



**Office of Rental Development and Homeless Initiatives**

**NOTICE OF FUNDING AVAILABILITY**

**And  
General Guidelines  
For**

**Emergency Solutions Grant Program**

**April through September 2010**

**DUE DATE: February 16, 2010**

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## 2010 Emergency Solutions Grant April 1, 2010 to September 30, 2010

### Timeline for Technical Assistance, Submission, and Reporting

<b>December 4, 2009</b>	Release of Draft NOFA
<b>December 4, 2009 – January 15, 2010</b>	Regional Council Meetings Q&A on Draft NOFA <i>Contact your Regional Representative for further input</i>
<b>January 15, 2010 February 1, 2010</b>	Release of NOFA ESG application available via HALO
<b>January 26, 2010 9:00 to 11:00 January 27, 2010 9:00 to 11:00 January 27, 2010 1:00 to 3:00; and January 28, 2010 9:00 to 11:00</b>	ESG Technical Assistance Webinars for ESG Grantees
<b>February 16, 2010</b>	ESG applications due (via HALO) Exhibit 1- CoC Planning Update due
<b>March 15, 2010</b>	Grants mailed Grant documents must be signed and returned within 45 days
<b>April 1, 2010</b>	Grant start date
<b>September 30, 2010</b>	Grant end date

**Exhibit 1, the Continuum of Care Planning Update**, must be submitted as a complete package per instructions and postmarked by no later than **February 16, 2010**. Failure to submit as instructed may result in a lack of funding to your community. See the CoC Update for further information.

**The Emergency Solutions Grant Attachments** must be submitted as a complete package per instructions. The application package (grant attachments and Exhibit 1) must be received no later than **5:00 p.m. on February 16, 2010**. See the application for further instructions.

**The Emergency Solutions Grant** is due via HALO on **February 16, 2010 by 5:00 p.m.**

# Emergency Solutions Grant Program

## NOTICE OF FUNDING AVAILABILITY 2010

### GENERAL OVERVIEW

#### I. Program Description

The Michigan State Housing Development Authority (MSHDA) will distribute approximately \$3.9 million of MSHDA funds for its Emergency Solution Grant (ESG) Program for an interim **six-month period** beginning April 1, 2010 to September 30, 2010. Since HUD ESG funds will not be available until fall, MSHDA has committed its reserve funds to bridge this funding gap.

This Notice of Funding Availability (NOFA) describes the allocation process through which these funds will be awarded. All 60 of Michigan's Continuum of Care Bodies (CoC's) will be eligible for funding under this program, but only those that submit an acceptable Exhibit 1, Continuum of Care Update, will be awarded funds.

This program offers financial assistance to public and non-profit organizations that are responding to the needs of homeless populations through a comprehensive communitywide planning process and implementation strategy known as a 10-Year Plan to End Homelessness. Recipient non-profit organizations must meet the following eligibility criteria:

- An active/participating member of the local Continuum of Care Body having served the homeless with housing related activities for a minimum of one year for at least one (1) year prior to the application deadline; and be a
- Local units of government; or
- Public and private non-profit agency with at least one year of experience in providing housing related services and/or shelter specifically targeted to homeless persons.

If the applicant is a non-profit organization, it must be incorporated as a public or private non-profit agency in the State of Michigan as of the application date.

Faith-based non-profit organizations are eligible to apply but must comply with rules and restrictions regarding religious institutions established in HUD's governing regulations.

Again, all applicant organizations must have current, direct experience in delivering housing related services to homeless populations.

## **Transitioning from Emergency Shelter Grants to Emergency Solutions Grant – HEARTH Act**

This NOFA prepares communities for the changes introduced in the Homeless Emergency Shelter Rapid Transition to Housing (HEARTH) Act enacted on May 20, 2009. The HEARTH changed the name of the Emergency *Shelter* Grant program to the Emergency *Solutions* Grant and broadened the allowable activities and the definition of homelessness.

In concert with The Campaign to End Homelessness in Michigan, the new ESG program promotes Housing First through prevention and rapid re-housing activities. Therefore, at a regional and community level it is essential for all working with those in poverty and homelessness to recognize the transformation of this federal program from a shelter based program to a Housing First program where prevention and rapid re-housing are required. Also, note that changes outlined in the Emergency *Solutions* Grant continue to transition systems to support the Homelessness Prevention and Rapid Re-housing Program (HPRP).

Since a substantial change to the ESG Program is the ability to provide short to medium term leasing assistance with the funds, MSHDA is *rolling in the Rural Homeless Initiative funding into the Continuum's allocation*. It is the decision of the Continuum of Care to use funds for an existing RHI program or to reallocate the funds.

### **CORE STRATEGIES**

- Transition to the HEARTH Act's Emergency *Solutions* Grant;
- Develop comprehensive community-based prevention systems;
- Promote the long term sustainability of the Homelessness Prevention and Rapid Re-Housing Programs (HPRP) centralized system;
- Embrace Housing First Activities;
- Share best practices across the regions and statewide;
- Collect and analyze data via the Homeless Management Information System;
- Build public support and political will for ending homelessness;

### **EXPECTED OUTCOMES**

- Align with and support local 10-Year Plan to End Homelessness;
- Centralized system providing efficient and effective services to clients;
- Prevent homelessness and rapidly re-house homeless people;
- Increase housing stability/sustainability for those living in poverty and homelessness;
- Reduce the use of shelter bed usage through Housing First;
- Compliance with HMIS Data entry and the ability to use the data for strategic planning (Domestic Violence agencies are exempt from this requirement.);
- Strategize how to best use federal, state, and local dollars to end homelessness based on HMIS data;
- Decrease measurable net costs of homelessness for public systems;
- Work with McKinney-Vento school liaisons to assist homeless families with children in school;
- Share homelessness data with mayors, county officials, schools, and other interested parties.

## **Grant Terms**

Grants will begin on April 1, 2010 and end September 30, 2010. No matching funds are required to receive these funds.

Use of MSHDA funds can be used for HUD/Supportive Housing Program (SHP) as a cash match. Therefore, communities seeking to help local projects address HUD's requirement for matching funds for supportive services, transitional housing operations, permanent supportive housing operations, and HMIS implementation under the McKinney-Vento Supportive Housing Program (SHP) may utilize MSHDA ESG funds to help fulfill these obligations.

## **II. Defining Homeless Persons for Emergency Solutions Grant Funding**

The applicant and its proposed programs or services must serve homeless persons as defined below. The definition of homelessness below is a transitional, less stringent definition than the definition shown in the HEARTH Act with the following exception: MSHDA is requiring file documentation to verify need and homelessness, even if it is self-declaration by the head of household. Therefore, the following statement was deleted from the HEARTH definition: "...and any oral statement from an individual or family seeking homeless assistance that is found to be credible shall be considered credible evidence for purposes of this clause."

To be eligible for this funding, the term homeless, homeless individual and homeless person means:

- An individual or family who lacks a fixed, regular, and adequate nighttime residence;
- An individual or family with a primary nighttime residence that is a public or private place not designated for or ordinarily used as a regular sleeping accommodation for human being, including a car, park, abandoned building, bus or train station, airport, or camping ground;
- An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including hotels and motels paid for by Federal, State, or local government programs for low-income individuals or by charitable organizations, congregate shelters, and transitional housing);
- An individual who resided in a shelter or place not meant for human habitation and who is exiting an institution where he or she temporarily resided;
- An individual or family who:
  - a) Will imminently lose their housing, including housing they own, rent, or live in without paying rent, are sharing with others, and room in hotels or motels not paid for by Federal, State, or local government programs for low-income individuals or by charitable organizations, as evidenced by: (i) a court order resulting from an eviction action that notifies the individual or family that they must leave within 14 days; (ii) the individual or family having a primary nighttime residence that is a room in a hotel or motel and where they lack the resources necessary to reside there for more than 14 days; or (iii) credible evidence indicating that the owner or renter of the housing will not allow the individual or family to stay more than 14 days.
  - b) Has no subsequent residence identified; and
  - c) Lacks the resources or support networks needed to obtain other permanent housing.
- Unaccompanied youth and homeless families with children and youth defined as homeless under other Federal statutes who: have experienced a long term period without living independently in permanent housing, have experienced persistent instability as measured by frequent moves over such period, can be expected to continue in such status for an extended period of time because of chronic disability, chronic physical or mental health conditions, substance addiction, histories of domestic

violence or childhood abuse, the presence of a child or youth with a disability, or multiple barriers to employment.

- Domestic Violence and other Dangerous or Life-Threatening Conditions – Any individual or family who is fleeing, or is attempting to flee domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions in the individual's or family's current housing situation, including the health and safety of children are jeopardized, and who have no other residence and lack the resources or support networks to obtain other permanent housing.

#### **IV. Use of the Funds**

The new Emergency *Solutions* Grant program combines activities from the old Emergency Shelter Grant Program with a new allowable activity, rapid re-housing. Therefore, to ensure systems transformation from sheltering to prevention and rapid re-housing, CoC Body's should meet to determine how their community will embrace the goals of this NOFA and the HEARTH Act since both documents mandate Housing First activities.

**Minimum Funding Levels:** No new ESG funding application for less than \$5,000 will be accepted. In circumstances where a community desires to appropriate under \$5,000 to a local partner, sub-contractual agreements with another ESG grantee will be allowed.

This **NOFA requires CoC Body's to award at least 10% of their allocation to prevention and/or rapid re-housing activities.** In addition, CoC Body's must be mindful that these ESG funds are used for services that are directly related to obtaining or sustaining housing. (See ineligible activities/uses below.) In addition, CoC Body's should be aware that in order to comply with HUD HEARTH Act, the **October** 2010 ESG NOFA will increase the required percent of funds allocated to prevention and/or rapid re-housing activities to **20%** of a CoC's allocation.

The remaining funds can be used for Housing Stabilization Services (formally known as Essential Services), Operating Expenses, Administration Expenses, and Continuum Expenses.

Prevention and Rapid Re-housing activities are limited to households with incomes at or below 40% AMI. Although third party verification is NOT required, the household file must be documented. For example, if a household has rental arrearages and is working, a copy of a pay check stub showing weekly income would be sufficient.

- A. **Financial Assistance** - For CoC Body's to meet the requirement of **10%** of the CoC Body's total grant going towards prevention and/or rapid re-housing, financial assistance is available for persons who are income eligible, have a demonstrated housing crisis, and lack necessary resources. **Funds must be targeted based upon individual screening and assessment, completed via HMIS.** (Domestic Violence agencies are exempt from this requirement.)

**Financial assistance is limited to the following:**

	<b><u>PREVENTION</u></b> <b>(Prevention targets those who are currently housed.)</b>	<b><u>RAPID RE-HOUSING</u></b> <b>(Rapid Re-housing targets those who are homeless.)</b>	<b><u>GUIDANCE</u></b> <b>(Payment always goes to a third party. Lead based paint policy applies to all categories.)</b>
<b>Short Term Leasing Assistance 1-3 Months</b>	Available (Income up to <u>40% AMI</u> ) At quarterly review if the household income exceeds 40% AMI, no further assistance can be provided.)	Available (Income up to <u>40% AMI</u> ) At quarterly review if the household income exceeds 40% AMI, no further assistance can be provided.)	Units cannot exceed MSHDA Payment Standards; Leasing payments must be made directly to landlords; Grantees must maintain verification of need, income, and all other pertinent information as required by HUD and MSHDA in the participant's file;
<b>Medium Term Leasing Assistance 4-6 Months</b>	Available (An additional 3 months is available after short term leasing assistance is exhausted. Income up to <u>40% AMI</u> .)	Available (Income up to <u>40% AMI</u> , <b>and</b> at quarterly review if the household income exceeds <u>40%</u> AMI, no further assistance can be provided.)	Units must meet HQS, and Lead Based Paint requirements. Units cannot exceed MSHDA's Payment Standards. Leasing assistance must be paid directly to landlords. Agencies must do an assessment and prepare a Housing Plan for the household. Where available, participants must be assisted to apply for Tenant Based Rental Assistance, MSHDA's HARP, Project Based vouchers, and other public housing programs.
<b>Rental Arrearages</b>	Available (3 months maximum – only if it prevents an eviction. Income up to <u>40%</u> AMI.)		Participants must be assisted to apply for resources available through the State Emergency Relief (SER) Program administered by DHS, or the participants file must be documented showing them not qualified for SER. Lead Based Paint requirements apply.
<b>Mortgage Arrearages</b>	Available (\$1,500 per household cap on assistance)	Available (Income up to <u>40%</u> AMI.)	Participants must demonstrate that they can make future payments on their own.
<b>Security Deposits</b>		Available (Cannot exceed one month's rent)	Participants must be assisted to apply for resources available through the SER

			Program administered by DHS, or the participants file must be documented showing them not qualified for SER. Lead Based Paint requirement applies.
<b>Utility Payments &amp; Utility Arrearages</b>	Available (\$1,500 per household Maximum. and income up to <u>40%</u> AMI.)	Available (\$1,500 per household maximum, and income up to <u>40%</u> AMI.))	Participants must be assisted to apply for resources available through the SER Program administered by DHS, or the participants file must be documented showing them not qualified for SER.
<b>Housing Quality Standards (HQS) Requirement</b>	N/A (However, a home visit to assure the property is safe and sanitary is recommended)	Required	Lead Based Paint requirement apply to <b>both</b> prevention and rapid re-housing.
<b>Lead Based Paint Inspection</b>	Required if the household has a child under the age of 6 and if the property was built prior to 1978.	Required if the household has a child under the age of 6 and if the property was built prior to 1978.	

B. **Housing Stabilization Services** - previously known as essential services. Payment for these services cannot be counted or included in meeting the 10% Financial Assistance requirement for prevention and/or rapid re-housing.

Funds must be used to create and implement a comprehensive, easily accessible service and housing response system that addresses the needs of those who are homeless or at serious risk of homelessness.

Eligible activities include:

- Housing Resource Specialists to provide housing case management services that include arranging, coordinating, linking and monitoring the delivery services that assist participants to obtain and sustain housing stability.
- Monitoring program participant progress.
- Assuring that the rights of participants are protected.
- Development of individualized Housing Plans for each program participant.
- Housing search and placement activities designed to assist participants in locating, obtaining and retaining housing which may include credit counseling, when needed.
- Costs associated with completing Housing Quality Standard (HQS) inspections and determining payment standards, if leasing assistance is provided.

C. **Operating Expenses** are expenses associated with the operation of a shelter, transitional housing, or related service facility, including (but not limited to):

- Insurance
- Rent
- Food
- Utilities

- Telephone/cell phone service
- Internet expense
- Furnishings
- Office/computer equipment
- Agency vehicles
- Staff transportation
- Maintenance and repair of facilities
- Security

D. **Administrative Expenses** are limited to ten percent (10%) of the total grant amount. Eligible expenses include accounting for use of grant funds;

E. **Continuum of Care Coordinating Expenses** Only one Continuum Coordinating grant per Continuum of Care body will be considered. The applicant can be any public or private non-profit agency participating in the Continuum of Care planning process and designated by the Continuum as the applicant for these purposes.

Funds can be used for expenses associated with Continuum of Care coordinating activities. This might include costs of:

- Printing and postage;
- Support for consumer participation in the Continuum process;
- Meeting, planning, or coordinating costs at the CoC or Regional Level;
- Participation in regional events, meetings and/or
- Time and fringes of a coordinating staff role are also eligible at a CoC or Regional Level.

#### **Continuum Expected Outcomes:**

- Develop short- and long-term goals to accomplish your 10-Year Plan to end homelessness;
- Develop strategies and action steps to accomplish your goals;
- Reassess goal accomplishment on an annual basis;
- Monitor and evaluate the activities and outcomes of ESG funded projects to determine whether projects funded in your community are: (1) performing satisfactorily, and (2) effectively addressing the needs which they were designed.
- Inventory mainstream resources and link gaps to possible resources;
- Work with communities in your **region** to communicate and understand federal and state regulations related to ending homelessness;
- Share ideas and best practices within your **region** and across the state.

CoC Body's are required to send all meeting minutes, notices, agendas, to your MSHDA Homeless Assistant Specialist. Collaboration is required with the CoC Specialist to accomplish this.

#### **F. Ineligible Activities**

ESG funds cannot be used to expand the number of shelter beds in an existing shelter or supplant existing mainstream resources. Payments can only be made to third parties, such as landlords or utility companies; payments cannot be made to program participants. In addition, an assisted property may **not** be owned by the grantee, sub-grantee, or the parent subsidiary or affiliated organization of the sub-grantee.

Other ineligible activities include:

- Hotel/Motel Vouchers

- Rental assistance payments 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
- Moving Expenses (Funding for this activity is available through State Emergency Relief - SER)
- Furniture (Grantees are encouraged to use existing community sources)
- Pet Care and/or Pet Deposits
- Credit card bills or other consumer debt
- Car repair
- Medical or dental care and medicines
- Clothing and grooming
- Entertainment activities
- Work or education related materials, including literacy classes
- Cash assistance to program participants
- Development of discharge planning programs in mainstream institutions such as hospitals, nursing homes, jails, or prisons. (However, persons who are being imminently discharged into homelessness from such public funded institutions are eligible to receive financial assistance through ESG)
- Payment of licenses, certifications, and general classes

## **VI. Exhibit 1: CoC Update**

### **Exhibit 1: CoC Update is due by February 16, 2010**

As in previous ESG NOFA's the CoC can:

- Recommend one or multiple agencies that apply for funding via HALO based on the recommendation of the CoC.

#### However - Effective October 1, 2010:

It is important that CoC Body's understand that the October 2010 ESG NOFA will require a single ESG Lead agency, one fiduciary agency similar to HPRP, who will oversee the communities funds, i.e. MSHDA will only fund one agency per CoC who will be the grant fiduciary. CoC Body's may choose the HPRP Lead Agency as the ESG Lead Agency or select a different agency. In addition, a minimum 20% of the CoC Body's allocation must be dedicated to prevention and re-housing activities effective October 2010.

By not requiring this change until October, communities will have the time necessary to strategically plan for this change, to assess the undertakings of member agencies, to revisit their 10-Year Plan to End Homelessness, and to select a lead ESG agency with the capacity necessary to serve in this role for the upcoming year.

**Exhibit 1 must be mailed in ONE envelope and are due by 5:00 p.m. on February 16, 2010. Faxed or e-mail copies will NOT be accepted.**

**Mail to:**

**Juliann Kline  
MSHDA, Rental Development & Homeless Initiatives  
PO Box 30044  
Lansing, MI 48909**

## **VII. How Agencies can Apply for the ESG Funds**

### **ESG Applications (Via HALO) due by February 16, 2010**

Each agency applying for ESG funding must submit their own Program Application directly on HALO - in accordance with recommendations determined through the local Continuum of Care process. This application asks each program to describe the eligible activities and budgeted expenses that are being proposed. It also serves as the basis for the contract between MSHDA and each funded organization. Agencies may only submit requests in the amount recommended by their local Continuum of Care.

All April – September 2010 ESG applications and the attachments below must be submitted by the Agency's Authorized Official electronically on MSHDA's HALO system.

#### **A. Certification of Basic Standards for Emergency Shelters and Transitional Housing:**

All organizations receiving ESG funds must abide by established emergency shelter and transitional housing standards that pertain to personnel, facilities, food service, health, and operations issues. Monitoring by MSHDA staff will include review of compliance with these basic standards, and funding may be withheld or withdrawn for failure to comply. Each applicant agency must submit a certification of compliance with these basic standards (Program Application in HALO; Attachment II-B).

#### **B. Certification of Compliance with Administrative Standards**

All programs receiving ESG funding must abide by established HUD and MSHDA administrative regulations. These include fair housing, lead safety, equal opportunity, drug-free workplace, and HMIS obligations. Each applicant must submit a certification of compliance with these administrative rules.  
(Program Application on HALO; Attachment II-C)

**Mail your agency's documents in one envelope. The due date is February 16, 2010 at 5:00 p.m. Faxed or e-mail copies will NOT be accepted.**

- **All organizational documents required to be resubmitted and they cannot be uploaded and sent electronically.**

**Mail To:  
Juliann Kline  
MSHDA, Rental Development & Homeless Initiatives  
PO Box 30044  
Lansing, MI 48909**