government or State awards to a private nonprofit organization by a written agreement or letter of award requiring payment from the grant amount are obligated.

Private nonprofit organization means as the term is defined in 42 U.S.C. 11371.

Rehabilitation means the labor, materials, tools, and other costs of improving buildings, other than minor or routine repairs. The term includes where the use of a building is changed to an emergency shelter and the cost of this change and any rehabilitation costs does not exceed 75 percent of the value of the building before the change in use.

Renovation means rehabilitation that involves costs of 75 percent or less of the value of the building before rehabilitation.

Responsible entity means as the term is defined in § 58.2 of this title, as applied though § 58.1(b)(3) of this title and § 576.57(e).

State means each of the several States and the Commonwealth of Puerto Rico.

State recipient means any unit of general local government or nonprofit organization to which a State makes available emergency shelter grant amounts.

Territory means each of the following: the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, Palau (Trust Territory of the Pacific), and any other territory or possession of the United States.

Unit of general local government means any city, county, town, township, parish, village, or other general purpose political subdivision of a State.

Urban county means a county that was classified as an urban county under 42 U.S.C. 5302(a) for the fiscal year immediately preceding the fiscal year for which emergency shelter grant amounts are made available.

Value of the building means the monetary value assigned to a building by an independent real estate appraiser, or as otherwise reasonably established by the grantee or the State recipient.

[56 FR 56128, Oct. 31, 1991; 60 FR 1918, Jan. 5, 1995; 61 FR 5210, Feb. 9, 1996; 61 FR 51548, Oct. 2, 1996]

§ 576.5 Allocation of grant amounts.

(a) Territories. HUD will set aside for allocation to the territories an amount equal to 0.2 percent of the total amount of each appropriation under this part in any fiscal year. HUD will allocate this set-aside amount to each territory based upon its proportionate share of the total population of all territories.

(b) States, metropolitan cities, urban counties, and Indian tribes. HUD will allocate the amounts that remain after the set-aside to territories under paragraph (a) of this section, to States, metropolitan cities, urban counties, and Indian tribes, as provided in 42 U.S.C. 11373. HUD will subsequently distribute the amount set aside for Indian tribes under this paragraph as provided in § 576.31.

(c) Notification of allocation amount. HUD will notify in writing each State, metropolitan city, urban county, and territory that is eligible to receive an allocation under this section of

the amount of its allocation.

[61 FR 51549, Oct. 2, 1996]

SUBPART B. ELIGIBLE ACTIVITIES

§ 576.21 Eligible activities.

(a) Eligible activities. Emergency shelter grant amounts may be used for one or more of the following activities relating to emergency shelter for the homeless:

- (1) Renovation, major rehabilitation, or conversion of buildings for use as emergency shelters for the homeless;
- (2) Provision of essential services to the homeless, subject to the limitations in paragraph (b) of this section;
- (3) Payment for shelter maintenance, operation, rent, repairs, security, fuel, equipment, insurance, utilities, food, and furnishings. Not more than 10 percent of the grant amount may be used for costs of staff;
- (4) Developing and implementing homeless prevention activities, subject to the limitations in 42 U.S.C. 11374(a)(4) and paragraph (c) of this section. Grant funds may be used under this paragraph to assist families that have received eviction notices or notices of termination of utility services only if the conditions stated in 42 U.S.C. 11374(a)(4) are met; and
- (5) Administrative costs, in accordance with 42 U.S.C. 11378.

(b) Limitations on provision of essential services.

(1) Grant amounts provided by HUD to units of general local government, territories, or Indian tribes, and grant amounts provided by a State to State recipients, may be used to provide an essential service under paragraph (a)(2) of this section only if the service is a new service, or is a quantifiable increase in the level of a service above that which the unit of general local government (or, in the case of a nonprofit organization, the unit of general local government in which the proposed activities are to be located), territory, or Indian tribe, as applicable, provided with local funds during the 12 calendar months immediately before the grantee or State recipient received initial grant amounts.

(2) Limits on the use of assistance for essential services established in 42 U.S.C. 11374(a)(2) are applicable even when the unit of local government, territory, or Indian tribe provides some or all of its grant funds to a nonprofit recipient. This limitation may be waived in accordance with 42 U.S.C. 11374.

(c) Limitation on homeless prevention activities. Limits on the use of assistance for homeless prevention activities established in 42 U.S.C. 11374(a)(4) are applicable even when the unit of local government, territory, or Indian tribe provides some or all of its grant funds to a nonprofit recipient.

[61 FR 51549, Oct. 2, 1996]

§ 576.23 Limitations. Primarily religious organizations.

(a) Provision of assistance.

(1) Assistance may be provided under this part to a grantee or recipient that is a primarily religious organization if the primarily religious organization agrees to provide all eligible activities under this program in a manner that is free from religious influences and in accordance with the following principles:

(i) It will not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion;

(ii) It will not discriminate against any person applying for shelter or any of the eligible activities under this part on the basis of religion and will not limit such housing or other eligible activities or give preference to persons on the basis of religion; and

(iii) It will provide no religious instruction or counseling, conduct no religious services or worship (not including voluntary nondenominational prayer before meetings), engage in no religious proselytizing, and exert no other religious influence in the provision of shelter and other eligible activities under this part.

(2) HUD may provide reallocated amounts to a recipient that is a primarily religious organization if the assistance will not be used by the organization to acquire a structure (in the case of homeless prevention activities under § 576.21(a)(4)), or to rehabilitate a structure owned by the organization, except as described in paragraph (b) of this section.

(b) Rehabilitation or conversion of emergency shelters. Grants may be used to rehabilitate or convert to an emergency shelter a structure that is owned by a primarily religious organization, only if:

(1) The structure (or portion thereof) that is to be renovated, rehabilitated, or converted with HUD assistance has been leased to an existing or newly established wholly secular organization;

(2) The HUD assistance is provided to the secular organization (and not the religious organization) to make the improvements;

(3) The leased structure will be used exclusively for secular purposes available to all persons;

(4) The lease payments paid to the primarily religious organization do not exceed the fair market rent for the structure before the renovation, rehabilitation, or conversion;

(5) The portion of the cost of any improvements that benefit any unleased portion of the structure will be allocated to, and paid for by, the religious organization; and

(6) The primarily religious organization agrees that if the recipient does not retain the use of the leased premises for wholly secular purposes for the useful life of the improvements, the primarily religious organization will pay to the original grantee (from which the amounts used to renovate, rehabilitate, or convert the building were derived) an amount equal to the residual value of the improvements. A private nonprofit organization must remit to HUD this amount

if the organization is the lessee as well as the grantee. The original grantee is expected to use this amount to alleviate homelessness in its jurisdiction, but there is no requirement that funds received after the close of the grant period be used in accordance with the requirements of this part.

(c) Assistance to a wholly secular private nonprofit organization.

(1) A primarily religious organization may establish a wholly secular private nonprofit organization to serve as a recipient. The secular organization may be eligible to receive all forms of assistance available under this part, subject to the following:

(i) The secular organization must agree to provide shelter and services eligible under this part in a manner that is free from religious influences and in accordance with the principles set forth in paragraph (a)(1) of this section.

(ii) The secular organization may enter into a contract with the religious organization to provide essential services or undertake homeless prevention activities. The religious organization must agree in the contract to carry out its contractual responsibilities in a manner free from religious influences and in accordance with the principles set forth in paragraph (a)(1) of this section.

(iii) The rehabilitation, conversion, or renovation of emergency shelters are subject to the requirements of paragraph (b) of this section.

(2) HUD will not require the religious organization to establish the secular organization before the selection of its application. In such a case, the religious organization may apply on behalf of the secular organization. The application will be reviewed on the basis of the religious organization's financial responsibility and capacity, and its commitment to provide appropriate resources to the secular organization after formation. After formation, a secular organization that is not in existence at the time of the application will be required to demonstrate that it meets the definition of private nonprofit organization contained in § 576.3. The obligation of funds will be conditioned upon compliance with these requirements.

[61 FR 51549, Oct. 2, 1996]

§ 576.25 Who may carry out eligible activities.

(a) Generally. As provided in 42 U.S.C. 11373 eligible activities may be carried out by all State recipients and grantees, except States.

(b) States. All of a State's formula allocation, except for administrative costs, must be made available to the following entities:

(1) Units of general local government in the State, which may include formula cities and counties even if such cities and counties receive grant amounts directly from HUD; or

(2) Private nonprofit organizations, in accordance with 42 U.S.C. 11373(c).

(c) Nonprofit recipients. Units of general local government, territories, and Indian tribes may distribute all or part of their grant amounts to nonprofit recipients to be used for emergency

shelter grant activities.

[61 FR 51550, Oct. 2, 1996]

SUBPART C. AWARD AND USE OF GRANT AMOUNTS

Source: 61 FR 51550, Oct. 2, 1996, unless otherwise noted.

§ 576.31 Application requirements.

(a) Indian tribes. After funds are set aside for allocation to Indian tribes under § 576.5, HUD will publish a Notice of Funding Availability (NOFA) in the Federal Register. The NOFA will specify the requirements and procedures applicable to the allocation and competitive awarding of these set-aside funds to eligible Indian tribe applicants.

(b) States, territories, and formula cities and counties. To receive emergency shelter grant amounts, a State, territory, or formula city or county must:

(1) Submit documentation required under this part, part 5 of this title, or any other applicable provisions of Federal law; and

(2) Submit and obtain HUD approval of a consolidated plan that includes activities to be funded under this part. This consolidated plan serves as the jurisdiction's application for funding under this part.

[54 FR 52397, Dec. 21, 1989; 56 FR 56128, Oct. 31, 1991; 57 FR 11430, April 3, 1992; 60 FR 1918, Jan. 5, 1995; 61 FR 51550, Oct. 2, 1996]

§ 576.33 Review and approval of applications.

(a) Conditional grant. HUD may make a conditional grant restricting the obligation and use of emergency shelter grant amounts. Conditional grants may be made where there is substantial evidence that there has been, or there will be, a failure to meet the requirements of this part. In such a case, the reason for the conditional grant, the action necessary to remove the condition, and the deadline for taking those actions will be specified. Failure to satisfy the condition may result in imposition of a sanction under § 576.69, or in any other action authorized under applicable Federal law.

(b) Grant agreement. The grant will be made by means of a grant agreement executed by HUD and the grantee. HUD will not disburse funds before the grant agreement is fully executed.

[60 FR 1918, Jan. 5, 1995; 61 FR 51550, Oct. 2, 1996]

§ 576.35 Deadlines for using grant amounts.

(a)(1) States. Each State must make available to its State recipients all emergency shelter grant amounts that it was allocated under § 576.5 within 65 days of the date of the grant award by HUD. Funds set aside by a State for homeless prevention activities under § 576.21(a)(4) must be made available to State recipients within 180 days of the grant award by HUD.

(2) State recipients.

(i) Obligation of grant funds. Each State recipient must have its grant amounts obligated (as that term is defined at § 576.3) within 180 days of the date on which the State made the grant amounts available to the State recipient. In the case of grants for homeless prevention activities under § 576.21(a)(4), State recipients are required to obligate grant amounts within 30 days of the date on which the State made the grant amounts available to the State recipient.

(ii) Expenditure of grant funds. Each State recipient must spend all of its grant amounts within 24 months of the date on which the State made the grant amounts available to the State recipient. In the case of grants for homeless prevention activities, State recipients must spend such sums within 180 days of the date on which the State made the grant amounts available to the recipient.

(b) Formula cities and counties, territories and Indian tribes. Expenditure of grant funds. Each formula city or county, territory, and Indian tribe must spend all of the grant amounts it was allocated or awarded under §§ 576.5 or 576.31 within 24 months of the date of the grant award by HUD.

(c) Failure to meet deadlines.

(1) Any emergency shelter grant amounts that are not made available or obligated within the applicable time periods specified in paragraphs (a)(1) or (b) of this section will be reallocated under § 576.45.

(2) The State must recapture any grant amounts that a State recipient does not obligate and spend within the time periods specified in paragraph (a)(2) of this section. The State, at its option, must make these amounts and other amounts returned to the State (except amounts referred to in § 576.22(b)(6) available as soon as practicable to other units of general local government for use within the time period specified in paragraph (a)(2) of this section or to HUD for reallocation under § 576.45.

[61 FR 51550, Oct. 2, 1996]

SUBPART D. REALLOCATIONS

Source: 61 FR 51550, Oct. 2, 1996, unless otherwise noted.

§ 576.41 Reallocation; lack of approved consolidated plan. formula cities and counties.

(a) Applicability. This section applies where a formula city or county fails to submit or obtain HUD approval of its consolidated plan within 90 days of the date upon which amounts under this part first become available for allocation in any fiscal year.

(b) Grantee. HUD will make available to the State in which the city or county is located the amounts that a city or county referred to in paragraph (a) of this section would have received.

(c) Notification of availability.. The responsible HUD field office will promptly notify the State of the availability of any reallocation amounts under this section.

(d) Eligibility for reallocation amounts. In order to receive reallocation amounts under this section, the State must:

(1) Execute a grant agreement with HUD for the fiscal year for which the amounts to be

reallocated were initially made available.

(2) If necessary, submit an amendment to its application for that fiscal year for the reallocation amounts it wishes to receive. The amendment must be submitted to the responsible HUD field office no later than 30 days after notification is given to the State under paragraph (c) of this section.

(e) Amendment review and approval.

(1) Section 576.33 governs the review and approval of application amendments under this section. HUD will endeavor to make grant awards within 30 days of the application amendment deadline, or as soon thereafter as practicable.

(2) Program activities represented by proposed amendments are subject to environmental review under § 576.57 in the same manner as original proposals.

(f) Deadlines for using reallocated grant amounts. Section 576.35 governs the use of amounts reallocated under this section.

(g) Amounts that cannot be reallocated. Any grant amounts that cannot be reallocated to a State under this section will be reallocated as provided by § 576.43. Amounts that are reallocated under this section, but that are returned or unused, will be reallocated under § 576.45.

[56 FR 56128, Oct. 31, 1991; 60 FR 1918, Jan. 5, 1995; 61 FR 51551, Oct. 2, 1996]

§ 576.43 Reallocation of grant amounts; lack of approved Consolidated Plan. States, territories, and Indian tribes.

(a) Applicability. This section applies when:

(1) A State, territory, or Indian tribe fails to obtain approval of its consolidated plan within 90 days of the date upon which amounts under this part first become available for allocation in any fiscal year; or

(2) Grant amounts cannot be reallocated to a State under § 576.41.

(b) Grantees.

(1) HUD will reallocate the amounts that a State or Indian tribe referred to in paragraph (a)(1) of this section would have received:

(i) In accordance with 42 U.S.C. 11373(d)(3); and

(ii) If grant amounts remain, then to territories that demonstrate extraordinary need or large numbers of homeless individuals.

(2) HUD will make available the amounts that a territory under paragraph (a)(1) of this section would have received to other territories that demonstrate extraordinary need or large numbers of homeless individuals.

(c) Notification of funding availability. HUD will make reallocations to States and Indian tribes under this section by direct notification or Federal Register notice that will set forth the terms and conditions under which amounts under this section are to be reallocated and grant awards made. In the case of reallocations to territories, the responsible HUD field office will promptly notify each territory of any reallocation amounts under this section and indicate the terms and conditions under which reallocation amounts are to be made available and grant awards made.

(d) Eligibility for reallocation amounts. In order to receive reallocation amounts under this section, the formula city or county, State, territory, or Indian tribe must:

(1) Submit an amendment, in accordance with 24 CFR part 91, to its consolidated plan for that program year to cover activities for the reallocation amount it wishes to receive; and

(2) Execute a grant agreement with HUD for the fiscal year for which the amounts to be reallocated were initially made available.

(e) Review and approval.

(1) Section 576.53, and such additional requirements as HUD may specify in the notification under paragraph (c) of this section, govern the review and approval of application amendments under this section. HUD will rank the amendments and make grant awards under this section on the basis of the following factors:

(i) The nature and extent of the unmet homeless need within the jurisdiction in which the grant amounts will be used;

(ii) The extent to which the proposed activities address this need; and

(iii) The ability of the grantee to carry out the proposed activities promptly.

(2) HUD will endeavor to make grant awards within 30 days of the application amendment deadline, or as soon thereafter as practicable.

(f) Grant amounts. HUD may make a grant award for less than the amount applied for or for fewer than all of the activities identified in the application amendment.

(g) Deadlines for using reallocated amounts. Section 576.35 governs the use of amounts reallocated under this section.

(h) Amounts not reallocated. Any grant amounts that are not reallocated under this section, or that are reallocated, but are unused, will be reallocated under § 576.45(d). Any amounts that are reallocated, but are returned, will be reallocated under § 576.45(c).

[56 FR 56129, Oct. 31, 1991; 60 FR 1918, Jan. 5, 1995; 61 FR 51551, Oct. 2, 1996]

§ 576.45 Reallocation of grant amounts; returned or unused amounts.

(a) General. From time to time, HUD will reallocate emergency shelter grant amounts that are returned or unused, as those terms are defined in paragraph (f) of this section. HUD will make reallocations under this section by direct notification or Federal Register Notice that will

set forth the terms and conditions under which the grant amounts are to be reallocated and grant awards are to be made.

(b) FEMA boards. HUD may use State and local boards established under the Emergency Food and Shelter Program administered by the Federal Emergency Management Agency, as a resource to identify potential applicants for reallocated grant amounts.

(c) Reallocation. returned grant amounts.

(1) States and formula cities and counties. HUD will endeavor to reallocate returned emergency shelter grant amounts that were initially allocated under § 576.5 to a State or a formula city or county, for use within the same jurisdiction. Reallocation of these grant amounts is subject to the following requirements:

(i) Returned grant amounts that were allocated to a State will be made available (A) first, to units of general local government within the State and (B) if grant amounts remain, then to other States.

(ii) Returned grant amounts that were allocated to a formula city or county will be made available:

(A) First, for use in the city or county, to units of general local government that are authorized under applicable law to carry out activities serving the homeless in the jurisdiction;

(B) If grant amounts remain, then to the State in which the city or county is located;

(C) If grant amounts remain, to units of general local government in the State; and

(D) If grant amounts remain, to other States.

(2) Indian tribes. Returned grant amounts that were allocated to an Indian tribe will be made available to other Indian tribes.

(3) Territories. Returned grant amounts that were allocated to a territory will be made available, first, to other territories and, if grant amounts remain, then to States.

(4) Further reallocation: States, formula cities and counties, territories, and Indian tribes. HUD will reallocate under paragraph (e) of this section any grant amounts that remain after applying the preceding provisions of paragraph (c) of this section or that are returned to HUD after reallocation under those provisions.

(5) The responsible HUD field office will announce the availability of returned grant amounts. The announcement will establish deadlines for submitting applications, and will set out other terms and conditions relating to grant awards, consistent with this part. The announcement will specify the application documents to be submitted.

(6) The responsible HUD field office may establish maximum grant amounts, considering the grant amounts available, and will rank the applications using the criteria in paragraph (e) of this section.

(7) HUD may make a grant award for less than the amount applied for or for fewer than all of the activities identified in the application, based on competing demands for grant amounts and the extent to which the respective activities address the needs of the homeless.

(8) HUD will endeavor to make grant awards within 30 days of the application deadline or as soon thereafter as practicable.

(9) Grants awarded under this section are subject to environmental review under § 576.57.

(d) Reallocation. unused grant amounts. Unused grant amounts will be added to the appropriation for the fiscal year immediately following the fiscal year in which the amounts become available to HUD for reallocation, and will be allocated in accordance with the provisions of § 576.5 of this part.

(e) Selection criteria. HUD will award grants under paragraph (c) of this section based on consideration of the following criteria:

(1) The nature and extent of the unmet homeless need within the jurisdiction in which the grant amounts will be used;

(2) The extent to which the proposed activities address this need; and

(3) The ability of the grantee to carry out the proposed activities promptly.

(f) Definitions. returned or unused grant amounts.

(1) For purposes of this section, emergency shelter grant amounts are considered "returned" when they become available for reallocation because a jurisdiction does not execute a grant agreement with HUD for them.

(2) For purposes of this section, emergency shelter grant amounts are considered "unused" (i.e., Federal deobligation):

(i) When they become available for reallocation by HUD after a grantee has executed a grant agreement with HUD for those amounts; or

(ii) The amounts remain after reallocation under § 576.43 or paragraph (c) of this section.

[[57 FR 54507](#), Nov. 19, 1992; 60 FR 1918, Jan. 5, 1995; 61 FR 51551, Oct. 2, 1996]

SUBPART E. PROGRAM REQUIREMENTS

Source: 61 FR 51550, Oct. 2, 1996, unless otherwise noted.

§ 576.51 Matching funds.

(a) General. Each grantee, other than a territory, must match the funding provided by HUD under this part as set forth in 42 U.S.C. 11375. The first \$100,000 of any assistance provided to a recipient that is a State is not required to be matched, but the benefit of the unmatched amount must be shared as provided in 42 U.S.C. 11375(c)(4). Matching funds must be provided after the date of the grant award to the grantee. Funds used to match a previous ESG grant may not be used to match a subsequent grant award under this part. A grantee

may comply with this requirement by providing the matching funds itself, or through matching funds or voluntary efforts provided by any State recipient or nonprofit recipient (as appropriate).

(b) Calculating the matching amount. In calculating the amount of matching funds, in accordance with 42 U.S.C. 11375(a)(3), the time contributed by volunteers shall be determined at the rate of \$5 per hour. For purposes of this paragraph, the grantee will determine the value of any donated material or building, or of any lease, using a method reasonably calculated to establish a fair market value.

[61 FR 51552, Oct. 2, 1996]

§ 576.53 Use as an emergency shelter.

(a)(1) Restrictions and definition. Period of use restrictions applicable to assistance provided under this part are governed by 42 U.S.C. 11375(a). Use of grant amounts for developing and implementing homeless prevention activities does not trigger period of use requirements.

(2) For purposes of the requirements under this section, the term same general population means either the same types of homeless persons originally served with ESG assistance (i.e., battered spouses, runaway children, families, or mentally ill individuals), or persons in the same geographic area.

(b) Calculating the applicable period. The 3- and 10-year periods applicable under paragraph (a) of this section begin to run:

(1) In the case of a building that was not operated as an emergency shelter for the homeless before receipt of grant amounts under this part, on the date of initial occupancy as an emergency shelter for the homeless.

(2) In the case of a building that was operated as an emergency shelter before receipt of grant amounts under this part, on the date that grant amounts are first obligated for the shelter.

[61 FR 51552, Oct. 2, 1996]

§ 576.55 Building standards.

(a) Any building for which emergency shelter grant amounts are used for conversion, major rehabilitation, rehabilitation, or renovation must meet local government safety and sanitation standards.

(b) For projects of 15 or more units, when rehabilitation costs are:

(1) 75 percent or more of the replacement cost of the building, that project must meet the requirements of § 8.23(a) of this title; or

(2) Less than 75 percent of the replacement cost of the building, that project must meet the requirements of § 8.23(b) of this title.

[61 FR 51552, Oct. 2, 1996]

§ 576.56 Homeless assistance and participation.

(a) Assistance.

(1) Grantees and recipients must assure that homeless individuals and families are given assistance in obtaining:

(i) Appropriate supportive services, including permanent housing, medical health treatment, mental health treatment, counseling, supervision, and other services essential for achieving independent living; and

(ii) Other Federal, State, local, and private assistance available for such individuals.

(2) Requirements to ensure confidentiality of records pertaining to the provision of family violence prevention or treatment services with assistance under this part are set forth in 42 U.S.C. 11375(c)(5).

(3) Grantees and recipients may, in accordance with 42 U.S.C. 11375(e), terminate assistance provided under this part to an individual or family who violates program requirements.

(b) Participation.

(1) Each unit of local government, Indian tribe, and nonprofit recipient that receives funds under this part must provide for the participation of homeless individuals on its policymaking entity in accordance with 42 U.S.C. 11375(d).

(2) Each State, territory, Indian tribe, unit of local government, and nonprofit recipient that receives funds under this part must involve homeless individuals and families in providing work or services pertaining to facilities or activities assisted under this part, in accordance with 42 U.S.C. 11375(c)(7).

[61 FR 51552, Oct. 2, 1996]

§ 576.57 Other Federal requirements.

In addition to the Federal requirements set forth in 24 CFR part 5, use of emergency shelter grant amounts must comply with the following requirements:

(a) Nondiscrimination and equal opportunity. The nondiscrimination and equal opportunity requirements at 24 CFR part 5 are modified as follows:

(1) Rehabilitation Act requirements. HUD's regulations at 24 CFR part 8 implement section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794). For purposes of the emergency shelter grants program, the term "dwelling units" in 24 CFR part 8 shall include sleeping accommodations.

(2) Use of emergency shelter grant amounts must also comply with the requirement that the grantee or the State recipient make known that use of the facilities and services is available to all on a nondiscriminatory basis. If the procedures that the grantee or recipient intends to use to make known the availability of the facilities and services are unlikely to reach persons of any particular race, color, religion, sex, age, national origin, familial status, or disability who may qualify for such facilities and services, the grantee or recipient must establish additional

procedures that will ensure that such persons are made aware of the facilities and services. Grantees and recipients must also adopt procedures which will make available to interested persons information concerning the location of services and facilities that are accessible to persons with disabilities.

(b) Applicability of OMB Circulars. **1** The policies, guidelines, and requirements of 24 CFR part 85 (codified pursuant to OMB Circular No. A-102) and OMB Circular No. A-87, as they relate to the acceptance and use of emergency shelter grant amounts by States and units of general local government, and Nos. A-110 and A-122 as they relate to the acceptance and use of emergency shelter grant amounts by private nonprofit organizations.

(c) Lead-based paint. The requirements, as applicable, of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846) and implementing regulations at 24 CFR part 35. In addition, the grantee (or in the case of States, the State recipient) must also meet the following requirements relating to inspection and abatement of defective lead-based paint surfaces:

(1) Treatment of defective paint surfaces must be performed before final inspection and approval of the renovation, rehabilitation or conversion activity under this part; and

(2) Appropriate action must be taken to protect shelter occupants from the hazards associated with lead-based paint abatement procedures.

(d) Conflicts of interest. In addition to the conflict of interest requirements in OMB Circulars A-102 and A-110, no person.

(1)(i) Who is an employee, agent, consultant, officer, or elected or appointed official of the grantee, State recipient, or nonprofit recipient (or of any designated public agency) that receives emergency shelter grant amounts and (ii) who exercises or has exercised any functions or responsibilities with respect to assisted activities, or

(2) Who is in a position to participate in a decisionmaking process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for him or herself or for those with whom he or she has family or business ties, during his or her tenure, or for one year thereafter. HUD may grant an exception to this exclusion as provided in § 570.611 (d) and (e) of this chapter.

(e) Environmental review responsibilities..

(1) Generally. Responsible entities must assess the environmental effects of each application under part 58 of this title. An applicant must include in its application an assurance that the applicant will assume all the environmental review responsibility that would otherwise be performed by HUD as the responsible Federal official under the National Environmental Policy Act of 1969 (NEPA) and related authorities listed in part 58 of this title. The grant award is subject to completion of the environmental responsibilities set out in part 58 of this title within a reasonable time period after notification of the award. This provision does not preclude the applicant from enclosing its environmental certification and Request for Release

of Funds with its application.

(2) Awards to States. In the case of emergency shelter grants to States that are distributed to:

(i) Units of general local government, the unit of general local government shall be the responsible entity, and the State will assume HUD's functions with regard to the release of funds; or

(ii) Nonprofit organizations, the State shall be the responsible entity, and HUD will perform functions regarding release of funds under part 58 of this title.

(3) Release of funds. HUD will not release funds for an eligible activity if the grantee, recipient, or any other party commits emergency shelter grant funds before the grantee submits, and HUD approves, any required Request for Release of Funds.

(f) Audit. The financial management systems used by a State, formula city or county, governmental entity, or an Indian tribe that is a grantee under this program must provide for audits in accordance with part 44 of this title. A private nonprofit organization is subject to the audit requirements of OMB Circular A-133, as set forth in part 45 of this title. (OMB Circulars are available from the Executive Office of the President, Publication Service, 725 17th Street, NW., Suite G-2200, Washington, DC 20503, Telephone, 202-395-7332.)

(g) Audit. The financial management system used by a State or unit of general local government that is a grantee or State recipient must provide for audits in accordance with 24 CFR part 44. A private nonprofit organization is subject to the audit requirements of OMB Circular A-133, as set forth in 24 CFR part 45.

(h) Lobbying and disclosure requirements. The disclosure requirements and prohibitions of 42 U.S.C. 3537a and 3545 and 31 U.S.C. 1352 (the Byrd Amendment), and the implementing regulations at parts 4 and 87 of this title.

(i) Davis-Bacon Act. The provisions of the Davis-Bacon Act (40 U.S.C. 276a-276a-5) do not apply to this program.

(j) Intergovernmental review. The requirements of Executive Order 12372 and the regulations issued under the order at 24 CFR part 52, to the extent provided by Federal Register notice in accordance with 24 CFR 52.3.

[57 FR 33256, July 27, 1992; 59 FR 2738, Jan. 19, 1994; 59 FR 33894, June 30, 1994; 61 FR 5210, Feb. 9, 1996; 61 FR 51552, Oct. 2, 1996]

FOOTNOTE 1 OMB Circulars referenced in this section are available at the Entitlement Cities Division, Room 7282, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410.

§ 576.59 Relocation and acquisition.

(a) Minimizing displacement. Consistent with the other goals and objectives of this Part, grantees and recipients must assure that they have taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms)

as a result of a project assisted under this Part.

(b) Relocation assistance for displaced persons. A displaced person (defined in paragraph (f)(1) of this section) must be provided relocation assistance at the levels described in, and in accordance with, 49 CFR part 24, which contains the government-wide regulations implementing the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4601-4655).

(c) Real property acquisition requirements. The acquisition of real property for a project is subject to the URA and the requirements described in 49 CFR part 24, subpart B.

(d) Responsibility of grantees and recipients. Each grantee and recipient must assure that it will comply with the URA, the regulations at 49 CFR part 24, and the requirements of this section. The cost of assistance required by this section may be paid from local public funds, funds provided in accordance with this part, or funds available from other sources.

(e) Appeals. A person who disagrees with the grantee's or recipient's determination concerning a payment or other assistance required by this section may file a written appeal of that determination with the grantee or recipient. The appeal procedures to be followed are described in 49 CFR 24.10.

(f) Definition..

(1) Displaced person.

(i) The term "displaced person" means a person (family, individual, business, nonprofit organization, or farm) that moves from real property, or moves personal property from real property, permanently and involuntarily, as a direct result of acquisition, rehabilitation, or demolition for a project assisted under this Part. Permanent, involuntary moves for an assisted project include:

(A) A permanent move from the real property (building or complex) following notice by the grantee, recipient or property owner to move permanently from the property, if the move occurs on or after the date that the grantee or recipient submits to HUD an application for assistance that is later approved and funded;

(B) A permanent move from the real property that occurs before the submission of the application to HUD, if the grantee, recipient or HUD determines that the displacement resulted directly from acquisition, rehabilitation, or demolition for the project, or

(C) A permanent move from the real property by a tenant-occupant of a dwelling unit that occurs after the execution of the agreement between the recipient and HUD if:

(1) The tenant has not been provided a reasonable opportunity to lease and occupy a suitable, decent, safe and sanitary dwelling in the same building/complex following the completion of the project at a rent, including estimated average utility costs, that does not exceed the greater of the tenant's rent and estimated average utility costs before the initiation of negotiations, or 30 percent of gross household income; or

(2) The tenant has been required to relocate temporarily but the tenant is not offered payment for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation or other conditions of the temporary relocation are not reasonable, and the tenant does not return to the building/complex; or

(3) The tenant is required to move to another unit in the same building/complex but is not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move.

(ii) A person does not qualify as a "displaced person" if:

(A) The person has been evicted for cause based upon a serious or repeated violation of material terms of the lease or occupancy agreement and HUD determines that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance;

(B) The person moved into the property after the submission of the application and, before commencing occupancy, received written notice of the expected displacement;

(C) The person is ineligible under 49 CFR 24.2(g)(2); or

(D) HUD determines that the person was not displaced as a direct result of acquisition, rehabilitation, or demolition for the project.

(iii) The grantee or recipient may, at any time, request a HUD determination of whether a displacement is or would be covered under this section.

(2) Initiation of negotiations. For purposes of determining the type of replacement housing payment to be made to a residential tenant displaced as a direct result of privately undertaken rehabilitation, demolition, or acquisition of the real property, the term "initiation of negotiations" means the execution of the agreement between the grantee and HUD.

(Approved by the Office of Management and Budget under OMB Control Number 2506-0089)

[54 FR 52397, Dec. 21, 1989; 61 FR 51553, Oct. 2, 1996]

SUBPART F. GRANT ADMINISTRATION

Source: 61 FR 51550, Oct. 2, 1996, unless otherwise noted.

§ 576.61 Responsibility for grant administration.

Grantees are responsible for ensuring that emergency shelter grant amounts are administered in accordance with the requirements of this part and other applicable laws. The State, territory, Indian tribe, or unit of local government is responsible for ensuring that its recipients carry out the recipients' emergency shelter grant programs in compliance with all applicable requirements in the case of:

(a) A State making grant amounts available to State recipients; or

(b) A territory, Indian tribe, or unit of general local government distributing grant amounts to nonprofit recipients.

[61 FR 51553, Oct. 2, 1996]

§ 576.63 Method of payment.

Payments are made to a grantee upon its request after the grant agreement has been fully executed, and may include a working capital advance for 30 days' cash needs or an advance of \$5,000, whichever is greater. Thereafter, the grantee will be reimbursed for the amount of its actual cash disbursements. If a grantee requests a working capital advance, it must base the request on a realistic, firm estimate of the amounts required to be disbursed over the 30-day period in payment of eligible activity costs.

[61 FR 51553, Oct. 2, 1996]

§ 576.65 Recordkeeping.

- (a) Each grantee must ensure that records are maintained for a 4-year period to document compliance with the provisions of this part.
- (b) Requirements to ensure confidentiality of records pertaining to the provision of family violence prevention or treatment services with assistance under this part are set forth in 42 U.S.C. 11375(c)(5).

[60 FR 1918, Jan. 5, 1995; 61 FR 51553, Oct. 2, 1996]

§ 576.67 Sanctions.

- (a) HUD sanctions. If HUD determines that a grantee is not complying with the requirements of this part or of other applicable Federal law, HUD may (in addition to any remedies that may otherwise be available) take any of the following sanctions, as appropriate:
 - (1) Issue a warning letter that further failure to comply with such requirements will result in a more serious sanction;
 - (2) Condition a future grant;
 - (3) Direct the grantee to stop the incurring of costs with grant amounts;
 - (4) Require that some or all of the grant amounts be remitted to HUD;
 - (5) Reduce the level of funds the grantee would otherwise be entitled to receive; or
 - (6) Elect not to provide future grant funds to the grantee until appropriate actions are taken to ensure compliance.
- (b) State sanctions. If a State determines that a State recipient is not complying with the requirements of this part or other applicable Federal laws, the State must take appropriate actions, which may include the actions described in paragraph (a) of this section. Any grant amounts that become available to a State as a result of a sanction under this section must, at the option of the State, be made available (as soon as practicable) to other nonprofit organizations or units of general local government located in the State for use within the time periods specified in § 576.35(a)(2), or to HUD for reallocation under § 576.45(d).

(c) Reallocations. Any grant amounts that become available to HUD as a result of the imposition of a sanction under this section will be reallocated under § 576.45(d).

Stewart B. McKinney Homeless Assistance Act
Title IV
PART B-EMERGENCY SHELTER GRANTS PROGRAM

§ 11371. Definitions

For purposes of this part:

- (1)The term "local government" means a unit of general purpose local government.
- (2)The term "locality" means the, geographical area within the jurisdiction of a local government.
- (3)The term "metropolitan" city" has the meaning given such term in section 5302 of this title.
- (4)The term "operating costs" means expenses incurred by a recipient operating a facility assisted under this part with respect to-
 - (A) the administration, maintenance, repair, and, security of such housing; and
 - (B) utilities, fuels, furnishings, and equipment for such housing.
- (5) The term "private nonprofit organization means a secular or religious organization described in Section 501 (c) of Title 26 that is exempt from taxation under subtitle A of Title 26, has an accounting system and a voluntary board, and practices nondiscrimination in the provision of assistance.
- (6) The term "recipient" means any governmental or private nonprofit entity that is approved by the Secretary as to financial responsibility.
- (7)The term "Secretary" means the Secretary of Housing and Urban Development.
- (8)The term "State," means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.
- (9) The term "urban county" has the meaning given such term in section 5302 of this title.
- (10) The term "Indian tribe" has the meaning given such term in section 5302(a)(17) of this title.

(Pub.L. 100-77, Title IV, § 411, July 22, 1987, 101 Stat. 495; Pub.L. 101-625, Title VE, § 832(f)(1), Nov. 28, 1990, 104 Stat. 4361.)

§ 11372. Grant assistance

The Secretary of Housing and Urban Development shall, to the extent of amounts approved in appropriation Acts under section 11377 of this title, make grants to States and local governments, and to Indian tribes, (and to private nonprofit organizations providing assistance to homeless individuals, in the case of grants made with reallocated amounts) in order to carry out activities described in section 11374 of this title.

(Pub.L. 100-77, Title IV, § 412, July 22, 1987, 101 Stat. 496; Pub.L. 101-625, Title VII §832(f)(2), Nov. 28, 1990, 104 Stat. 4361)

§ 11373. Allocation and distribution of assistance**(a) in general**

The Secretary shall allocate assistance under this part to metropolitan cities, urban counties, and States (for distribution to local governments and private nonprofit organizations in the States), and to Indian tribes, in a manner that ensures that the percentage of the total amount available under this part for any fiscal year that is allocated to any State, metropolitan city, or urban county, or for Indian tribes is equal to the percentage of the total amount available for section 5306 of this title for such prior fiscal year that is allocated to such State, metropolitan city, or urban county, or for Indian tribes.

(b) Minimum allocation requirement

If, under the allocation provisions applicable under this part, any metropolitan city or urban county would receive a grant of less than 0.05 percent of the amounts appropriated to carry out this part for any fiscal year, such amount shall instead be reallocated to the State, except that any city that is located in a State that does not have counties as local governments, that has a population greater than 40,000 but less than 50,000 as used in determining the fiscal year 1987 community development block grant program allocation, and that was allocated in excess of \$1,000,000 in community development block grant funds in fiscal year 1987, shall receive directly the amount allocated to such city under subsection (a) of this section.

(c) Distributions to nonprofit organizations

Any local government or Indian tribe receiving assistance under this part may distribute all or a portion of such assistance to private nonprofit organizations providing assistance to homeless individuals. Any State receiving assistance under this part may distribute all or a portion of such assistance to private nonprofit organizations providing assistance to homeless individuals, if the local government for the locality in which the project is located certifies that it approves of the project.

(d) Reallocation of funds

(1) The Secretary shall, not less than twice during each fiscal year, reallocate any assistance provided under this part that is unused or returned or that becomes available under subsection (b) of this section.

(2) If a city or County eligible for a grant under subsection (a) of this section fails to obtain approval of its comprehensive plan during a 90-day period following the date funds authorized by this part first become available for allocation during any fiscal year, the amount that the city or county would have received shall be available to the State in which the city or county is located if the State has obtained approval of its comprehensive plan. Any amounts that cannot be allocated to a State under the preceding sentence shall be reallocated to other States, counties, and cities that demonstrate extraordinary need or large numbers of homeless individuals, as determined by the Secretary.

(3) If a State or Indian tribe fails to obtain approval of its comprehensive plan during the 90-day period following the date funds authorized by this part first become available for allocation during any fiscal year, the amount that the State or Indian tribe would have received shall be reallocated to other States and to cities and counties, or other Indian tribes, as applicable, that demonstrate extraordinary need or large numbers of homeless-individuals, as determined by the Secretary.

(e) Allocations to territories

In addition to the other allocations required in this section, the Secretary shall (for amounts appropriated after July 22, 1987) allocate assistance under this part to the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States, in accordance with an allocation formula established by the Secretary.

(Pub.L. 100-77, Title IV, § 413, July 22, 1987, 101 Stat. 496; Pub.L. 100-628, Title IV, § 42 1, Nov. 7, 1988, 102 Stat. 323 1; Pub.L. 10 1-625, Title VIII, § 832(0(3) to (5), Nov. 28, 1990, 104 Stat. 4361.)

§ 11374. Eligible activities**(a) In general**

Assistance provided under this part may be used for the following activities relating to emergency shelter for homeless individuals:

- (1) The renovation, major rehabilitation, or conversion of buildings to be used as emergency shelters.
- (2) The provision of essential services, including services concerned with employment health, drug abuse, or education, if-
 - (A) such services have not been provided by the local government or Indian tribe during any part of the immediately preceding 12-month period or the use of assistance under this part would complement those services; and
 - (B) not more than 30 percent of the aggregate amount of all assistance to a State, local.. government, or Indian tribe under this part is used for activities under this paragraph.
- (3) Maintenance, operation, insurance, utilities, and furnishings, except that not more than 10 percent of the amount of any grant received under this part may be used for costs of staff.
- (4) Efforts to prevent homelessness such as financial assistance to families who have received eviction notices or notices of termination of utility services if-
 - (A) the inability of the family to make the required payments is due to a sudden reduction in income;
 - (B) the assistance is necessary to avoid the eviction or termination of services;
 - (C) there is a reasonable prospect that the family will be able to resume payments within a reasonable period of time; and
 - (D) the assistance will not supplant funding for preexisting homelessness prevention activities from other sources. Not more than 30 percent of the aggregate amount of all assistance to a State, local government, or Indian tribe under this part may be used for activities under this paragraph.

(b) Waiver authority

The Secretary may waive the 30 percent limitation on the use of assistance for essential services contained in Subsection (a)(2)(B) of this section, if the local government receiving the assistance-demonstrates that the other eligible activities under the program are already being carried out in the locality with other resources.

(Pub.L. 100-77, Title IV, § 414, July 22, 1987, 101 Stat. 497; Pub.L. 100-628, Title IV, §§ 422, 423(a), Nov. 7, 1988, 102 Stat. 323 1; ' Pub.L. 101-625, Title VIII, § 832(c), (d), (0)(6), Nov. 28, 1990, 104 Stat. 4360, 4361; Pub-L. 102-550, Title XIV, § 1402(e), Oct 28, 1992, 106 Stat. 4013.)

§ 11375. Responsibilities of recipients

(a) Matching amounts

(1) Except as provided in paragraph (2), each recipient under this part shall be required to supplement the assistance provided under this part with an equal amount of funds from sources other than this part. Each recipient shall certify to the Secretary its compliance with this paragraph, and shall include with such certification a description of the sources and amounts of such supplemental funds.

(2) Each recipient under this part that is a State shall be required to supplement the assistance provided under this part with an amount of funds from sources other than this part equal to the difference between the amount received under this part and \$100,000. If the amount received by the State is \$100,000 or less, the State may not be required to supplement the assistance provided under this part.

(3) In calculating the amount of supplemental funds provided by a recipient under this part a recipient may include the value of any donated material or buildings, the value of any lease on a building, any salary paid to staff to carry out the program of the recipient, and the value of the time and services contributed by volunteers to carry out the program of the recipient at a rate determined by the Secretary.

(b) Administration of assistance

Each recipient shall act as the fiscal agent of the Secretary with respect to assistance provided to such recipient.

(c) Certifications on use of assistance

Each recipient shall certify to the Secretary that

(1) it will-

(A) in the case of assistance involving major rehabilitation or conversion, maintain any building for which assistance is used under this part as a shelter for homeless individuals and families for not less than a 10-year period;

- (B) in the case of assistance involving rehabilitation (other than major rehabilitation or conversion), maintain any building for which assistance is used under this part as a shelter for homeless individuals and families for not less than a 3-year period; or
- (C) in the case of assistance involving solely activities described in paragraphs (2) and (3) of section 11374(a) of this title, provide services or shelter to homeless individuals and families for the period during which such assistance is provided, without regard to a particular site or structure as long as the same general population is served;
- (2) any renovation carried out with assistance under this part shall be sufficient to ensure that the building involved is safe and sanitary;
- (3) it will assist homeless individuals in obtaining-
- (A) appropriate supportive services, including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living; and
 - (B) other Federal, State, local, and private assistance available for such individuals;
- (4) in the case of a recipient that is a State, it will obtain any matching amounts required under subsection (a) of this section in a manner so that local governments, Indian tribes, agencies, and local nonprofit organizations receiving assistance from the grant that are least capable of providing the recipient State with such matching amounts receive the benefit of the \$100,000 subtrahend under subsection (a)(2) of this section;
- (5) it will develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under this part and that the address or location of any family violence shelter project assisted under this part will, except with written authorization of the person or persons responsible for the operation of such shelter, not be made public;
- (6) activities undertaken by the recipient with assistance under this part are consistent with any housing strategy submitted by the grantee in accordance with section 12705 of this title; and
- (7) to the maximum extent practicable, it will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under this part, in providing services assisted under this part, and in providing services for occupants of facilities assisted under this part.

(d) Participation of homeless individuals

The Secretary shall, by regulation, require each recipient that is not a State to provide for the participation of not less than 1 homeless individual or former homeless individual on the board of directors or other equivalent policy making entity of such recipient, to the extent that such entity considers and makes policies and decisions regarding any facility, services, or other assistance of the recipient assisted under this part. The Secretary may grant waivers to recipients unable to meet the requirement under the preceding sentence if the recipient agrees to otherwise consult with homeless or formerly homeless individuals in considering and making such policies and decisions.

(e) Termination of assistance

If an individual or family who receives assistance under this part from a recipient violates program requirements, the recipient may terminate assistance in accordance with a formal process established by the recipient that recognizes the rights of individuals affected, which may include a hearing.

§ 11376. Administrative provisions**(a) Regulations**

Not later than 60 days after July 22, 1987, the Secretary shall by notice establish such requirements as may be necessary to carry out the provisions of this part. Such requirements shall be subject to section 553 of Title 5. The Secretary shall issue requirements based on the initial notice before the expiration of the 12-month period following July 22, 1987. Prior to the issuance of such requirements in final form, the requirements established by the Secretary implementing the provisions of the emergency shelter grants program under the provisions made effective by section 101(g) of Public Law 99-500 or Public Law 99-591 shall govern. the emergency shelter grants program under this part.

(b) Initial allocation of assistance

Not later than the expiration of the 60-day period following the date of enactment of a law providing appropriations to carry out this part, the Secretary shall notify each State, Indian tribe, metropolitan city, and urban county that is to receive a direct grant of its allocation of assistance under this part. Such assistance shall be allocated and must be used notwithstanding any failure of the Secretary to issue requirements under subsection (a) of this section.

(c) Minimum standards of habitability

The Secretary shall prescribe such minimum standards of habitability as the Secretary determines to be appropriate to ensure that emergency shelters assisted under this section are environments that provide appropriate privacy, safety, and sanitary and other health-related conditions for homeless persons and families. Grantees are authorized to establish standards of habitability in addition to those prescribed by the Secretary.

(Pub.L. 100-77, Title IV, § 416, July 22, 1987, 101 Stat. 498; Pub.L. 101-625, Title VIII, § 832(f)(7), (g), Nov. 28, 1990, 104 Stat. 4361.1)

§ 11377. Authorization of appropriations

There are authorized to be appropriated to carry out this part \$138,000,000 for fiscal year 1993 and \$143,796,000 for fiscal year 1994.

(Publ. 100-77, Title IV, § 417, July 22, 1987, 101 Stat. 498; Publ. 100-628, Title IV, § 425, Nov. 7, 1988, 102 Stat. 3232; Publ. 101-625, Title VIII, § 832(a), Nov. 28, 1990, 104 Stat. 4359; Publ. 102-550, Title MN, § 1402(a), Oct. 28, 1992, 106 Stat. 4012.)

§ 11378. Administrative costs

A recipient may use up to 5 percent of any annual grant received under this part for administrative purposes. A recipient State shall share the amount available for administrative purposes pursuant to the preceding sentence with local governments funded by the State.

(Pub.L. 100-77, Title IV, § 418, as added Pub.L. 101-625, Title VIII, § 832(b)(1), Nov. 28, 1990, 104 Stat. 4359.)

