



MISSOURI DEPARTMENT OF SOCIAL SERVICES
FAMILY SUPPORT DIVISION
PO BOX 2320
JEFFERSON CITY, MO 65102-2320

FFY 2009 EMERGENCY SHELTER GRANT PROGRAM PROCEDURES

I. GENERAL:

The Department of Social Services, through the Family Support Division, expects to distribute \$1,424,770, the State of Missouri's share of the Emergency Shelter Grant Program (ESGP) funds as authorized by Subtitle B of Title IV of the Stewart B. McKinney Homeless Assistance Act, as amended. **Distribution is contingent upon HUD's official release of anticipated allocation.** A PDF version of the Application and an Excel version of the Cost Summary page are available on http://www.dss.mo.gov/pr_family.htm by clicking on the link for Emergency Shelter Grant Program.

Applications will only be accepted and considered from city and county governments. They, in turn, may use the funds to contract with local qualified nonprofit organizations to meet the service need of the community related to the homeless. The State takes the position that joining with local governments in administering this program will further ensure accountability and efficiency in service delivery. It is important to answer all application questions as completely as possible. An ESGP Committee has been named which will review applications regarding eligibility and level of funding for each applicant. The following criteria will be considered in arriving at final grant awards.

- A. Need: Projected homeless population in the community and the number of known homeless individuals and families in the community receiving assistance from local service providers.
- B. Cost Effectiveness: Review the cost of providing services per individual served.
- C. Support Programs: Review of the type, amount, quality and scope of essential support services provided. Strong consideration will be given to programs designed to prevent the occurrence of homelessness.
- D. Professional Capacity of Service Agencies: Review of the professional status of the service organizations contracting with local government grantees to administer the ESG Program. Consideration will be given to educational background, program related experience of their staff, and general program effectiveness. Strong consideration will be given to applicants who contract with service providers who, as part of their

support service program, employ homeless individuals or families in the operations of the shelter.

Attention will be given both to applicants who provide services to the homeless through established organizations and to those who propose to develop new programs designed to fill gaps in the present service delivery system. All grants will be made by the Director of the Family Support Division who will provide notification by an award letter, which will serve to obligate Emergency Shelter Grant funds for the State.

II. TIME FRAME: To the best of its ability, the State will follow the time frame below in planning activities:

State Consolidated Application submitted to HUD	<u>February 1, 2009</u>
State Consolidated Application approved by HUD	<u>April 1, 2009</u>
Deadline for local governments to submit applications to the State	<u>April 24, 2009</u>
Grant Awards made by State - on or before	<u>June 1, 2009</u>

(HUD Consolidated Plan program year always begins April 1st. Expenses may be claimed retroactive to April 1, 2009, unless HUD issues a change in current policy.)

III. REQUIREMENTS:

Obligation of Funds: If a city or county fails to obligate funds within 180 days after the State makes the grant available, the State will recapture any grant amounts that a local government does not obligate. These funds will be made available to other units of local governments that have submitted an application that was rated under Part I of this plan. A local government will have its funds obligated when it has placed orders, awarded contracts, received services, or entered similar transactions with local eligible non-profit service provider organization(s) which require payment from the grant amount.

Proposal Requests: At time of submitting proposals to the state, the total maximum request cannot exceed \$75,000 or be less than \$7,500 per grantee (city/county entity) ESGP entitlement communities' total awards will be limited to \$50,000 each.

Multiple Requests: Not for profit agencies who serve a multiple county service area may only submit one application to provide services through the city/county government entity where the services will be provided. If the intent is to request funding so that services can be provided to other geographic areas, a letter of support from those governmental entities must be included.

Outcome Performance System: On June 10, 2005, HUD published (70 FR 34044) a Notice in the Federal Register titled, "Notice of Proposed Performance Measurement System for Community Planning Development Formula Grant Programs; Request for Comments." The Notice described a proposed outcome performance measurement system for grantees that receive funding from the Community Development Block Grant (CDBG), HOME Investment Partnerships program (HOME), Emergency Shelter Grant Program (ESGP), and the Housing Opportunities for Persons with AIDS Program (HOPWA). The June 10, 2005, Notice described the proposed system and solicited comments from the public, particularly from formula program grantees, on the proposed performance measurement system. On March 7, 2006, HUD's CPD office published (FR-497-N-02) a

Final Notice to discuss and address the comments, incorporate appropriate changes and officially establish the outcome performance system. The Family Support Division used FY 2006 as a transition period to the new outcome performance system.

Homeless Management Information System: Changes in HUD policy and OMB Standards require more specific data on the population being served. HUD has published the Federal Register, Homeless Management Information Systems (HMIS): Data and Technical Standards Final Notice effective July 2004, and Clarification and Additional Guidance on Special Provisions for Domestic Violence Provider Shelters effective August 30, 2004. ESGP applicants must enroll in an HMIS to be eligible to receive ESGP funds. HUD is making ESG funds available for the costs of implementing and operating an HMIS. These costs may be considered an eligible activity as an essential service, operation, or administration expense under the ESG Program. ESG funds may NOT be used for planning costs. Each Continuum of Care must utilize a Homeless Management Information System (HMIS). The State Continuum of Care utilizes the **Homeless Missourians Information System** to satisfy this HUD requirement. The Homeless Missourians Information System includes a report that will provide all the data for the required ESG Data Collection Survey. Please consult the website below for more information:

<http://www.masw.org/HMIS/index.php>

IV. NON-PROFIT RECIPIENTS:

Units of general local government may distribute part or all of their grant amounts to non-profit recipients to be used for emergency shelter activities. An eligible private non-profit organization may be a religious or secular organization. The non-profit organization must be a tax exempt organization as described in Section 501(c)(3) of the Internal Revenue Code of 1988 which (a) is exempt from taxation under Subtitle A of the Code, (b) has an accounting system and voluntary board, and (c) practices non-discrimination in the provision of services. **A copy of each non profit's tax exempt status under 501(c)(3) by the IRS must be included with the application.** An organization practices non-discrimination in the provision of assistance if the following conditions are met.

- A. "The public services provided are exclusively non-religious in nature and scope."
- B. "There is no religious proselytizing, instruction, or any other religious influences in connection with the public services."
- C. "There is no religious discrimination in terms of employment or benefits under the public services."
- D. "That Emergency Shelter Grant funds are used only for the provision of public services and not for the construction, rehabilitation or restoration of any facility owned by a religious organization where services are to be provided, except as provided in the 24 CFR 576.23. A narrow exception to this prohibition is that minor repairs may be made where such repairs are directly related to the public services."
- E. "Terms incorporating the above conditions are set out in an agreement between the non-profit organization and the unit of general local government."

- F. The non-profit organization has not discriminated in past benefits provided, employment, or subcontracts awarded on the basis of race, religion, sex, or national origin of the homeless persons, employees, or business owners.

V. ELIGIBLE ACTIVITIES:

- A. Eligible Activities: Emergency Shelter Grant amounts will be used for one or more of the following activities relating to emergency shelter for the homeless:
1. Renovation, major rehabilitation, or conversion of buildings for use as emergency shelters for the homeless;
 2. Payment of maintenance, and operations (including rent, property insurance, utilities, furnishings, client's emergency motel/hotel lodging, food, and implementing or operating a Homeless Management Information System, HMIS). In addition, the Housing and Community Development Act of 1998 Section 1402(e) (Public Law 102-550, approved October 28, 1992) amended Section 414(a)(3) to allow 10 percent of ESG allocation to be spent on staff costs of operations related to emergency shelter. The statute also requires you to involve, to the maximum extent practicable, homeless individuals and families assisted under the ESG Program, in providing services for occupants of these facilities (U.S.C. 1137(c)(7), as added by Section 1402(b) of the Housing and Community Development Act of 1992.
 3. Provision of essential services, including (but not limited to) services concerned with employment, health, substance abuse, education, and childcare. All essential services provided must be a new service or quantifiable increase over the level of a service above that which the unit of general local government provided during the 12 calendar months immediately before it received the grant amounts. Additionally, funding provided for costs associated with transitioning homeless individuals or families to permanent housing should be described as essential services, not prevention.
 4. Homeless prevention means activities or programs designed to prevent the incidence of homelessness including but not limited to: (a) short-term subsidies to defray rent and utility arrearages for families that have received eviction or utility termination notices; (b) security deposits or first month's rent to permit a homeless family to move into its own apartment; (c) mediation programs for landlord-tenant disputes; (d) legal services programs for the representation of indigent tenants in eviction proceedings; (e) payments to prevent foreclosure on a home; and (f) other innovative programs and activities designed to prevent the incidence of homelessness. In accordance with 42 U.S.C. 11374(a)(4), the following criteria must be met and documented in order to qualify as prevention efforts. Allowable circumstances include:
 - The inability of the family to make the required payments due to a sudden reduction in income;

- The assistance is necessary to avoid the eviction or termination of services;
- There is a reasonable prospect that the family will be able to resume payments within a reasonable period of time; and
- The assistance will not supplant funding for preexisting homeless prevention activities from other sources.

Not more than 30 percent of the aggregate amount of all assistance to a State or local government under this subtitle may be used for activities under the above criteria.

5. Administration costs incurred by local government (but not the subgrantee) in administering their Emergency Shelter Grant Program. This amount is limited to no more than 2% of the ESGP award to the local government.

B. **INELIGIBLE ACTIVITIES:** Emergency Shelter Grant amounts will not be used for activities other than those authorized under paragraph (A) of this section. For example, grant amounts may not be used for:

1. Acquisition of an emergency shelter for the homeless;
2. Rehabilitation services, such as preparation of work specification, loan processing or inspections; and
3. HMIS planning costs.

Section 1402(d) Housing and Community Development Act of 1992 amends Section 415 of the Stewart B. McKinney Homeless Assistance Act by adding a subsection that requires termination of assistance to any individual or family be in accordance with a formal process established by the recipient. This addition to the statute states: "If an individual or family who receives assistance... from a recipient violates program requirements, the recipient may terminate assistance in accordance with a formal process established by the recipient that recognizes the rights of individuals affected, which may include a hearing."

To learn more about the federal laws, regulations, and program procedures that apply to the ESG Program, please review the ESG Program Desk Guide at:

<http://hudhre.info/index.cfm?do=viewEsgDeskguide>

VI. **MATCHING FUNDS:**

Each local government must supplement its Emergency Shelter Grant with an equal amount of funds from sources other than the Emergency Shelter Grant Program. These funds must be provided after the date of the grant award to the local government. A local government may comply with this requirement by providing the supplemental funds itself or through supplemental funds provided by any local subgrantee (as appropriate). The amount and source of any matching funds or services must be stated in the certification section of the application to the State. Matching funds may include the following:

- A. The value of any donated materials or building. The value of a building means the monetary value assigned to the building by an independent real estate appraiser.

- B. The value of any lease on a building.
- C. Any salary paid to staff of the grantee or to any non-profit recipient in carrying out the emergency shelter program.
- D. The time and services of volunteers used to carry out the emergency shelter program, determined at the rate of \$6.55 per hour, April 1, 2009 thru July 23, 2009, and beginning July 24, 2009, \$7.25 per hour.
- E. Any other match may be submitted by the local government (**exception: Kansas City, St. Louis City and St. Louis County cannot use emergency shelter ENTITLEMENT funds to meet their match**).
- F. Federal law eliminates the match requirement in the Emergency Shelter Grant Program for the first \$100,000 of a State grant, and requires that this benefit be passed on to local governments, agencies, and local non-profit organizations "least capable of providing the State with such matching amounts." Applicants wishing to be considered for this benefit should provide in their application a summary of the basis of their request which describes special circumstances or hardships that would be created in meeting the dollar-for-dollar match requirement and why they should be considered for a waiver of that level of match. Exception to meeting the matching funds requirement on a dollar-for-dollar basis can only be made with approval of the State.

VII. USE AS AN EMERGENCY SHELTER:

For projects that receive funding for essential services or maintenance or operations, a building must be used as a shelter for the full period during which the service is provided. If funding is granted under the categories of operations or essential services, a shelter site may change locations so long as the new site would continue to provide services specified as an approved activity and would essentially serve the same population.

- A. In the case of a building that was not operated as an emergency shelter for the homeless prior to receipt of the grant amounts, time will start on the date of initial occupancy as an emergency shelter for the homeless.
- B. If a building was operated as an emergency shelter prior to receipt of the grant amounts, on the date that grant amounts are first obligated on the shelter.

Local government applicants must explain how they will ensure that a building will be maintained as a shelter for the homeless in their application.

Local government applicants must explain how homeless individuals will be given assistance in obtaining:

- A. Appropriate supportive services, including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living; and
- B. Other federal, state, and private assistance available to such individuals.

VIII. ADMINISTRATION AND AUDITING:

Local governments will be responsible for ensuring that all grant amounts are administered in accordance with the requirements of all applicable laws and regulations.

Each local government will also be responsible for an annual audit at its own expense. This can be incorporated into the regular annual audit of the local government providing it meets federal audit requirements of OMB Circular A-133 and 24 CFR 44.

Revisions of OMB Circular A-133 published June 27, 2003, increase the threshold for audit from \$300,000 to \$500,000. The final revisions are effective for fiscal years ending after December 31, 2003.

Grant recipients who expend \$500,000 or more in Federal funds during their fiscal year should submit a data collection form and reporting package to the OMB Federal Audit Clearinghouse (FAC). This information must be submitted to the FAC within the earlier of:

- (1) 30 days of receipt of the audit report or
- (2) Nine months after the end of the audit period.

The information from the data collection form is entered into the FAC by the recipient and/or the auditor. In addition, copies of the audits only need to be sent to the cognizant or oversight agency, as designated by the FAC, and to any Federal agency when a finding has been issued, only when findings exist. Local governments are no longer required to send a copy of their audit to the ESG office as audits will be reviewed through the Federal Audit Clearinghouse.

Local governments are responsible for ensuring that the organization(s) contracting to provide services for them under this program are in compliance with Federal Regulation 24 CFR Part 576 as well as the audit requirement of OMB Circular A-110, A-122 and A-133.

IX. PAYMENTS:

Reimbursement payments will be made to local governments upon their request and completion of the State reimbursement form MO 886-2260. Local governments may request a working capital advance for 30 day's cash needs or \$5,000, whichever is greater. If a local government requests a working capital advance, it must base the request on a realistic, firm estimate of the amounts required to be disbursed over 30-day period in payment of eligible activity costs. The request for a working capital advance should be made by letter from the local government.

X. PERFORMANCE REPORTS:

Local governments will be required to submit performance reports to the State according to the following schedule:

- A. Performance reports must be submitted to the State at least twice during the grant period. The content of the reports will include the amounts of funds obligated and expended for each of the five categories of activities listed in Section IV (A), Eligible Activities, of this Plan. It will also include a report on bed capacity, number of homeless served, type of people served, and general comments relative to the services provided.

XI. RECORD KEEPING:

All State grantees (general local governments and organizations providing ESGP services) will be required to keep records showing compliance with their grant agreement and all applicable laws and regulations governing the Emergency Shelter Grant Program. Such records shall be made available to designated State officials monitoring and providing technical assistance to local governments. Such records will include but not be limited to invoices/receipts, canceled checks, and documentation from the service provider of their in-kind match for each reimbursement request.

XII. CONFIDENTIALITY:

Section 832 of the Cranston-Gonzalez National Affordable Housing Act requires that grantees develop procedures to ensure confidentiality of victims of family violence.

XIII. SANCTIONS:

If the State determines that a local government is not complying with requirements of the Emergency Shelter Grant Program or other State and federal requirements, the State may take any of the following actions, as appropriate:

1. Issue a warning letter;
2. Condition a future grant;
3. Direct the local government to stop incurring costs with grant amounts;
4. Require the return of some grant amounts;
5. Reduce (deobligate) the level of funds the local government would otherwise be entitled to receive; or
6. Elect to make the grantee ineligible for future grants.

The State will reallocate any amounts deobligated to other State grantees (general local governments) or applicants according to the original priorities established according to provisions of 24 CFR 576.55 (c)(2) of the Emergency Shelter Grant Program.