

EMERGENCY SHELTER GRANT

Program Guidelines
2008-2009



**Department of Housing and
Community Development**

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GENERAL INFORMATION

BACKGROUND

The Emergency Shelter Grant (ESG), authorized by the Stewart B. McKinney Homeless Assistance Act, is funded by the U. S. Department of Housing and Urban Development (HUD). This federally funded grant is administered by the Virginia Department of Housing and Community Development (DHCD), Division of Housing and is available to service providers in non-entitlement areas.

GOAL

The goal of the ESG is to assist homeless families and individuals by providing shelter and services at emergency and transitional housing facilities in the Commonwealth of Virginia.

OBJECTIVES

The objective of the ESG is to provide emergency funding to emergency shelters and transitional housing facilities to support shelter maintenance and operation costs.

FINANCIAL INFORMATION

AWARDS

The 2008-2009 Emergency Shelter Grant awards are determined through a tiered formula. Sixty percent of the allocations are based on the number of beds. Level of services associated with the shelter accounts for another 20 percent and the shelter utilization rate accounts for the remaining 20 percent.

It is anticipated that funding appropriations for ESG for fiscal year 2010 will be comparable to those of fiscal year 2009. Therefore, a full application will not be required for fiscal year 2010 ESG funding. However, a grant renewal process will be required.

Renewal contracts will be contingent upon established grantees' compliance with grant guidelines, utilization rates, supportive services offered, timely submission of reports, expenditure rates of allocations and renewal responses.

MATCH

All ESG grantees are required to provide a dollar-for-dollar, non-emergency match for the entire ESG award amount. The match must be for the specific project for which ESG funding is requested and must be received and expended within the grant year. The State Shelter Grant, not including any Temporary Assistance to Needy Families (TANF) funds, is an allowable source of match. Additional allowable sources of match are cash, the value or fair rental value of any donated material or building,

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. The match must be specific project to the ESG funding and must be received and expended within the 2009 grant year.

Matching funds must be documented with all requests for reimbursements submitted in accordance with the reimbursement schedule. Match Expenditures forms may be obtained electronically through DHCD. Grantees should contact their Program Administrator for details.

GRANT AGREEMENTS

DHCD will enter into a Grant Agreement with each approved applicant on July 1, 2008. The Grant Agreement will specify the terms and conditions of the grant award. **The Grant Agreement must be signed and the full document (all pages) mailed to DHCD on or before July 31, 2008 or the award may be forfeited.** The Grant Agreement will require grantee compliance with the terms, conditions and requirements of the agreement, the program and the laws of the Commonwealth.

The grant period will begin July 1, 2008 and end June 30, 2009. A Grant Agreement is considered fully executed and in force when both parties have signed.

Along with the Grant Agreement, a budget for the 2008-2009 year must be submitted detailing the categories and match sources for the funding. Please see the Program Design section of this manual (page 5) for eligible and ineligible activities.

FUNDS DISBURSEMENT

All ESG funds are disbursed by reimbursement only and must adhere to the following guidelines:

ESG Requests for Reimbursements must be submitted in accordance with the following schedule:

- August 10, 2008 for expenditure period July 1, 2008- July 31, 2008*
- September 10, 2008 for expenditure period July 1, 2008 - August 31, 2008
- November 10, 2008 for expenditure period September 1, 2008 - October 31, 2008
- January 10, 2009 for expenditure period November 1, 2008 - December 31, 2008
- March 10, 2009 for expenditure period January 1, 2009 - February 28, 2009
- May 10, 2009 for expenditure period March 1, 2009- April 30, 2009
- May 10, 2009 for projected expenditures for May 1, 2009 -June 30, 2009**

* Grantees have the option of submitting a reimbursement request for July expenditures by August 10, 2008. If a request is made in August for July expenditures, the September request is to reflect expenditures for only August.

**Grantees that have not fully expended the allocation awarded by April 30, 2009 must submit projections of customary expenditures for May and June with the May 10, 2009 Request for Reimbursement.

To request a disbursement, a grantee must submit Request for Reimbursement and Match Expenditure forms. These must be completed in excel, printed, signed and **mailed**. Both state and TANF SSG funds should be requested on the same Request for Reimbursement form. Contact the Program Administrator for additional forms.

Once complete, the forms should be printed, signed and mailed to:

Program Administrator
Homeless and Special Needs Housing Unit
Department of Housing and Community Development
501 North Second Street
Richmond, VA 23219-1312

FAXES WILL NOT BE ACCEPTED. ALL REQUESTS FOR REIMBURSEMENTS MUST BE COMPLETED IN EXCEL, SIGNED AND MAILED (TO BE POST MARKED BY THE DATES INDICATED ABOVE).

DHCD recommends receiving funds via electronic transfer. To establish an account go to the Virginia Department of Accounts web site (<http://www.doa.virginia.gov>) and select EDI (Electronic Data Interchange) from the menu of options on the left hand side of the page.

REPORTING AND MONITORING

- All grantees, including winter and day shelters, must submit **statistical reports** on a quarterly basis to DHCD. Statistical reports must be submitted for each of the four quarters in fiscal year 2009, even if ESG funds are not expended in the quarter. Statistical Reports are **only accepted electronically** to the Homeless and Special Needs Housing unit of DHCD (hsnh@dhcd.virginia.gov). Contact a DHCD Program Administrator for additional copies of quarterly reports.

The due date for quarterly reports are as follows:

- October 10, 2008 (for report period July 1, 2008- September 30, 2008)
 - January 10, 2009 (for report period October 1, 2008- December 31, 2008)
 - April 10, 2009 (for report period January 1, 2009- March 31, 2009)
 - July 10, 2009 (for report period April 1, 2009- June 30, 2009)
- Submission of the quarterly reports implies approval from the Executive Director and is considered final. Any changes to quarterly reports must be made by the fifteenth of the month in which the reports are due. DHCD reserves the right to withhold reimbursement payments if the Grantee fails to submit the quarterly reports in accordance with the prescribed schedule.
 - Documentation related to **match funds** for FY 09 should be outlined in the initial agency budget submitted for approval at the start of FY 09.

- Failure to submit reports by the required due dates will result in a hold on DHCD grant disbursements. Repeated non-compliance with reporting requirements may result in further grant restrictions.
- An **ESG Closeout Report** must be submitted when all ESG funds are expended.
- DHCD staff will monitor the use of grant funds through a combination of a thorough review of reimbursement requests, quarterly reports, audit reviews, and site visits.

FINANCIAL STATEMENTS

All ESG grantee organizations receiving more than \$500,000 in total operational funds annually from all sources are required to submit an annual independent audit to DHCD in accordance with Emergency audit standards. All ESG grantee organizations receiving less than \$500,000 must submit an audited financial statement prepared by an independent auditing firm in accordance with ESG program guidelines.

All ESG Grantees who have interest earnings from deposits of ESG funds in excess of \$100 a year must return the interest to the U.S. Department of Housing and Urban Development.

CATALOG OF EMERGENCY DOMESTIC ASSISTANCE

The Catalog of Emergency Domestic Assistance number (CFDA) for ESG is 14.231. This number must be made available to accountants performing the audit or audited financial statements for the organizations.

REQUIREMENTS FOR ALL FISCAL YEAR 2008-2009 GRANTEES

MAINTENANCE OF FACILITIES

All ESG grantees must be able to maintain facilities in such a manner that they meet certain minimum standards. DHCD will use the U. S. Department of Housing and Urban Development Housing Quality Standards (HQS) as a basis for ensuring the safety of all occupants. The grantee is responsible for ensuring that all funded facilities meet these standards (See HQS form, www.hudclips.org/sub_nonhud/html/pdf/forms/52580.pdf). ESG funds awarded for facilities that fail to meet minimum standards will be de-obligated and grant funds repaid to DHCD.

PLACEMENT OF HOUSEHOLDS

All emergency shelters receiving ESG funds (excluding winter shelters and day shelters) must be able to document placement of a **minimum of 10% of the homeless households served in fiscal year 2008-2009 into transitional or permanent housing**. Providers of transitional housing receiving ESG funds must be able to document placement of a **minimum of 50% of the households who complete the transitional housing program in fiscal year 2008-2009 into permanent housing**. "Household"

is defined as an individual or the total number of persons who occupy a particular dwelling including persons who may not be related to the householder.

HANDICAPPED ACCESSIBILITY

All ESG grantees must submit a statement describing the handicapped accessibility of every facility to be assisted with ESG funds. If a facility is not handicapped accessible, the applicant must submit a detailed plan for sheltering a handicapped person. Specific shelters and/or motels should be named as alternate sources of shelter with a description of their handicapped accessibility.

DAY SHELTERS

Day shelters also serving low-income, non-homeless populations must institute or have in place a method of documenting homelessness and determining an accurate count of homeless persons served. DHCD staff will review the system during monitoring visits. Day shelters that are unable to verify the number of homeless persons identified in the Application for Fiscal Year 2008-2009 funding will either repay ESG funds or lose funds that have not been disbursed.

PROGRAM DESIGN FOR ALL APPLICANTS

The Federal Department of Housing and Urban Development allows states to narrow guidelines according to the individual need and circumstance of each locality. However, for further information and general regulation, please refer to HUD's ESG Desk Guide:

<http://www.hud.gov/offices/cpd/homeless/library/esg/esgdeskguide/>

ELIGIBLE ACTIVITIES

ESG funds may be used for one or more of the following activities:

1. ESG funds, not to exceed 10 percent of the total ESG award, may be used for staff costs.
2. ESG funds may be used for payment of shelter maintenance, operation (including administrative expenses [excluding staff costs]), rent, security, fuels, insurance, utilities, food and furnishings for emergency shelters, winter shelters, day shelters, and transitional housing facilities.
3. Primarily religious organizations must agree to provide all eligible activities under this program in a manner that is free from religious influences and in accordance with the specific regulations found in the Attachment I.

INELIGIBLE ACTIVITIES

ESG funds may not be used for the following activities or for any activity that is in violation of Emergency law or the laws of the Commonwealth of Virginia:

1. ESG funds may not be used for the provision of services to persons other than those who are

homeless (see Attachment II - Definitions). For the purposes of this grant, children or juveniles who are wards of the state are not considered homeless persons.

2. ESG funds may not be used for prevention activities.
3. ESG funds may not be used for the provision of emergency shelter wherein the payment of a fee or other compensation is a requirement to receive shelter;
4. ESG funds may not be used for the provision of transitional housing or any other housing for the homeless if any of the following apply:
 - The applicant receives Section 8 Program subsidy or any other government rental subsidy to operate the facility;
 - Rents charged exceed 30 percent of the resident's income;
 - The total annual income from rents exceeds 50 percent of the last year's total budget for the transitional housing program;
5. ESG funds may not be used for staff costs exceeding 10 percent of the ESG award;
6. ESG funds may not be used to acquire/purchase real property (buildings, land, and structures), including mortgage payments;
7. ESG funds may not be used for building conversion or shelter renovation, rehabilitation, or repair, or the fees associated with these activities;
8. ESG funds may not be used for the provision of beds for which third-party payments are received. This includes per diem payments from the Department of Social Services, the Department of Corrections, and other State agencies. FEMA funding is not included.
9. ESG funds may not be used to pay the costs associated with audits or audited financial statements.
10. ESG funds may not be used for the purchase of computers including laptops.
11. ESG funds may not be used for travel or staff training.

PARTICIPATION IN CONTINUUM OF CARE PLANNING

A Continuum of Care (CoC) plan identifies housing and service needs for homeless individuals and families and facilitates a coordinated, comprehensive, and community-based response to the identified needs. A CoC plan includes an inventory of existing resources for prevention, outreach and assessment, emergency shelter, transitional and permanent housing and available supportive services; an evaluation of the demand for housing and services; and the identification of the gap between the existing resources and the need.

All ESG grantees must **actively participate** in any ongoing statewide, local or regional Continuum of Care plan or in any work group in which a local or regional Continuum of Care plan is under development or consideration that includes all or any part of the grantee's service area. This includes homeless point-in-time counts and Homeless Management Information Systems (HMIS), where applicable. Failure to actively participate will result in suspension of funding and may result in recapture of ESG funds.

FAIR HOUSING

All fiscal year 2008-2009 ESG grantees must perform and document action in the area of enforcement and/or promotion to affirmatively further fair housing. During the grant year (July 1, 2008 - June 30, 2009) grantees must carry out a minimum of one activity to promote fair housing. The activity may be chosen from the following list or may be one that has been specifically approved by the Program Administrator.

1. Adopt a resolution endorsing the concept of fair housing and advertising the resolution through the local media.
2. Enact a local fair housing ordinance substantially equivalent to Emergency or State law.
3. Attend a fair housing workshop offered or approved by DHCD. A member of the Board or governing body, or the chief administrative official and another appropriate representative (local realtor, banker, etc.) must attend a fair housing workshop.
4. Provide all project beneficiaries with a copy of the Department of Professional and Occupational Regulation's (DPOR) fair housing brochure.
5. Enlist the participation of local realtors, lenders, and homebuilders in an agreement and promotion of affirmative marketing, open housing, and review of underwriting, credit criteria, etc. The agreement must be published through the local media.
6. Conduct a public educational program for local housing consumers and providers and/or financial institutions regarding fair housing issues.
7. Develop a public information network using local newspapers, radio stations, bulletin boards, churches, utility bill mailing, etc. to ensure all segments of the community are aware of fair housing requirements, especially realtors, landlords, financial institutions and minority households.
8. Develop a fair housing assistance program to make housing opportunities known to minorities, to monitor compliance and to refer discrimination complaints to the proper authorities.
9. Assess the special housing problems of women and minorities through surveys, etc. and determine any effects of discrimination. Develop a plan to assist in overcoming these effects.
10. Develop or fund a community-based fair housing organization.

PROCESS FOR TERMINATING ASSISTANCE

All fiscal year 2008-2009 ESG grantees must have a formal process for terminating assistance to an individual or family. At a minimum, there must be an appeals procedure with one level of administrative review for clients who are evicted or refused service from the facility for any reason. Clients must be informed in writing of the appeals procedure at intake.

Those applicants with small programs and limited staff may have the Executive Director hear all appeals. At a minimum, someone other than the person who made the initial termination of services

must hear any appeals. For those applicants with larger programs, a procedure allowing for two or more levels of appeal is appropriate and expected.

The formal process for terminating assistance is required through the Housing and Community Development Act of 1992.

INVOLVEMENT OF HOMELESS PERSONS

All fiscal year 2008-2009 ESG grantees must involve homeless individuals and families in the maintenance and operation of facilities, and in the provision of services to residents of these facilities to the maximum extent possible. Methods of achieving client involvement may include having a suggestion box; using chore lists and exit interviews; conducting regularly scheduled house meetings; encouraging clients to assist with children's programs, parenting classes or vocational training; or service as members of the Board.

The involvement of homeless persons is required through the Housing and Community Development Act of 1992.

LEAD-BASED PAINT

With construction periods predating 1978 all ESG grantees providing supportive service and shelter operations must provide:

- Provision of Lead Hazard pamphlet
- Visual assessment and paint stabilization (if necessary)
- Notice to occupants
- On-going Lead base paint maintenance

Short term (less than 100 days) emergency shelter programs are exempt from this requirement. Please see Attachment III for more details.

PROCUREMENT PROCEDURES

Each ESG grantee must have an appropriate procurement procedure in place. At a minimum, three telephone bids must be obtained for any equipment or furniture purchases to be charged totally or in part to ESG.

ATTACHMENT I- Limits on Primarily Religious Organization

8.7 Limits on Funding to Primarily Religious Organizations

In order to uphold the basic provision of separation of church and State, a number of conditions apply to the provision of ESG funding to organizations that are primarily religious in nature. These provisions generally require that when funded under the ESG program, the religious organization will provide services in a way that is free from religious influences and in accordance with the following principles:

- ▶ The organization 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 on the basis of religion.
- ▶ The organization will not discriminate against, limit services provided to, or give preference to any person obtaining shelter, other service(s) offered by the project, or any eligible activity permissible under the ESG program on the basis of religion and will not limit such service provision or give preference to persons on the basis of religion.
- ▶ The organization will not provide religious instruction, counseling, religious services, worship (not including voluntary nondenominational prayer before meetings), engage in religious proselytizing, or exert other religious influences in the provision of shelter or other eligible ESG activities.

This particular provision is often challenging for recipient organizations. Some examples of what is allowable and what is not might be helpful. Requiring that a program participant attend religious services or meetings as a condition of receiving other social services at the organization (such as shelter or a meal) is not allowed under this provision. Allowing participants to choose to take part in services or meetings offered by the organization as they wish, separate from the ESG-funded activities provided, is allowable.

If a primarily religious organization owns a structure that is to be renovated, rehabilitated or converted for use as a homeless shelter through the use of ESG funds, then several provisions apply, as follows:

- ▶ The ESG funds will go to the separate secular organization and not to the primarily religious organization.
- ▶ The structure to be renovated, rehabilitated or converted will be used exclusively for secular purposes, and be available to all persons.
- ▶ The lease payments made by the secular organization to the primarily religious organization do not exceed fair market rent for the building prior to renovation, rehabilitation or conversion.
- ▶ If rehabilitation or renovation improvements are made to any portion of the building that is not leased by the secular organization, then the costs of these improvements must be paid by the religious organization.
- ▶ If the separate secular organization does not retain use of the leased structure/building for wholly

secular purposes for the useful life of the improvements, then the religious organization will pay the grantee or HUD (whichever granted the ESG funds originally) an amount equal to the residual value of the improvements. The original grantee is expected to reallocate the funds for the purpose of alleviating homelessness in its jurisdiction, but there is no requirement that funds received after the close of the grant period are to be used in accordance with the requirements of this part.

A primarily religious organization may establish a completely secular, private, nonprofit organization to serve as a recipient of HUD funds. This secular, nonprofit organization is eligible to receive ESG funding, subject to the following provisions:

- ▶ The secular organization must agree to provide shelter and other ESG-funded services in a manner that is free from religious influences and in accordance with the principles described above.
- ▶ The secular organization may enter into a contract with the religious organization to provide essential services or homeless prevention activities. The religious organization must agree, as part of the contract, to carry out its responsibilities in a way free from religious influence.

In making an application to receive ESG funding, it is not necessary for the religious organization to establish the separate, secular organization prior to submitting the application or prior to its selection, but may apply on behalf of the secular organization to be established. The application is reviewed on the basis of the religious organization's financial responsibility, capacity, and its commitment to provide appropriate resources to the secular organization after its formation. After formation, the secular organization will be required to demonstrate that it meets the definition of a nonprofit organization (see appendix). Obligation of HUD's ESG funds will be conditioned upon compliance with these requirements.

The federal regulations at 24 CFR 576.23 are quite detailed on this requirement. These regulations are as follows:

Limitations-Primarily Religious Organizations 24 CFR 576.23

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.*

Attachment II - Definitions

The words and terms listed, when used in these guidelines, shall have the following meaning unless the context clearly indicates otherwise.

Application	The written request for grant funding under this program.
Capacity	Maximum number of full-year resident beds at a facility available for use by the homeless as approved by the local building official.
DHCD	Virginia Department of Housing and Community Development. The state funding source that provides financial and technical assistance to local governments, non-profits and other organizations to expand Virginia's housing opportunities and to meet the needs of low-income citizens.
Day Shelter	A shelter that allows unsheltered homeless individuals to come into during the day to take care of basic necessities such as food, showers, laundry.
Emergency Shelter	Any facility where the primary purpose is to provide temporary or transitional shelter for the homeless in general or for specific populations of the homeless. Short-term is defined at 6 months or less.
Entitlement Areas	Areas that are those regions defined by the U.S. Department of Housing and Urban Development (HUD) as eligible to receive ESG funding directly to local governments. These include regions that are metropolitan cities and urban counties. For fiscal year 2008, designated entitlement cities are Norfolk, Richmond, Roanoke and Virginia Beach and entitlement counties of Fairfax and Prince William.
ESG	The SHARE Emergency Shelter Grant, funded through the U.S. Department of Housing and Urban Development.
Facility	All or any portion of buildings, structures, cities, complexes, equipment, rolling stock or other conveyances, roads, walks, passageways, parking lots, or other real or personal property, includes the site where the building, property, structure, or equipment is located.
FY 2009	The state fiscal year July 1, 2008 through June 30, 2009
Grant Agreement	Contract between DHCD and the ESG grantee containing the terms and conditions provided for within this program.
Grantee	The person or legal entity to which a grant is awarded and that is accountable for the use of the funds provided.
HUD	The U. S. Department of Housing and Urban Development. The emergency funding source for ESG, HOME, HOPWA and CDBG.
HQS	A set of structural and maintenance standards established by the U. S. Department of Housing and Urban Development.
Handicapped Accessibility	The absence of architectural or communication barriers which restrict full access to a facility by an individual with a physical or mental impairment.
Homeless	<ol style="list-style-type: none"> 1. An individual or family which lacks a fixed, regular, and adequate nighttime residence: or 2. An individual or family which has a primary nighttime residence that is:

	<p>(a) A supervised publicly or privately operated shelter designed to provide temporary living conditions (including welfare hotels, congregate shelters, and transitional housing for persons with mental illness;</p> <p>(b) An institution that provides a temporary residence for individuals intended to be institutionalized: or</p> <p>(c) A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.</p> <p>3. The term does not include any individual imprisoned or otherwise detained pursuant to an Act of the Congress or a State law.</p> <p>4. The term does not include any individual or family living in structures that are not physically sound, or those who are living with friends or family in a structure meant to house one family or individual (doubled-up or overcrowded conditions).</p> <p>5. The term does not apply to those are who considered at imminent danger of becoming homeless due to eviction or foreclosure. If eviction or foreclosure occurs, the individual or family may be considered homeless if there are no other housing resources available to them.</p>
Homeless Facility	A structure used as an emergency shelter, transitional housing, winter shelter, or day shelter.
Linkage	A formal or semi-formal arrangement or agreement with another organization to provide services for the clientele of the applicant organization. Does not include simple resources that are used as referrals unless such resources have the arrangement noted above.
Local Approval	Endorsement of a project proposed by a nonprofit organization by an authorized local government official.
Locality	Is a city, county or town located within the Commonwealth of Virginia.
Maintenance	Routine repairs to a building or property to assure its continued safe, sanitary, and energy-efficient use.
Permanent Housing	A home or apartment, including Section 8, Single Room Occupancy Facilities (SRO) or Public Housing, in which the household plans to stay for a period of time.
Referral	The act of recommending, to a client, a service or services available through another agency, organization, or department. Such a recommendation may be structured and formal to the extent that it includes contact with the referral and follow-up with the client, or it may be unstructured.
Rehabilitation	Substantial physical improvements/repairs to a facility which will secure it structurally; correct building, health, or fire safety code defects; increase energy efficiency; and assure safe and sanitary occupancy.
Service Area	The geographic area or jurisdiction served by a nonprofit organization or a local government Project Sponsor.
SSG	State Shelter Grant
Transitional Housing	Facilities for the homeless designed to meet their longer-term temporary housing and human service needs, wherein the typical stay is over thirty (30) days and less than two years. Facilities identified as transitional housing for HUD funding and/or other

	grants, brochures, or annual reports must be identified as transitional housing when applying for ESG or SSG funding.
Winter Shelter	Seasonal facilities open during inclement months of the year, providing, at a minimum, beds and food to homeless persons. Other supportive services may be offered.

Attachment III - Lead Safe Housing Regulations

HUD Regulation 1012-1013 –Requirements for Notification, Evaluation and Reduction of Lead-Based Paint Hazards if Emergency Owned Residential Property and Housing Receiving Emergency Assistance.

8.2 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) 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/leatlex.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) 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	<ul style="list-style-type: none"> ▶ Provision of pamphlet. ▶ Paint testing of surfaces to be disturbed, or presume LBP. ▶ Safe work practices in rehab. ▶ Repair disturbed paint.n Clearance of the worksite. ▶ Notice to Occupants.
Rehabilitation - Property receiving more than \$5,000 and up to \$25,000 per unit	Pre-1978	<ul style="list-style-type: none"> ▶ Provision of pamphlet. ▶ Paint testing of surfaces to be disturbed, or presume LBP. ▶ Risk assessment.n Interim Controls. ▶ Notice to Occupants.
Rehabilitation - Property receiving more than \$25,000 per unit	Pre-1978	<ul style="list-style-type: none"> ▶ Provision of pamphlet. ▶ Paint testing of surfaces to be disturbed, or presume LBP. ▶ Risk assessment.n Abatement of LBP hazards. ▶ Notice to Occupants.

Support Services or Operation	Pre-1978	<ul style="list-style-type: none"> ▶ Provision of pamphlet. ▶ Visual Assessment.n Paint stabilization. ▶ Notice to Occupants. ▶ Ongoing LBP maintenance.
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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;
- ▶ 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.

For More Information

- To speak to a HUD Specialist about the new Emergency regulation, call (202) 755-1785x104 or send e-mail to lead_regulations@hud.gov. For copies of the HUD regulation (*Final New HUD Regulation on Lead-Based Paint Hazards in Emergency Owned Housing and Housing Receiving Emergency Assistance*, September 1999), or HUD's *Lead Paint Safety Field Guide*, call the National Lead Information Center at (800) 424-LEAD or visit www.hud.gov/lea