



**Homeless Solutions Grant (HSG)
Program Guidelines
2012-13
2013-14**

Purpose

The Homeless Solutions Grant (HSG) is a state funded program to assist households experiencing homelessness to obtain and maintain housing stability. This program replaces the State Shelter Grant (SSG). HSG is designed to assist households experiencing homelessness to quickly regain stability in permanent housing.

The program goals are to provide effective and efficient assistance to reduce the length of time households experience homelessness and to reduce the number of households returning to homelessness. It is intended to be administered as a community-based resource that maximizes mainstream resources.

Funding Levels

DHCD anticipates allocating approximately \$6,500,000 (based on level funding) to grantees selected through an open competitive application process. This funding is allocated on a two- year funding cycle, where awards will be made for one-year terms and renewed for a second year based on performance, compliance, and available funding.

DHCD anticipates that funding to any one organization will be limited to a range of \$25,000 - \$150,000 based on proposed fund uses and local demonstrated need as identified in applications submitted to DHCD for consideration. DHCD reserves the right to reduce any funding request based on local needs, applications received, and available funding.

Total requests and actual awards must adhere to HSG budget limits:

Budgetary Limits	
Budget Category	Limits
Homeless Management Information Services (HMIS)	Cannot exceed 5 percent
Administrative Costs	Cannot exceed 5 percent

Grantees reimbursement requests must be based on DHCD approved budgets within the HSG cost limitations. Grantees must request DHCD approval for any budget changes.

Match Requirement

Grantees are required to provide a dollar-for-dollar match with local or private funds for the entire HSG award amount. The match must be for the specific project for which HSG funding is awarded and must be received and expended within the grant year. 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 from local or private sources to staff to carry out the program of the grantee which have not otherwise been charged to HSG and the value of the time and services contributed by volunteers to carry out the program of the grantee.

Grantees must maintain and make available upon request source documentation related to match (volunteer logs, donation records, donation documentations, etc.). Grantees may not use state or federal sources to meet this match requirement, including state or federal sources that may be controlled locally (e.g. Community Development Block Grant (CDBG)).

Eligible Geographic Areas

DHCD's goal is to provide funding support for HSG eligible activities across Virginia. Any locality within the state of Virginia is an eligible service area. The intent of HSG is to provide funding for coordinated community-based homeless services. Applicants must be able to demonstrate how their proposed program will work with other providers to reduce the length of homelessness in the service area. The HSG application will require the local CoC or Balance of State planning group to certify that the proposed program will be consistent with the local strategies to reduce the length of homelessness and will indicate to what degree the proposed program is a coordinated local effort to achieve these local goals.

Please check the following website for local CoC contact information and for information on the geographic areas covered by each CoC:

<http://www.hudhre.info/index.cfm?do=actionCocContactsSearch&st=VA&optTwo=%2Findex.cfm%3Fdo%3DviewCocContacts%26st%3DVA%26cSort%3DcocNum%23tl&optThree=>

Virginia Continuums of Care	Localities (City/County)
Richmond/Henrico, Chesterfield, Hanover Counties CoC	Charles City, Chesterfield, Goochland, Hanover, Henrico, New Kent, Powhatan, and the City of Richmond
Norfolk, Chesapeake, and Suffolk CoC	City of Chesapeake, City of Franklin, Isle of Wight, City of Norfolk, Southampton, and the City of Suffolk
Roanoke City & County/Salem CoC	Alleghany, Botetourt, City of Covington, Craig, Roanoke (City and County), and the City of Salem
Virginia Beach CoC	City of Virginia Beach
Charlottesville CoC	Albemarle, City of Charlottesville, Fluvanna, Greene, Louisa, and Nelson
Newport News/Hampton/Virginia Peninsula CoC	City of Hampton, James City, City of Newport News, City of Poquoson, City of Williamsburg, York
Portsmouth CoC	City of Portsmouth
Lynchburg CoC	Amherst, Appomattox, Bedford (City and County), Campbell, and City of Lynchburg
Petersburg CoC	City of Colonial Heights, Dinwiddie, City of Emporia, Greensville, City of Hopewell, City of Petersburg, Prince George, Surry, and Sussex
Staunton/Waynesboro/Augusta, Highland Counties CoC	Augusta, Highland, City of Staunton, City of Waynesboro
Winchester/Shenandoah, Frederick, Warren Counties CoC	Clarke, Frederick, Page, Shenandoah, Warren, and City of Winchester
Fredericksburg/Spotsylvania, Stafford Counties CoC	Caroline, City of Fredericksburg, King George, Spotsylvania, and Stafford
Danville/Martinsville CoC	City of Danville, Franklin, Henry, City of Martinsville, Patrick, and Pittsylvania
Harrisonburg/ Rockingham County CoC	City of Harrisonburg, Rockingham

Virginia Balance of State CoC*	See following table for local planning group of the Balance of State
Arlington County CoC	Arlington
Fairfax County CoC	Fairfax (City and County), City of Falls Church
Loudoun County CoC	Loudoun
Alexandria CoC	City of Alexandria
Prince William County CoC	City of Manassas, City of Manassas Park, and Prince William

*Virginia Balance of State –Local Planning Groups	
Planning District 1 (Lenowisco)	Lee, Scott, Wise, and Norton
Planning District 2 (Cumberland Plateau)	Buchanan, Dickenson, Russell, Tazewell, Washington, and City of Bristol
Planning District 3 (Hope Inter-Agency Council of Homelessness)	Bland, Carroll, Grayson, Smyth, Wythe, and City of Galax
Planning District 4 (Housing Partnership of the New River Valley)	Giles, Floyd, Montgomery (including Blacksburg and Christiansburg), Pulaski, and City of Radford
Planning District 9 (Piedmont Housing Network)	Culpepper, Fauquier, Madison, Orange, and Rappahannock
Planning District 13 (Southside)	Brunswick, Halifax, and Mecklenburg
Planning District 14 (Heartland)	Amelia, Buckingham, Charlotte, Cumberland, Lunenburg, Nottoway, and Prince Edward
Planning Districts 17/18 (Five Rivers Planning Group)	Lancaster, Westmoreland, Northumberland, Richmond County, Essex, Gloucester, Mathews, Middlesex, King and Queen, King William
Planning District 22 (Accomack-Northampton)	Accomack and Northampton

**Please note that local planning groups are applicable only to the Balance of State CoC.*

Grantee Eligibility

Grantees must be a nonprofit or unit of local government and be current on 990 filings (not applicable to units of government).

Grantees must be in compliance with applicable state and federal policies and procedures as outlined in the *Other Requirements* section of this document including compliance with federal and state non-discrimination laws.

Grantees must have established standard accounting practices including internal control and fiscal accounting procedures and be able to track agency and program budgets by revenue sources and expenses.

Grantees with outstanding audit findings, IRS findings, DHCD monitoring findings or other compliance issues are not eligible HSG grantees and any grantee will not be eligible to receive allocations if any of these conditions occur. Please note that DHCD will work with all interested parties, where appropriate, toward the resolution of unresolved matters.

In some cases grantees may submit collaborative applications that involve partnerships with other organizations. The grantee will assume full responsibility for meeting all HMIS, reporting, record keeping, spending, and other program requirements regardless of partnership agreements.

Grantees must be able to demonstrate that the proposed program is or will be coordinated on a local level (region, CoC, or local planning group). Grantees must also be current HMIS users and be able to demonstrate prior experience with homeless services activities.

Please note that domestic violence shelters may, in lieu of HMIS, use a comparable system. Domestic violence shelters are responsible for meeting all HMIS data standards and reporting requirements regardless of the data collection system utilized.

Programmatic Approach –Housing Focused

The HSG program goals are to assist households experiencing homelessness to quickly regain stability in permanent housing. This funding will support coordinated community-based activities that are designed to reduce the overall length of homelessness in the community and the overall rate of individuals and household returning to homelessness.

HSG funding will support shelter, re-housing, and housing focused activities that are targeted and coordinated with other homeless services providers, homeless prevention providers, and mainstream resources within the community.

Participation in Local Coordinated/Centralized Intake

A local coordinated or centralized intake is best practice for a housing-focused approach targeted to helping households experiencing homelessness quickly regain stability in permanent housing. This best practice is also essential to help divert, where possible households seeking homeless services from shelter –preventing new cases of homelessness.

In a coordinated or centralized intake system all homeless prevention and homeless assistance activities are accessible through a local coordinated or centralized intake. This local community-based intake is developed and implemented through the local CoC or planning group (within the Balance of State CoC). The process facilitates coordination among homeless service providers and homeless prevention activities and provides a uniform initial intake process where all households are screened and directed to the appropriate service or resource.

All households seeking homeless assistance within the CoC or local planning group would be directed through a common local entry point or system where the initial assessment of eligibility and needs and some crisis intervention would take place.

This system facilitates the triage of households and directs these households appropriately based on individual household needs and available community-based resources. Where possible, prevention resources are utilized to prevent a household from entering homelessness, and where possible, rapid re-housing assistance is utilized to help households experiencing homelessness to quickly obtain permanent housing.

Centralized or coordinated intake systems include:

- Centralized or Coordinated Point of Entry –where all households seeking homeless services or homeless prevention assistance are directed
- Standardized Assessment – how all households seeking homeless services or homeless prevention assistance are assessed for housing barriers
- Coordinated Referrals – how all households seeking homeless services or homeless prevention assistance receive appropriate and targeted referrals

Please note grantees must participate in any existing local coordinated or centralized intake process; however DHCD understands that local CoCs or planning groups may be in the initial stages of intake system development. Grantees are expected to participate in the development and implementation of a system where applicable. All HSG grantees, regardless of the coordinated or centralized system status, are required to coordinate HSG with other available resources, work with other homeless services providers and homeless prevention providers, and leverage where possible mainstream resources.

Leverage Prevention Resources

While homeless prevention activities are not HSG eligible costs, prevention is critical in the overall housing-focused approach to address homelessness and as such is eligible under both the state Emergency Solutions Grant (ESG) program and Homeless Prevention Program (HPP).

In all cases with a housing-focused approach households would be diverted where possible from shelter. The initial entry point assessment would identify all households that are good candidates for prevention. These include individuals and households seeking shelter who are currently housed although at imminent risk of homelessness. Please note that if the housing unit or situation is not safe, which may be the case with domestic violence, a shelter stay could be the appropriate option.

The following are examples of situations where diversion from shelter may be feasible:

- Household living in their own unit where eviction is imminent but homelessness could be averted
- Household living in someone else's unit (doubled up) where the right to occupy will be terminated

Coordination with prevention resources must be established and maintained to assure timely referrals where appropriate. HSG funded activities must be coordinated sufficiently with other providers and resources to assure that households that can be diverted from shelter with prevention assistance are diverted. Grantees must work with local prevention services to help

identify and refer all households seeking shelter where diversion from shelter would be a viable alternative.

Homeless Services

The prevention of homelessness is not always a viable option. This may be the case where there is:

- Lack of access to prevention assistance providers
- Limited or no prevention assistance funding
- Safety issues (domestic violence, condemned structure)
- Time constraints
- Incomplete or inadequate centralized or coordinated intake

In any case shelter is a temporary measure. A full housing barrier assessment is completed upon entering the homeless services system and work starts immediately to transition the household to permanent housing. Appropriate program participants are assisted with rapid re-housing assistance to transition to permanent housing. In all cases, shelter stays are minimized.

The focus of all shelter stays is to:

- To quickly obtain permanent housing (primary focus)
- To obtain housing stability (secondary focus)

Homeless assistance case management and services are needs- based and housing-focused.

Key Outcomes and Objectives

Please note that grantees will be evaluated and monitored on how well they are contributing to meeting key community outcomes and objectives. These key outcomes are measured at the CoC or local group level and include:

- Percentage of households seeking shelter where the immediate crisis has been averted (preventing homelessness)
- Percentage of households diverted from homelessness stabilized in permanent housing
- Reduction in the number of households entering the homeless assistance system
- Reduction of the length of shelter stays
- Reduction in the number of households returning to homelessness

Process and system objectives include:

- Assuring that all households at the entry point (when they are seeking shelter options) are assessed with a standardized assessment tool
- Entry point(s) are easily accessible (open access when households are seeking shelter)
- Service providers refer appropriate households seeking shelter to the entry points
- Written policies and procedures (please note that DHCD must review and approve these and all revisions)

- Individualized housing focused case management

HSG Program Participant (Client) Eligibility

The HSG program targets individuals and families who are homeless. These include the households that fall into the following categories:

1. Individuals and families who lack a fixed, regular, and adequate nighttime residence including those residing in a shelter or a place not meant for human habitation and those exiting an institution where they resided temporarily
2. Individuals and families who will imminently lose their primary nighttime residence
3. Individuals and families who are fleeing or attempting to flee domestic violence

Category one includes those households who are literally homeless and includes those households living temporarily in a hotel/motel being paid for by limited local, state, or federal funded assistance. It also includes individuals exiting institutions where they resided temporarily. In these cases, the institution's discharge planning has resulted in no identified resources (including homeless prevention assistance) and the individual has no other resources. In all cases, these households are eligible for HSG funded shelter services and rapid re-housing. Regardless of the intervention employed a housing barrier assessment must be completed at program entry with an immediate focus on housing stabilization.

Category two includes those households who are currently housed whether in their own unit or living in someone else's unit. These households must be screened immediately for prevention assistance eligibility. All household's eligible for prevention assistance must be diverted where possible from shelter. Grantees must work, where possible, with the local coordinated or centralized intake system and homeless prevention providers to identify and divert all appropriate households. Where shelter assistance cannot be avoided a housing barrier assessment must be completed at program entry with an immediate focus on housing stabilization.

Category three includes households fleeing or attempting to flee a domestic violence or other physically threatening living situation. These households must be screened where possible immediately for prevention assistance eligibility. All households eligible for prevention assistance must be diverted where possible from shelter. Grantees must work, where possible, with the local coordinated or centralized intake system and homeless prevention providers to identify and divert all appropriate households. These households are eligible for shelter and repaid re-housing assistance. Regardless of intervention employed a housing barrier assessment must be completed at program entry with an immediate focus on housing stabilization.

Category		HSG Eligible Activity	Requirement
1	Literally Homeless	Shelter and Rapid re-housing	Housing barrier assessment and immediate focus on housing stabilization
2	At Imminent Risk	Shelter	Screened and referred if viable candidate for prevention AND housing barrier assessment and immediate focus on housing stabilization
3	Fleeing Domestic Violence	Shelter and Rapid re-housing	Screened and referred if viable candidate for prevention AND housing barrier assessment and immediate focus on housing stabilization

Program participant eligibility must be based on one of these categories and documentation of status and evidence of initial intake through a coordinated or centralized intake, and/or screening for prevention eligibility and coordination with homeless prevention providers. Prevention screening must occur at the time households are initially seeking assistance. Housing barrier assessments and housing stabilization plans as well evidence of the implementation of these plans are required for all program participants.

Rapid Re-housing Eligibility

When households initially receive rapid re-housing assistance they must be literally homeless and/or fleeing domestic violence. Re-housing assistance beyond three months requires recertification of eligibility. This recertification must be completed every three months.

Recertification requires grantee certification and evidence of:

- Program participant household income below 50 percent area median income (AMI)
- The household lacks the financial resources and support networks needed to remain in existing housing without HSG rapid re-housing assistance
- Housing stabilization services are being appropriately implemented

While income eligibility is not required when households first access rapid re-housing because they are literally homeless, it is required when recertifying continued eligibility for rapid re-housing assistance.

At each three-month rapid re-housing recertification the household must be below 50 percent of AMI with no more than \$500 in assets (includes all checking, savings, retirement accounts, stocks, bonds, mutual funds, and real estate). This does not include primary, appropriate, and reasonable transportation, pension or retirement funds that cannot be accessed. Income limits are available on HUD's web site at: <http://www.huduser.org/DATASETS/il.html>.

Grantees should use HUD's Section 8 income eligibility standards for HSG.

Eligible Activities

There are five categories of eligible activities for the HSG program:

- Shelter Operations
- Rapid Re-Housing (rent assistance)
- Housing Relocation and Stabilization Services
- HMIS
- Administration

With the exception of administrative costs and HMIS, HSG eligible costs are intentionally focused on housing — either financial assistance to help pay for housing or services designed to help households quickly transition from shelter to housing, the costs associated with temporary shelter where they are triaged, and/or the assistance they receive both through the shelter and/or rapid re-housing program to identify and address housing barriers. Generally, the intent of HSG assistance is to rapidly transition program participants to stability, either through their own means or through public assistance, as appropriate. HSG assistance is not intended to provide long-term support, nor will it be able to address all of the financial and supportive services needs of households that affect housing stability. Rather, assistance should be focused on housing stabilization, linkages to community resources and mainstream benefits, and helping program participants develop a plan for preventing future housing instability. *Grantee programs should therefore ensure that there is a clear process for determining the type, level, and duration of assistance for each program participant.*

Shelter Operations

HSG shelter operations will support temporary shelter for households experiencing homelessness located in Virginia. Shelters must meet basic habitability standards including fire inspection and Americans with Disabilities Act (ADA) standards. If the shelter itself is not ADA compliant the grantee must have a plan to meet the needs of households with disabilities.

Shelters include programs that provide temporary shelter to households experiencing homelessness and may include:

- Seasonal Shelter
- Emergency Shelter
- Transitional Housing

Please note that prior year funding specifically allowed for the funding of transitional housing. While transitional housing will no longer be allowable under the federal Emergency Solutions Grant, it will not be specifically eliminated as an eligible shelter type for HSG. Please note that CoC certification is required, certifying the specific shelter's approach as consistent with local strategies to address homelessness.

Regardless of shelter type each program must adhere to the following requirements including:

- Full participation in coordinated/centralized intake process where available
- Coordination with other homeless services and homeless prevention providers

- Initial screening (through coordinated/centralized intake process or in coordination with other homeless services or homeless prevention providers) for all households seeking assistance
- Timely referral of appropriate households for homeless prevention assistance (through participation in coordinated or centralized intake process or through coordination with providers)
- Timely referral of appropriate households for rapid re-housing (through participation in coordinated or centralized intake process or through coordination with providers)
- Housing barriers assessment
- Housing plan
- Individualized housing barriers based assistance
- Primary focus in quick transitions to permanent housing
- Secondary focus on housing stability
- Program fee restrictions (limited applicability for 2012-13, no program fees allowed effective July 1, 2013)

Initial Screening

All households seeking homeless assistance must be initially screened through the coordinated or centralized intake or in coordination with other homeless service and homeless prevention providers. This screening must be completed in a manner that allows for the identification of candidates for prevention services and immediate referral of these households to the appropriate homeless services and/or homeless prevention provider. Note that initial screenings take place when the household is seeking assistance.

Housing Barriers Assessment and Housing Plan

HSG funded rapid re-housing activities and shelter services must address the initial housing crisis, conduct an initial housing barriers assessment at program entry, and develop a housing plan. In all cases housing barrier assessments and plans must be individualized to identify and address the unique household situation. All plans must be focused first on quickly obtaining permanent housing and secondly on obtaining and maintaining housing stability.

Quick Transition

All HSG funded shelter programs must be focused on transitioning program participants to permanent housing as quickly as possible. Grantees must leverage rapid re-housing resources (where available), other services, and mainstream resources to transition all program participants to permanent housing as quickly as possible.

Fees

Fees of any type are not allowed in any emergency shelter program. Program fees are limited to programs funded as transitional housing programs that own their own units and received funding through the 2011- 2012 State Shelter Grant (SSG). *This is an exception that will expire on June 30, 2013.* Please note that applicable programs must receive certification from the CoC or local planning group as consistent with local strategies to end homelessness. In addition to adhering to HSG guidelines transitional housing programs charging program fees may not charge a program fee more than 30 percent of the household's income. There must be a program fee agreement between the program participant and the grantee that indicates what the program fee covers. The program fee

agreement must be approved by DHCD. Participation in services must be explicitly voluntary. No lease or occupancy agreements are allowed. Program fees must be tracked and reflected in the proposed budget and program accounts. Grantees cannot charge services to HSG that are covered with program fees. **Program fees will no longer be allowed effective July 1, 2013.**

Eligible Costs

Most costs associated with the operation of a shelter are eligible HSG costs. These costs include:

- Security
- Rent
- Maintenance
- Utilities
- Supplies
- Case management
- Other (requires DHCD pre-approval)

Rent expenses must be for actual leasing costs accrued by the grantee for the housing unit(s) or building(s) where temporary shelter and housing relocation and stabilization services are provided. HSG funds may not be used to reimburse the grantee for costs associated with a grantee mortgage or loan on the property unless the property was utilized as shelter and received SSG funding during the 2011-12. *Please note this is an exception that will expire on June 30, 2013.*

As condominium fees cover maintenance and sometimes utilities associated with a unit, these are allowable for grantee-owned properties utilized for programs funded through HSG.

Both security and maintenance costs may include grantee staff costs accrued by the grantee in the performance of security and/or maintenance. Please note any security, maintenance, or any other contract for services must adhere to grantee procurement policies.

In the case of shelter models that require mass transportation of program participants to shelter sites from designated pick up locations, these costs may be eligible shelter operation costs under the "other" category. Applicants including these costs in their request should explain these costs in the budget narrative section of the application. Please note that all "other" costs must be pre-approved by DHCD.

Rapid Re-Housing

Financial assistance (rent assistance) for the purpose of rapidly re-housing households experiencing homelessness is an eligible HSG cost. Please see the *Housing Relocation and Stabilization Services* section for other related costs. Rapid Re-housing financial assistance is limited to the following activities:

- Rent
- Rent arrears

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

Rapid re-housing assistance requires that the program participant head of household have the valid lease that is in compliance with tenant/landlord laws in their name. A copy of this lease must be included in the program participant record.

Grantees must have written agreements with both the program participant and the landlord that identify the terms of the rapid re-housing assistance. This should specifically provide the landlord with guidance for addressing issues which could impact housing stability.

Rental Assistance/Rent Arrears

Rental assistance is tenant-based rental assistance that can be used to allow individuals and families to obtain and remain in rental units.

- No program participant may receive more than 24 months of assistance (including any rent arrears) under HSG per incident.
- Grantees must determine the amount of rental assistance provided, such as “shallow subsidies” (payment of a portion of the rent), payment of 100 percent of the rent charged, or graduated/declining subsidies.
- Assistance with any portion of rent during a month counts as a month toward the 24 month limit.
- Any individual or family receiving assistance beyond any arrears and two current months of rent and utility assistance must be evaluated and recertified as eligible every three months. Recertification of eligibility includes the following:
 - Program participant household income below 50 percent area median income (AMI)
 - The household lacks the financial resources and support networks needed to remain in existing housing without HSG rapid re-housing assistance
 - Housing stabilization services are being appropriately implemented
- Grantees are required to certify eligibility at intake and at least once every three months.
- Grantees must provide the appropriate level of case management in order to assure housing stability.
- Grantees may require a program participant *to share in the costs* of rent.
- HSG assistance should be “*needs-based*,” meaning that grantees should determine the amount of assistance based on the minimum amount needed to help the program participant maintain housing stability *in the near term*. This will also help communities to utilize program resources efficiently to serve as many households as possible.

- Rental assistance may also be used to pay *rental arrears* for eligible program participants. Rental arrears may be paid if the payment enables the program participant to obtain a housing unit. If HSG funds are used to pay rental arrears, arrears must be included in determining the total period of the program participant's rental assistance, which may not exceed 24 months. HSG assistance with rent arrearage must assist the program participant to obtain housing where the program participant would be homeless. Rent arrears may include associated late fees.
- While the payment of rent arrears is a lump sum and recorded as such in HMIS, each month and the number of months must be noted in HMIS and counted toward the total rent assistances limit of 24 months.
- HSG funds may not be used to pay damage costs incurred by the tenant.
- HSG can pay for security deposits (see *Housing Relocation and Stabilization Services*).
- When households are moved into a new unit. The rent must meet two standards:
 1. Rent Reasonableness – rent is equal to or less than other like units in the area
 2. Fair Market Rent (FMR) – rent (including utilities) is at or below the HUD established FMR for the unit size in the area
- The rental assistance to move into a unit cannot exceed the actual rental cost, which must be in compliance with HUD's standard of "rent reasonableness." "*Rent reasonableness*" means that the total rent charged for a unit must be reasonable in relation to the rents being charged during the same time period for comparable units in the private unassisted market and must not be in excess of rents being charged by the owner during the same time period for comparable non-luxury unassisted units. To make this determination, the grantee should consider (a) the location, quality, size, type, and age of the unit; and (b) any amenities, housing services, maintenance and utilities to be provided by the owner. For more information see the HUD rent reasonableness worksheet:
www.hud.gov/offices/cpd/affordablehousing/library/forms/rentreasonablechecklist.doc.
- The rental assistance to move into a unit cannot exceed the actual rental cost, which must be at or below Fair Market Rents (FMR) for the area. Note: the FMR, including utility allowances, requires grantees to utilize the appropriate utility allowance for any utilities that are paid by the program participant separate from rent. See the following website for the FMR for specific localities:
<http://www.huduser.org/portal/datasets/fmr/fmrs/docsys.html&data=fmr12>
- FMR limits include the cost of utilities. Grantees will need to utilize an established utility allowance in order to assess FMR limits for rents on units not including all utilities. The grantee may use the local housing authority's or VHDA's appropriate regional allowances in order to calculate the rent standard. The actual rent charged

for a unit plus the allowance for any utilities that the program participant must pay themselves must not exceed the FMR for the area. For VHDA's utility allowances please go to:

<http://www.vhda.com/BusinessPartners/HCVPAgents/Pages/HCVUtilityAllowanceSchedulesforVA.aspx>.

- No duplication of assistance. HSG financial assistance cannot be made on behalf of eligible individuals or families for the same period of time and for the same cost types that are being provided through another federal, state or local housing subsidy program.
- Rental assistance or arrears to pay for a lot on which a manufactured or mobile home is located is an eligible expense as long as the household is otherwise eligible.
- Rental assistance provided toward rent for a housing unit owned by a grantee, related entity, or partner is prohibited.

Housing Relocation and Stabilization Services

HSG funds may be used for services that assist program participants with housing stability. These services are limited to the following eligible activities:

- Housing Case Management
- Housing Search
- Supportive Services
- Credit Repair and Background Checks
- Financial Assistance (utilities, deposits, application fees, and moving costs)
- Service Location Costs

Housing Case Management

HSG case management funds may be used for activities for the arrangement, coordination, monitoring, and delivery of services related to meeting the housing needs of program participants and helping them obtain housing stability. Component services and activities may include: housing counseling; developing, securing, and coordinating services; monitoring and evaluating program participant progress; assuring that program participants' rights are protected; and conducting housing barrier assessments, and developing an individualized housing plan, including a path to permanent housing stability subsequent to HSG assistance.

Housing Search

HSG housing search funds may be used for services or activities designed to assist individuals or families in locating, obtaining, and retaining suitable housing. Component services or activities may include: tenant counseling; assisting individuals and families to understand leases; securing utilities; making moving arrangements; representative payee services concerning rent and utilities; and mediation and outreach to property owners related to locating or retaining housing.

Supportive Services

As a last resort HSG may be used for short-term support services. Eligible services include those services deemed necessary for addressing a housing crisis, obtaining permanent

housing, and/or maintaining housing stability where no other resource has been identified. Grantees must document these services as necessary and last resort.

Credit Repair/Background Checks

HSG funds may be used for services that are targeted to assist program participants with critical skills related to household budgeting, money management, accessing a personal credit report, and resolving personal credit issues. If grantees elect to conduct credit or background checks on HSG participants, they must do so for all program participants so as not to violate Fair Housing Law or otherwise discriminate among HSG participants. Grantees may not use HSG funds to reimburse landlords for their costs associated with conducting credit and/or background checks. Credit and background checks must not be used to determine program eligibility.

Financial Assistance

HSG funds may be used to provide financial assistance to help program participants quickly access housing. The housing relocation and stabilization services financial assistance includes:

- Security and utility deposits
 - Utility payments (including past due as needed)
 - Moving cost assistance
 - Application fees
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- HSG funds may be used to pay for security deposits, including utility deposits, for program participants. This is eligible in the case where the program participant is otherwise HSG eligible and they are not receiving security or utility deposits assistance from another source.
 - Grantees must not take measures to recapture any deposit assistance provided to program participants. In the cases where the return of a deposit to the grantee is unavoidable, all returned deposits must be tracked as program income. Any resulting program income must be used for HSG eligible activities.
 - HSG funds may be used for up to 24 months of utility payments for each program participant, provided that the program participant or a member of his/her household has an account in his/her name with a utility company.
 - The grantee may want to consider using the Virginia Housing Development Authority (VHDA) utility allowance guideline to set reasonable limits for utility payment.
 - HSG assistance should be “*needs-based*,” meaning that grantees should determine the amount of assistance based on the minimum amount needed to maintain housing stability *in the near term*. This will also help communities to utilize program resources efficiently to serve as many households as possible.
 - Assistance with utilities may be structured where the program participant pays a portion of the utilities. Partial assistance payment for any month of utilities counts as a month of assistance. Grantees may pay past due utilities, however the past due months must be included in the 24 month limit. Utilities are limited to water/sewer,

heating oil, gas, and electricity. Twenty-four month limits are based on assistance with one or more of the basic utilities per month. Since the actual number of months may be difficult to determine, grantees may use estimates to determine the total number of months covered. In these cases the grantee must document the basis for the estimation.

- HSG funds may be used for reasonable moving costs, such as truck rental, or hiring a moving company to assist an eligible household with housing stability.
- HSG funds may be used for lease or apartment application fees where necessary and no other source has been identified to assist an eligible household with housing stability.

Service Location Costs

HSG funds may be used to cover service location costs associated with the service provision location. These costs include:

- Actual rent (not mortgage)
- Utilities
- Maintenance

HMIS

Homeless Management Information System (HMIS) expenditures are limited to five percent of the total award. Grantees will be required to conduct data collection and reporting for HSG through the use of HMIS. HMIS must be used to collect and report HSG data.

Please note that domestic violence shelters are exempt from using HMIS, however they must use a comparable system and meet all applicable reporting requirements.

Eligible HMIS Activities

Reasonable and appropriate costs associated with operating a HMIS for purposes of collecting and reporting data required under HSG and analyzing patterns of use of HSG funds are eligible. Eligible costs include the purchase of HMIS software and/or user licenses, leasing or purchasing needed computer equipment for providers and the central server, costs associated with data collection, entry and analysis, and staffing associated with the operation of the HMIS, including training.

Ineligible HMIS Activities

HMIS activities that are ineligible include planning and development of HMIS systems, development of new software systems, and replacing current state and local government funding for an existing HMIS.

Domestic violence shelter costs associated with a comparable system are ineligible HSG costs.

Administrative Costs

No more than five percent of the grantee's total grant may be spent on administrative costs. Administrative costs may include costs associated with accounting for the use of grant funds; preparing reports for submission to DHCD; obtaining program audits; similar costs related to

administering the grant after the award; and grantee staff salaries associated with these administrative costs. Administrative costs also include training for staff who will administer the program or case managers who will serve HSG program participants, as long as this training is directly related to HSG.

Administrative costs *do not* include the costs of providing housing relocation and stabilization services (to include case management) or carrying out eligible data collection and evaluation activities. These costs should be included under one of the other appropriate eligible activity categories.

Ineligible and Prohibited Activities

- Grantee past due taxes
- Grantee late fees
- Repayment of loans from the program participant to the grantee
- Return of utility or security deposits to the grantee not tracked as program income
- Assistance where other resources are available
- Other ineligible and prohibited activities:
 - construction or rehabilitation
 - credit card bills or other consumer debt
 - car repair
 - program participant travel costs
 - medical or dental care and medicines
 - clothing and grooming
 - home furnishings
 - pet care
 - entertainment activities
 - work or education related materials
 - indirect costs
 - cash assistance to program participants
- HSG funds may **not** be used to develop discharge planning programs in mainstream institutions such as hospitals, jails, or prisons.
- Any HSG funds used to support program participants must be issued directly to the appropriate third party, such as the landlord or utility company, and in no case are funds eligible to be issued directly to program participants. If funds are found to be used for ineligible activities as determined by DHCD, the grantee will be required to reimburse these costs to DHCD.
- Program fees (see page 11 limited exception)
- Any fees charged to the program applicant or participant

Other Requirements

Discharge Coordination

Persons who are being imminently discharged into homelessness from such publicly funded institutions are eligible to receive financial assistance or services through HSG as long as they meet the program participant eligibility requirements. HSG grantees must coordinate with these institutions to prevent where possible individuals from becoming homeless.

Referrals must be made where appropriate to the following:

- Homeless prevention provider
- Veterans Administration (VA)
- HOPWA
- Department of Social Services
- Local domestic violence services
- Department of Behavioral Health and Developmental Services
- Other service providers as needed

DUNS Number

All grantees are required to register with Dun and Bradstreet to obtain a DUNS number, if they have not already done so, and complete or renew their registration in the Central Contractor Registration (CCR). For more information see 73 FR23483, April 30, 2008 or go to www.dnb.com.

Compliance with Fair Housing and Civil Rights Laws

(1) Grantees must comply with all applicable fair housing and civil rights requirements in 24 CFR 5.105(a). (2) If the grantee: (a) Has been charged with an ongoing systemic violation of the Fair Housing Act; or (b) Is a defendant in a Fair Housing Act lawsuit filed by the Department of Justice alleging an ongoing pattern or practice of discrimination; or (c) Has received a letter of findings identifying ongoing systemic noncompliance under Title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, or section 109 of the Housing and Community Development Act of 1974, and the charge, lawsuit, or letter of findings referenced in subparagraphs (a), (b), or (c) above has not been resolved before the application deadline, then the grantee is ineligible to apply for HSG funds.

Method of Payment

Grantees will submit request for reimbursements every other month. DHCD anticipates that requests will be submitted through DHCD's online application and project management system or CAMS (Centralized Application and Management System).

DHCD requires that grantee receive funds via electronic transfer. To establish an account go to: Virginia Department of Accounts web site (<http://www.doa.virginia.gov>) and select EDI (Electronic Data Interchange) from the links on the right hand side of the page.

Confidentiality

Each grantee must develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided with assistance. These procedures must minimally assure confidentiality through:

- Locked and restricted access to program participant records
- The use of unique identifiers to protect program participant identity
- Implementation of a board approved confidentiality policy to be signed by all staff and volunteers

Grievance Policy

Any individuals seeking and/or receiving HSG assistance must receive written notification of the grantee's grievance policy. Grievance policies must be board approved and provide specific procedures to be followed for any disputed HSG decision impacting HSG assistance.

Program participants contacting DHCD directly will be referred back to the grantee's grievance policy. The grantee must be prepared to provide documentation of the grievance record for all program participant grievances. DHCD reserves the right to review and approve all HSG grievance policies.

The grantee may terminate assistance to a program participant who violates program requirements. Grantees may resume assistance to a program participant whose assistance was previously terminated. In terminating assistance to a program participant, the grantee must provide a formal process that recognizes the rights of individuals receiving assistance to due process of law. This process, at a minimum, must consist of: (1) Written notice to the program participant containing a clear statement of the reasons for termination; (2) A review of the decision, in which the program participant is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision; and (3) Prompt written notice of the final decision to the program participant.

Recordkeeping

Grantees must keep any records and make any reports (including those pertaining to race, ethnicity, gender, and disability status data) that DHCD may require within the timeframe required. All program and program participant records must be maintained for at minimum of five years. Please note that records include both program records such as the documentation or match requirement, financial records such as bank statements, and program participant records. Please note that copies of cancelled checks or expenses associated with the program participant must also be retained in the program participant record. For more information about documentation requirements please see accounting standards.

Accounting Standards

In addition to establishing a system of accounting sufficient to accurately record and report transactions, adequate source documentation *must* be maintained as support for these transactions. Source documents includes but is not limited to the following:

- Purchase Requisitions
- Purchase Orders
- Contracts
- Contract Invoices
- Bank Statements
- Cancelled Checks
- Draw downs
- Payment Vouchers
- Employee Time Sheets
- Travel Advance Requests
- Travel Reimbursement Vouchers
- Vendor Invoices
- Journal Voucher Entries
- Cash Receipts

All source documents must be coded by a reference number so that a clear trail exists between the books and these documents. Coding could include the check number used to

make the payment, the journal entry in which transaction was recorded or the page number from the cash receipt journal. Purchase order numbers and payment voucher numbers may also be used to provide the necessary audit trail.

Supporting documents can be copies, carbons, or original, but must be sufficient in detail to support the transaction and to justify it as a grant expense and its allowability.

The grantee *must* keep copies of the source documents in the program participant files:

- Copies of invoice, voucher, and pre-numbered check;
- Each piece of paper *must* show client's name and/or address, ledger code and proof of review and approval by the appropriate staff (at least initialed and dated); e.g. Rehabilitation Specialist and Grant Administrator for contractor's rehab work and date of approval; and
- Proof of cancellation; e.g. copy of check's backside, bank statement, or photocopy of check's cancellation.

HSG match must be documented in the same manner. Please see *Match Requirement* on page two.

Internal Controls

The grantee must have appropriate internal controls in place to:

- Safeguard assets;
- Prevent waste, fraud, and mismanagement; and
- Promote efficiency of operations.

Effective Internal Controls to the extent possible must include the following procedures:

- Segregation of duties among employees to prevent one person from having complete control over all phases of any transaction
- Workflow procedures for processing all transactions from one employee to another. This *must* provide for a cross-check of work, but not a duplication of effort
- Rotation of duties among employees to allow for control over any one given phase and ensure that other employees can fill in when a position becomes vacant
- The procedures used should be clearly detailed and documented for all individuals to follow and as an aid in training new employees
- All assets, records, and checks *must* be properly protected through the use of locks, safes, and other measures to ensure security

Monitoring

DHCD is responsible for monitoring all HSG activities carried out by a grantee, to ensure that the program requirements are met. Monitoring can include both programmatic and financial reviews.

HMIS

The HSG grantees are required to report program participant-level data, such as the number of persons served and their demographic information, in a Homeless Management Information System (HMIS) database. HMIS is an electronic data collection system that facilitates the collection of information on persons who are homeless or at risk of becoming homeless that is managed and operated locally. HSG grantees providing financial assistance and services will use the HMIS system in the applicable Continuum of Care to collect data and report on outputs and outcomes as required. The required data elements that will be collected in HMIS for HSG are included in the HMIS Data and Technical Standards.

Please note that domestic violence shelters may, in lieu of HMIS, use a comparable system. Domestic violence shelters are responsible for meeting all HMIS data standards and reporting requirements regardless of the data collection system utilized

Performance Reports

Grantee must be able to track and report HSG activities, program participant data, and spending separately from other activities. Minimum reporting requirements will include quarterly reports, annual reporting, and close out reporting. Grantees will report on outputs, such as the number of persons served and the demographic characteristics of persons served, HSG funds expended by activity type, as well as outcomes related to housing stability. Most reporting elements will be generated from HMIS data. Adherence to required HMIS data standards will be essential to performance reporting.

Conflicts of Interest

No person who is an employee, agent, consultant, officer, board member, volunteer or elected or appointed official of the grantee who participates in decision-making processes may gain personally or have any interest in any assistance, contract, subcontract, or agreement either for himself 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.

Upon the written request of the grantee, DHCD may grant an exception to the restrictions in the paragraph above on a case-by-case basis when it determines that the exception will serve to further the purposes of the HSG program and promote the efficient use of HSG funds. In requesting an exception, the grantee must provide a disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made.

Grantees and any subsidiaries are prohibited from receiving HSG rent payments for a HSG program participant where HSG eligibility and assistance is being reimbursed through the grantee's DHCD HSG agreement.

Property Standards

DHCD is providing a Habitability Standards form that must be completed and included in program participant records in all applicable cases.

Note that the habitability standards are different from the Housing Quality Standards (HQS). Because the HQS criteria are more stringent than the habitability standards, a grantee could use either standard. In contrast to HQS inspections, the habitability standards do not require a certified inspector.

Please note that housing that is occupied by families with children and that was constructed before 1978 - must also comply with Lead Based Paint inspection requirements, per the Lead Based Paint Poisoning Prevention Act. This requirement applies only to units that a family moves into with HSG assistance. This does not apply to existing units.

DHCD is providing a Lead-Based Paint Visual Assessment form that must be completed and included in program participant records in all applicable cases.

Nondiscrimination and Equal Opportunity Requirements

Grantees must comply with all applicable fair housing and civil rights requirements. In addition, grantees must make known that HSG rental assistance and services are available to all on a nondiscriminatory basis and ensure that all citizens have equal access to information about HSG and equal access to the financial assistance and services provided under this program. Among other things, this means that each grantee must take reasonable steps to ensure meaningful access to programs to persons with limited English proficiency (LEP), pursuant to Title VI of the Civil Rights Act of 1964.

This may mean providing language assistance or ensuring that program information is available in the appropriate languages for the geographic area served by the jurisdiction and that limited English proficient persons have meaningful access to HSG assistance.

Affirmatively Furthering Fair Housing

Grantees will have a duty to affirmatively further fair housing opportunities for classes protected under the Fair Housing Act. Protected classes include race, color, national origin, religion, sex, disability, and familial status. Examples of affirmatively furthering fair housing include: (1) marketing the program to all eligible persons, including persons with disabilities and persons with limited English proficiency; (2) making buildings and communications that facilitate applications and service delivery accessible to persons with disabilities (see, for example, HUD's rule on effective communications at 24 CFR 8.6); (3) providing fair housing counseling services or referrals to fair housing agencies; (4) informing participants of how to file a housing discrimination complaint, including providing the toll-free number for the Housing Discrimination Hotline: 1-800-669-9777; and (5) recruiting landlords and service providers in areas that expand housing choice to.

Grantee Reporting Requirements

Reports must be submitted in the given report format that will be supplied to the grantees by DHCD. Timeliness is critical as this data will be aggregated by DHCD for other reporting purposes. Grantees that fail to meet reporting requirements and deadlines are considered in non-compliance. A non-compliance status can impact future grantee reimbursements and

other DHCD funding opportunities. Please note that DHCD anticipates that grantees will be submitting reports through CAMS.

Grantees must assure that data is complete and accurate. Each grantee is expected to enter all program participant data into the HMIS system, complete periodic data quality checks, and work with their local HMIS administrator to assure that complete quality data is submitted to DHCD by the specific due dates.

Application Evaluation Criteria

All applications submitted by the deadline (11:59 P.M. Friday, May 18, 2012) that meet minimum threshold requirements will be reviewed and ranked by an application review panel.

Please note that application must be submitted electronically through DHCD's CAMS system. Organization must be registered in DHCD's online application system, CAMS (Centralized Application and Management System) order to submit an application.

Organizations cannot start an application without an approved organizational registration (profile). Completed applications must be submitted in the system by the deadline above.

Threshold Criteria:

- Eligible applicant
- Eligible activities
- Proposal received on or before deadline

All applications meeting the minimum threshold requirements will be reviewed, scored, and ranked through a panel review process based on the following criteria:

- Need (maximum 25 points)
 - How does the proposed program seek to fill what would otherwise be a gap in homeless services for the proposed area?
 - Is there clearly a demand for the services?
 - How critical is the need for this funding?
- Local Coordination (maximum 25 points)
 - How are the proposed activities coordinated with other activities and funding sources in the service area?
 - To what degree are the proposed activities a part of a local coordinated effort?
 - To what degree will a coordinated or centralized community-based intake system be utilized?
 - Is there a local Ten Year Plan to end homelessness, at what stage is the community in the plan, and how will this proposal further the plan?
 - How will access to mainstream resources be coordinated with the proposed activities?
 - If there are any other homeless service providers or homeless prevention providers in the local area how will you be working with them?
- Approach (maximum 25 points)
 - Brief description of the proposed program including how and when potential program participants will access the program.

- How successful is your organization with serving the target population and providing similar services and assistance?
- How will this program help to quickly re-house homeless households?
- How will you know if your program is successful?
- How will the proposed program support state and federal goals to reduce the number of homeless?

- Capacity (maximum 25 points)
 - How will your organization provide program oversight including the level of board involvement?
 - What is your organization's grants management experience?
 - What is your organization's experience with data collection and reporting?
 - What is your organization's experience with HMIS?
 - How many and what types of findings, concerns, or other compliance issues has your organization had over the past 12 months?
 - To what degree does your organization have written financial policies and procedures?

Proposals must score a minimum of 60 points in order to be eligible to receive funding through this program. Funding offers will be issued based on scores and need for statewide coverage until all funds are committed including provisional funding offers. DHCD reserves the right to make adjustments to HSG requested amounts.

All questions regarding the application should be directed to Nichele Carver at 804-371-7113 or nichele.carver@dhcd.virginia.gov.

DHCD is offering “How to Apply” workshops for prospective grantees. The workshops will review program parameters, application requirements, and the electronic application system. While it is not mandatory, it is highly recommended that all applicants attend.

Roanoke, Monday, April 16, 2012	1:00pm to 3:00pm
Prince William, Monday, April 16, 2012	10:00am to 12:00pm
Abingdon, Tuesday, April 17, 2012	10:00am to 12:00pm
Hampton, Tuesday, April 17, 2012	10:00am to 12:00pm
Richmond, Wednesday, April 18, 2012	1:30pm to 3:30pm

Applicants must go to <https://dmz1.dhcd.virginia.gov/DHCDEvents/default.aspx> to register for the workshops by **Thursday, April 12, 2012**. Workshop details including location information will be provided to registered attendees.

DHCD anticipate announcements of awards by July 1, 2012.

Any updates related to this funding will be posted on DHCD’s website at www.dhcd.virginia.gov . It is incumbent upon the interested parties to check for updates.