

# Emergency Solutions Grants (ESG) Application Information Packet

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July 17, 2018

North Carolina Department of Health and Human Services  
Division of Aging and Adult Services

**Please note that funding of applications submitted in response to this Request for Applications is contingent upon the State receiving funds from the US Dept. of Housing and Urban Development (HUD).**

**Applications must be received by the ESG Office no later than Friday October 26, 2018 at 5pm**

Application Overview and Tutorials are available by following the links below. These links will be active beginning July 30, 2018 until Friday October 26, 2018 at 5pm:

**Project Application Overview:**

<https://attendee.gotowebinar.com/register/1652432228301298689>

**Regional Lead and Fiscal Sponsor Application Overview**

<https://attendee.gotowebinar.com/register/2717405996825470465>

**All program and application information is subject to change if HUD provides additional guidance on the ESG program.**



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**  
Division of Aging and  
Adult Services



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## Section I. General Information

### Purpose

The purpose of the ESG Program is to:

- Provide assistance to rapidly re-house persons who are currently homeless
- Assist in meeting the costs of operating emergency shelters
- Restrict the increase of homelessness through the provision of preventive programs and activities

The North Carolina Department of Health and Human Services (DHHS) will administer North Carolina's non-entitlement ESG fund. This application corresponds to federal fiscal year 2018 funds.

The ESG program is intended to assist people in preventing or ending their homelessness by supporting two primary functions: Emergency Response Activities, including emergency shelter operations and services as well as street outreach, and Housing Stability Activities including homelessness prevention and rapid re-housing.

### Program Components

Agencies participating in the ESG program and/or receiving ESG funds, are eligible to perform activities under the components outlined below:

#### Street Outreach

- Meet the immediate needs of unsheltered homeless people by connecting them with emergency shelter, housing, and/or critical health services. (See Street Outreach section for eligible activities)

#### Emergency Shelter

- Intended to increase the quantity and quality of temporary emergency shelters provided to homeless people by supporting the shelters operating expenses and essential services. (See Emergency Shelter section for eligible activities)

#### Rapid Re-housing

- Move homeless people individuals and families quickly into permanent housing through rental assistance and housing relocation and stabilization services. (See Rapid Rehousing section for eligible activities)

#### Homelessness Prevention

- Prevent households from becoming homeless through rental assistance, and housing relocation and stabilization services. (See Homeless Prevention section for eligible activities)

#### NC HMIS / Domestic Violence / Victim Service Provider Comparable Database

- Support ESG Subrecipients participation in the NC HMIS / or DV comparable database collection system. Federal law requires that Domestic Violence / Victim Service Provider agencies use Systems Comparable to HMIS rather than the HMIS used by other homeless agencies.

## Federal and State ESG Requirements

It is the responsibility of each applicant applying for ESG funding to become familiar with the HUD ESG regulations (Federal register Vol. 76, No. 233, Dated Monday, December 5, 2011). These regulations can be found on the HUD Exchange web site at <https://www.hudexchange.info/resource/1927/hearth-esg-program-and-consolidated-plan-conforming-amendments/>

In addition to Federal regulations, applicants must familiarize themselves with the State ESG guidelines including Core Practices and Performance Standards, RFA and application materials, which can be found at <https://www.ncdhhs.gov/nc-emergency-solutions-grant> consolidated plan <https://www.nccommerce.com/ruraldevelopment/state-cdbq/consolidated-plan>

## Conflict of Interest

A conflict of interest could arise from a range of factors including our personal relationships, our employment, our membership in special interest groups, or our ownership of shares, companies, or property. Having a conflict of interest is not unusual and it is not wrongdoing in itself. However, failing to disclose and manage a conflict appropriately is likely to be considered a wrongdoing and therefore, have a negative impact on an organization.

The subrecipient must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the subrecipient may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, the subrecipient may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the subrecipient.

If the subrecipient has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the subrecipient must maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest mean that because of relationships with a parent company, affiliate, or subsidiary organization, the subrecipient is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.

## HUD Procedure for Individual Conflicts of Interest Conflicts Prohibited

No persons (as described in persons covered) who exercise or have exercised any functions or responsibilities with respect to ESG activities or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have an interest or

benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds there under, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter 24 CFR 576.404.

### **Persons Covered**

Conflict of interest provisions applies to any person who is an employee, agent, volunteer, consultant, officer, elected official or appointed official of:

- the State and/or,
- a unit of general local government and/or,
- any designated public agencies representative and/or
- subrecipients receiving ESG funds.

### **General Requirements**

The North Carolina ESG Program (NC ESG) is administered under the provisions of the HUD regulations at 24 CFR Part 576, as well as the agency's executed grant agreement, and the 2018 ESG Desk Guide and ESG Eligible Expense Guide. Subrecipients should review all HUD ESG program requirements. Additional resources and links for the Subrecipients to ESG laws, regulations, tools and notices can be found at:

<https://www.hudexchange.info/programs/esg/>

NC ESG has flexibility in certain areas of administering the ESG Program and may establish more detailed requirements than those required by HUD. All Subrecipients are expected to use ESG funds in accordance with the grant regulations contained in 24 CFR Parts 91 and 576 and in compliance with OMB Circular A-200.500 24 CFR 200. Where there are differences, Subrecipients should comply with NC ESG's requirements according to its grant agreement and ESG Desk Guide and ESG Eligible Expense Guide.

Any organization applying for ESG funds must be fully operational by January 1, 2019 and able to expend funds. New organizations are required to attend the trainings provided by the ESG Office on Performance Standards, the Requisition Process and Client Files.

### **Coordinated Entry Assessment**

HUD requires that all Local Planning Areas have a Coordinated Assessment system that all projects and agencies, who serve homeless persons, utilize. This is to be utilized by all types of programs that would include: Safe Havens, Day Shelters, Emergency Shelters, Transitional Housing, Rapid Rehousing, ESG Homeless Prevention, Permanent Supportive Housing and Shelter Plus Care Programs Legacy projects.

### **Coordination with Other Targeted Homeless Services**

Subrecipients should coordinate and integrate ESG activities with mainstream housing, health, social services, employment, education, and youth programs, as well as programs targeted to homeless people in its service area to provide a strategic, community-wide system to prevent and end homelessness. (Refer to the ESG regulations 24 CFR 576.400(b)(c), for a full list of these programs.)

## **Data Collection**

Grantees will use a Homeless Management Information System (HMIS), to ensure that all data needed for program evaluation and required reports is available for integration in a timely manner. Failure to do so may result in suspension of funding or payback of ESG funds. Agencies that are exempt from the HMIS participation requirement (i.e. Domestic Violence / Victim Service Provider agencies) must meet the same reporting requirements using a comparable HMIS that produces electronic reports including, but not limited to, the Consolidated Annual Performance Evaluation Report (CAPER), as well as other data requests for all State and Federal reporting and evaluations.

HMIS Comparable Database, an information management system that contains the same client and program data elements that are contained in the statewide HMIS. Federal law requires that Domestic Violence / Victim Service Provider agencies use Systems Comparable to HMIS rather than the HMIS used by other homeless agencies. Please note that all Domestic Violence / Victim Service Providers funded by the FY 2018-19 NC ESG Program must have a comparable database that collects all HUD mandated Universal Data Elements (UDE) and produces electronic reports including but not limited to the CAPER.

## **Environmental Review**

An environmental review is the process of reviewing a project and its potential environmental impacts to determine whether it complies with the National Environmental Policy Act (NEPA) and related laws and authorities. All HUD-assisted projects are required to undergo an environmental review to evaluate environmental impacts. The analysis includes both how the project can affect the environment and how the environment can affect the project, site, and end users. An environmental review must be performed before any funds, regardless of source, are committed to a project. Applicant must agree to complete the required Environmental Review form, provided by the ESG Office, prior to contract execution.

## **Violence Against Women Reauthorization Act of 2013 (“VAWA”)**

On November 16, 2016 the U.S. Department of Housing and Urban Development published the Violence Against Women Act (VAWA) final rule regarding housing protections for victims of domestic violence, dating violence, sexual assault, or stalking (Federal Register Document #2016-25888). This final rule prohibits an applicant for assistance or tenant assisted with ESG from being denied assistance under, denied admission to, terminated from participation in, or evicted from housing on the basis or as a direct result of the fact that the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault or stalking, so long as the applicant otherwise qualifies for admission, assistance, participation or occupation (24 CFR 5.2005 (b)(1)).

In addition, the VAWA Final Rule requires that each housing provider produce a detailed emergency transfer plan, which ensures that a tenant receiving rental assistance through or residing in a unit subsidized under an ESG housing program who is a victim of domestic violence, dating violence, sexual assault, or stalking qualifies for an emergency transfer within the criteria stated in 24 CFR 5.2005 (e)(2). All ESG housing providers must maintain records on emergency transfers requested under 24 CFR 5.2005(e). Data must include the outcomes of each request and must be provided to the NC ESG Office upon request.

## **Limited English Proficiency/Language Access Plan**

All programs and operations of entities that receive financial assistance from the federal government, including but not limited to state agencies, local agencies and for-profit and non-profit entities, must comply with the Title VI requirements. A listing of most, but not necessarily all, HUD programs that are federally assisted may be found at the "List of Federally Assisted Programs" published in the Federal Register on November 24, 2004 (69 FR 68700).

Federally assisted recipients are required to make reasonable efforts to provide language assistance to ensure meaningful access for LEP persons to the recipient's programs and activities.

### ESG Program Contacts

Please direct all questions and concerns to the ESG Homeless Programs Coordinators.

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| <p><b>Kim Crawford</b><br/>         ESG Homeless Programs Coordinator<br/>         Division of Aging and Adult Services<br/>         North Carolina Department of Health and Human Services<br/>         919-855-4991 office<br/>         919-733-5993 fax<br/> <a href="mailto:Kim.Crawford@dhhs.nc.gov">Kim.Crawford@dhhs.nc.gov</a><br/>         2101 Mail Service Center<br/>         Raleigh, NC 27699-2101</p> | <p><b>Chris Battle</b><br/>         ESG Homeless Programs Coordinator<br/>         Division of Aging and Adult Services<br/>         North Carolina Department of Health and Human Services<br/>         919-855-4984 office<br/>         919-733-5993 fax<br/> <a href="mailto:Chris.battle@dhhs.nc.gov">Chris.battle@dhhs.nc.gov</a><br/>         2101 Mail Service Center<br/>         Raleigh, NC 27699-2101</p> |
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### ESG Timeline

|                                     |   |
|-------------------------------------|---|
| <b>September 17, 2018</b>           | Fiscal Sponsor Application Due                |
| <b>September 24, 2018</b>           | Fiscal Sponsor Notified of Decision           |
| <b>October 26, 2018</b>             | Application Due from LPAs                     |
| <b>October 29- November 9, 2018</b> | Application Review                            |
| <b>November 26, 2018</b>            | Funding Decisions Announced                   |
| <b>December 7, 2018</b>             | Agency's intent to appeal Due                 |
| <b>December 14, 2018</b>            | Appeals & Special Consideration Materials Due |
| <b>December 21, 2018</b>            | Fiscal Sponsor Contracts                      |
| <b>January 4, 2019</b>              | Appeals Answered                              |
| <b>January 4, 2019</b>              | Contracts Sent Out                            |

## Definitions

Administration -The federally approved planning and grant execution of ESG activities:

- General management, oversight, and coordination
- Training on ESG requirements
- Consolidated Plan

Activities - Actions by sub-recipients using ESG dollars or match dollars to serve persons who are homeless or at risk of becoming homeless. ESG funds and match funds can only be used for activities deemed eligible by the State and HUD. Activities that are ineligible for ESG funds must be paid with other non-ESG sources.

Area Median Income (AMI) – The income amount of the household for whom half of the community has more income and half of the community has less income. This figure is calculated by HUD annually and used to qualify families and individuals for a variety of HUD programs. The income amounts vary across the nation by Metropolitan Statistical Area (MSA) and county, if the county is not part of an MSA. Information on a community's AMI can be found at: <https://www.huduser.gov/portal/datasets/il.html>

Balance of State (BoS) CoC- The Balance of State CoC includes 79 counties divided into Regional Committees. Instead, the BoS CoC regional committees oversee and submit regional applications as Local Planning Areas. The Balance of State CoC does not apply to ESG through one combined regional application.

Continuum of Care (CoC) – The individual, specific geographic area, designated by HUD, within North Carolina. The CoC is responsible for applying, on behalf of the community, for competitive federal homeless funds. (For purposes of the NC ESG program, LPA and CoC acronyms can be used interchangeably).

Eligible Program Participants - Agencies funded by the NC ESG program are restricted to using NC ESG funds and any matching funds to provide services to HUD eligible program participants.

Eligible Regional Applicants – LPA / Continuum of Care lead agencies, or Balance of State (BoS) Continuum of Care approved regional committee lead agencies, that meet criteria outlined in this RFA.

Eligible Recipients and Sub-recipients - Local governments and nonprofits that meet criteria outlined in this RFA. Public Housing Authorities are not eligible recipients or sub-recipients.

Emergency Response Activities - Street outreach and emergency shelter activities.

Emergency Shelter – The primary purpose is to provide temporary shelter for homeless people. For the purposes of this grant the goal of emergency shelter must be to move people into housing directly from streets and shelters without preconditions of treatment, acceptance or compliance.

ESG Entitlement Communities - Communities that receive ESG funds directly from HUD. In North Carolina, there are 6 ESG entitlement communities for Federal FY18 funds: Charlotte, Durham, Greensboro, Raleigh, Wake, and Winston-Salem.

ESG Match - The dollar for dollar match required by the ESG grant. This match may be achieved through other non-ESG funds (cash), in-kind services, or a combination of the two. Match dollars must be spent on eligible ESG activities.

Fiscal Sponsor - A unit of local government or 501(c)3 non-profit chosen by the region and approved by the State that will perform, but not be limited to the following tasks on behalf of the LPA:

- contract with the State
- sub-contract with any other agencies receiving funds within its region
- reimburse agencies
- submit reimbursement requests to the State
- act as the central point of contact for all reporting requirements
- required to monitor sub-recipients

**LPA's are not required to have a fiscal sponsor and no additional points or funds will be provided to LPA's that select a fiscal sponsor.**

Grantee- The State of North Carolina, which receives ESG funds from HUD through the North Carolina Department of Commerce.

Homeless Management Information System (HMIS) - The information system required by HUD to track data about homeless households and the agencies that serve them. Domestic Violence programs are prohibited by federal law from entering their data in a HMIS utilized by Homeless Service Providers.

HMIS Comparable Database- An information management system that contains the same client and program data elements that are contained in the statewide HMIS. Federal law requires that Domestic Violence agencies use Systems Comparable to HMIS rather than the HMIS used by other homeless agencies. **Please note that all domestic violence providers funded by the FY 2018-19 NC ESG Program must have a comparable database that produces electronic reports including the Consolidated Annual Performance Report (CAPER) formatted to download in SAGE.**

Housing First- A model of housing assistance that prioritizes rapid placement and stabilization in permanent housing that does not have service participation requirements or preconditions (such as sobriety or a minimum income threshold).

Housing Stability Activities - Rapid Rehousing and Targeted Homelessness Prevention activities, which include flexible financial assistance and housing stability activities.

Local Planning Area (LPA)- The voluntary group of homeless stakeholders within a set geographic boundary organized to plan for and provide a system of strategies to address the various needs of homeless persons and persons at risk of homelessness for a specific geographic area.

Local Planning Area (LPA) Lead Agency – The voluntary group of homeless stakeholders within a set geographic boundary organized to plan for and provide a system of strategies to address the various needs of homeless persons and persons at risk of homelessness for a specific geographic area.

- For CoCs that **are not** the Balance of State (BoS), the LPA is the same as the CoC. For the BoS CoC, the LPA is the Regional Committee. There are thirteen Regional Committees in the BoS CoC, therefore there are thirteen LPAs under the BoS CoC.
- LPAs are responsible for their region. They communicate goals and priorities, share information, “vet” fiscal sponsors and project applicants – ensure cohesiveness of “region.”

Overhead Costs - For the purpose of this program overhead costs directly related to carrying out eligible services and operating activities (street outreach, HMIS, and housing stabilization) are considered program costs, not administration costs, subject to cost principles in OMB Circulars A-87 (2 CFR 225) and A-122 (2 CFR 230). These costs are not subject to the administrative cap, however are limited to 15% of a sub-recipient’s total grant award.

Program Participant – Eligible families and individuals served by the ESG-funded programs.

Rapid Rehousing– A program designed to assist homeless households to obtain and maintain permanent housing through the provision of housing relocation, stabilization services, and rental assistance. Assistance is tailored to household needs and focuses on moving the household as quickly as possible into permanent housing and supporting housing stability.

Shelter Operations - Maintenance, rent, security, fuel, equipment, insurance, utilities as well as purchase of food, furnishings, and supplies necessary for the day to day operation of an emergency shelter. For the purpose of this grant maintenance, equipment, furnishings and supplies are items valued less than \$500 per item.

Street Outreach - Essential services necessary to engage unsheltered homeless people, connecting them with emergency shelter, housing, and/or critical services.

Sub-Recipient – An eligible entity that the State contracts with to carry out eligible ESG activities.

Targeted Homeless Prevention – Prevention programs that are designed to prevent homelessness among households that are *the most likely* to become homeless. Prevention programs are expected to screen for households at greatest risk of homelessness versus households at risk of losing their current housing.

Un-awarded Funds - ESG dollars that are not requested by or awarded to LPAs are redistributed to other ESG-eligible organizations.

## Eligible Applicants

The State will accept regional applications for ESG funds from LPA lead agencies, or in the Balance of State (BoS) Continuum of Care, Regional Committees. LPA's will recommend nonprofit or local government agencies from their regions to be recipients of ESG funds. Once approved, these recommended agencies will contract directly with the State or subcontract with the region's Fiscal Sponsor.

## Eligible Sub-recipients

Eligible sub-recipients for ESG funding are:

1. Units of general local government, including metropolitan entitlement communities that receive direct ESG allocations from HUD  
OR  
Private 501 (c) 3 designated nonprofit organizations.

**Note:** Public Housing Authorities (PHAs) or non-profits established by PHAs are not eligible sub-recipients of NC ESG funds.

2. The Regional Application must include all recommended sub-recipients and be submitted by the Local Planning Area's selected ESG lead agency. In all Local Planning Areas, except the Balance of State, the ESG Lead Agency and the CoC Lead Agency should be the same organization.

The ESG Lead Agency should create and implement a fair local decision-making process for the distribution of funds that minimizes conflict of interest. The Local Planning Area's application is encouraged to reflect, if applicable, the community's 10-Year Plan to End Homelessness, CoC Strategic Plan, HEARTH performance measures, the Federal Strategic Plan to Prevent and End Homelessness, and local documented homeless needs.

The LPA is responsible for the Regional Application, including coordination and vetting of all project applicants. During this process, LPAs should first consider:

- **Capacity:** Does the agency have paid staff members with the capacity to administer an ESG activity? i.e. Executive Director, Case Manager, etc.
- **Financial Stability:** Does the agency have operating funds to pay eligible expenses and request reimbursement from the NC ESG Program 45 days after the last day of the billing month?
- **Expenditure History:** Does the agency have a history of timely, accurate, and appropriate spend down rates?
- **Data Collection:** Does the proposed agency utilize HMIS or a comparable database (for DV organizations)?

Key elements the LPA should look for during the vetting process:

- **Coordinated Entry:** Does the agency actively participate in the coordinated entry process providing access to all demographic groups?
- **Written Standards:** Does the agency follow the written standards established by the CoC/LPA and promote the CoC/LPA's priorities and goals?
- **Planning/Coordination** - Has the agency participated in at least 75 percent of the community meetings contributing to the homeless discussion?
- **Housing First:** Is the agency committed to operating under a housing first model?
- **VAWA:** Is the agency an active participant in the CoC/LPA's established VAWA process?

Applications for funding will not be accepted from local governments or nonprofit organizations separately from the Regional Application. Applications are limited to one Local Planning Area, submitted and approved by the ESG Lead Agency. BoS CoC regions must have approval coordinated by North Carolina Coalition to End Homelessness (NCCEH). See the Regional Application Checklist (Appendix 1) for required documentation that applicants must submit to be eligible to receive ESG funds.

### Eligible Activities

There are four (4) categories of eligible activities. For additional information and details on eligible expenses, please refer to the ESG Desk Guide or Expense Guide, which can be found on the DHHS webpage <https://www.ncdhhs.gov/nc-emergency-solutions-grant> or the HUD Exchange <https://www.hudexchange.info/programs/esg/>

#### 1 - Emergency Response

- Street Outreach
- Emergency Shelter (Operations and Services)

#### 2 - Housing Stabilization

- Targeted Homelessness Prevention
- Rapid Rehousing

#### 3 – HMIS / DV Comparable Database

*HMIS:* Pays for eligible costs including HMIS costs for the LPA participation in the homeless management information system. Other eligible costs include: an HMIS comparable data system, computer equipment, technical support, salaries for operating HMIS.

#### 4 – Administration

**Only fiscal sponsors and local units of governments**

## Section II. Funding

### Available Funding

The State can allocate up to **\$4,619,142** in response to this Request for Applications (RFA).

### Budget

Funds will be awarded to applicants based on the HUD CoC pro-rata formula, as explained in the NC ESG Fair Share Explainer. The tables in Appendix 4 show the total amount available to each LPA.

### Emergency Response Activities: Emergency Shelter and Street Outreach

A maximum of 60% of total funds available per Local Planning Area can be spent on emergency response activities. This information is detailed by Local Planning Area in the NC ESG Fair Share Explainer funds distribution matrix in Appendix 4.

### Funding Priorities

#### Emergency Response

The NC ESG Program requires 2018-19 recipients and sub-recipients support the Housing First model that prioritizes rapid placement and stabilization in permanent housing that does not have service participation requirements or preconditions (such as sobriety or a minimum income threshold).

The State strongly encourages use of emergency shelter funds to support facilities linked to rapid rehousing programs within a Local Planning Areas.

Applicants that request Emergency Response funds may allocate all dollars for Emergency Shelter Operations or allocates no less than 60% of the funding for Shelter Operations and no more than 40% for Shelter Services.

Local Planning Areas should ensure that recommended projects meet the maximum and minimum allocation requirements.

#### Housing Stabilization

For the purpose of this grant the NC ESG priority for Housing Stabilization funds is rapid rehousing and HMIS activities. Rapid Rehousing Services and Rapid Rehousing Financial Assistance should be linked to an emergency shelter or street outreach program to ensure coordination/prioritization of clients in obtaining and maintaining permanent housing. Applicants that request Rapid Rehousing funds may allocate all stabilization dollars for Rapid Rehousing Financial Assistance or allocates no less than 60% of the funding for financial assistance and no more than 40% for services. An exception may be approved if the Local Planning Area provides written documentation that other non-NC ESG funds will be used also to fund rapid rehousing financial assistance. Local Planning Areas should ensure that the total project funds recommended meet the maximum and minimum requirements.

#### Distribution of Un-Awarded Funds

In the event that regions do not apply for the full ESG Pro Rata amount available or do not meet the State's criteria, the State will allocate any un-awarded funds to other regions at its discretion.

## Section III. Application Guidelines

### Fiscal Sponsor

#### Background

The State **does not require that Local Planning Areas have a Fiscal Sponsor.** Local Planning Areas that elect to have a Fiscal Sponsor must be approved by the State. Multiple regions may have the same Fiscal Sponsor. The State will approve a Fiscal Sponsor based on established financial capacity and oversight standards. In Local Planning Areas where a Fiscal Sponsor is not identified the State will continue to administer contracts directly with the local agencies.

#### Fiscal Sponsor Role

The Local Planning Area may choose the same agency to serve as the ESG Lead Agency and the Fiscal Sponsor or it may choose separate agencies for these roles. If a Fiscal Sponsor is chosen, it will serve the Local Planning Area or multiple LPAs and all funded projects within the LPA(s). The Fiscal Sponsor must be a unit of local government or 501(c) 3 non-profit.

A Fiscal Sponsor is a unit of local government or 501(c) 3 non-profit that:

- Contracts with the State and Sub-contracts with any other agencies receiving funds within it's region
- Reimburses agencies in a timely fashion
- Submits reimbursement requests to the State
- Acts as the central point of contact for all reporting requirements
- Accepts responsibility to ensure ESG funds are properly spent and assuring contractual compliance
- Required to monitor sub-recipients

Agencies that elect to utilize a Fiscal Sponsor must get approval from the CoC/LPA. The CoC/LPA must then get approval of the Fiscal Sponsor from the NC ESG Office two weeks prior to the application submission deadline. Fiscal Sponsors must:

- Demonstrate financial solvency and resilience **and**
- Demonstrate sound fiscal management **and**
- Have demonstrated history of ability to meet Tier 1 spending if previously funded with State ESG

Although Fiscal Sponsors are required to monitor sub-recipients, the State will also provide sub-recipient monitoring as part of its administrative oversight of the ESG program.

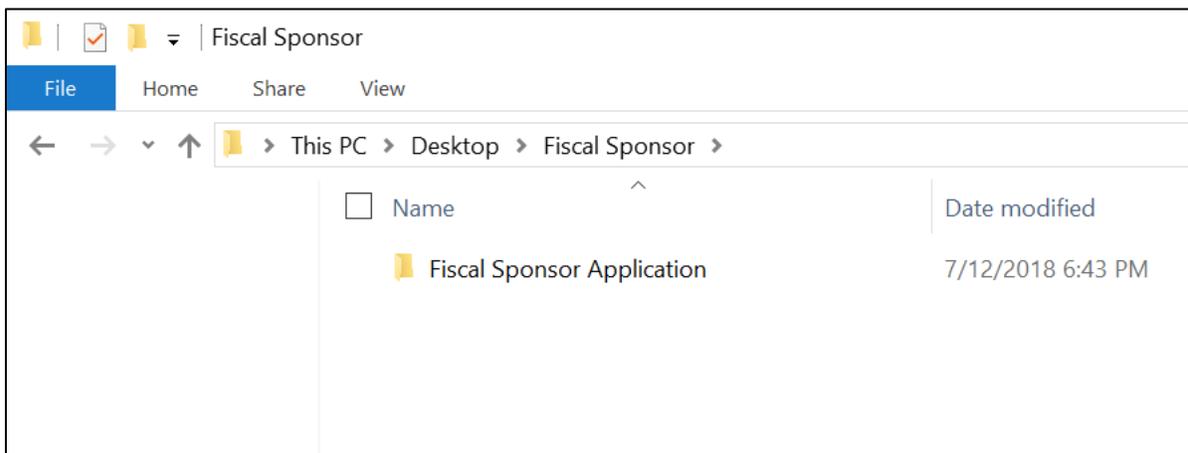
Fiscal Sponsors are responsible for reimbursing any sub-recipient agencies for ESG eligible expenses covered in the contractual budget. The Fiscal Sponsor has the option of advancing funds to a sub-recipient agency, however the State will not advance funds. The Fiscal Sponsor will be responsible for ensuring that client data related to any reimbursement has been entered into HMIS/ DV Comparable Database before requesting reimbursement. If a LPA has a Fiscal Sponsor and administrative funds are available, all administrative dollars will go to the Fiscal Sponsor rather than individual agencies. It is up to the Fiscal Sponsor to decide if it will share administrative funds with its subcontractors.

Fiscal Sponsors may also provide some of the ESG-funded services directly. Fiscal Sponsors are expected to work in partnership with the ESG Lead Agency if it is different.

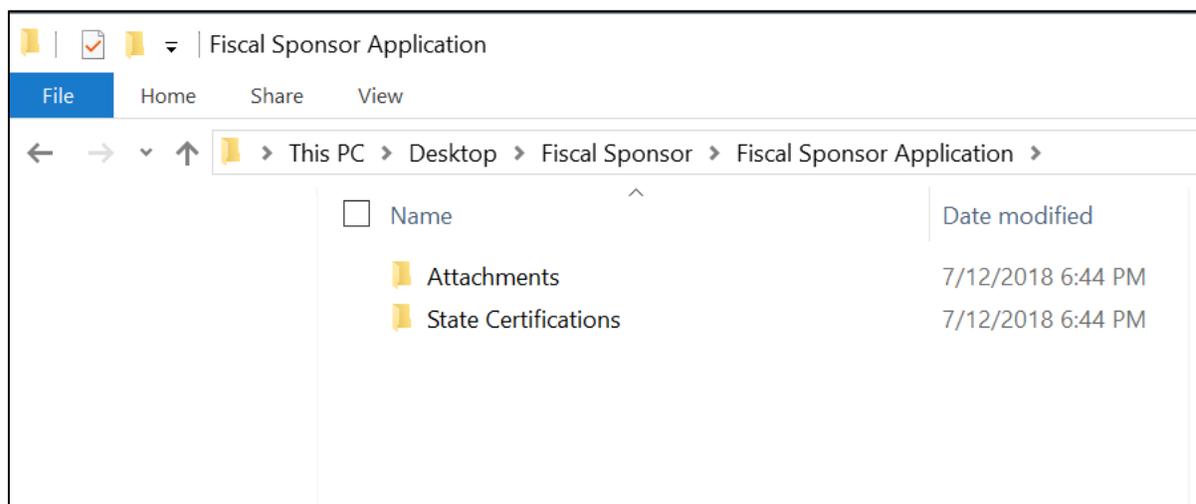
## Fiscal Sponsor Submission

**Fiscal Sponsor Applications must be received by 4:00pm on Monday, September 17, 2018.** Applications should be submitted as one hard copy, including the original Fiscal Sponsor Application, and one flash drive to the NC ESG Office. All applications received by this deadline will be reviewed. Late and/or incomplete applications will not be reviewed. Fiscal Sponsors will be notified of a decision by the NC ESG Office no later than September 24, 2018. If approved, this application must be included with the LPA Regional Application.

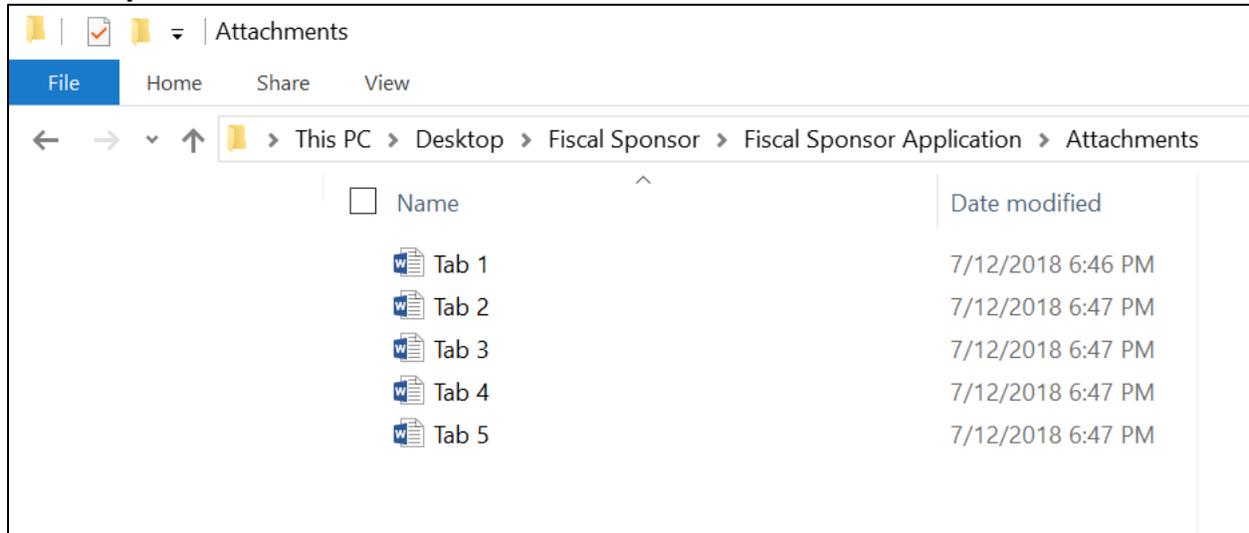
## Main Folders on Flash Drive



## Fiscal Sponsor Sub-Folders

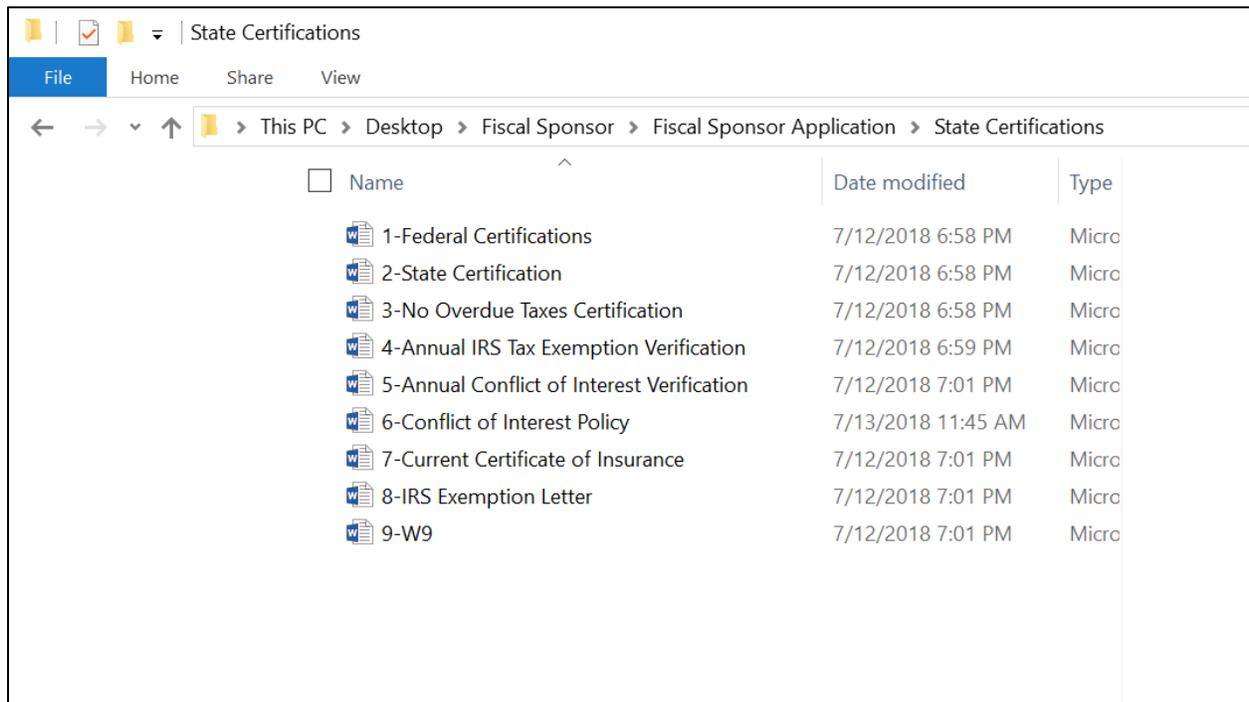


## Fiscal Sponsor Attachments



| Name  | Date modified     |
|-------|-------------------|
| Tab 1 | 7/12/2018 6:46 PM |
| Tab 2 | 7/12/2018 6:47 PM |
| Tab 3 | 7/12/2018 6:47 PM |
| Tab 4 | 7/12/2018 6:47 PM |
| Tab 5 | 7/12/2018 6:47 PM |

## Fiscal Sponsor State Certifications Folder



| Name                                       | Date modified      | Type  |
|--|--------------------|-------|
| 1-Federal Certifications                   | 7/12/2018 6:58 PM  | Micro |
| 2-State Certification                      | 7/12/2018 6:58 PM  | Micro |
| 3-No Overdue Taxes Certification           | 7/12/2018 6:58 PM  | Micro |
| 4-Annual IRS Tax Exemption Verification    | 7/12/2018 6:59 PM  | Micro |
| 5-Annual Conflict of Interest Verification | 7/12/2018 7:01 PM  | Micro |
| 6-Conflict of Interest Policy              | 7/13/2018 11:45 AM | Micro |
| 7-Current Certificate of Insurance         | 7/12/2018 7:01 PM  | Micro |
| 8-IRS Exemption Letter                     | 7/12/2018 7:01 PM  | Micro |
| 9-W9                                       | 7/12/2018 7:01 PM  | Micro |

## Process for Evaluating Applications

Applications will only be accepted from Local Planning Area lead agencies; the State will not accept applications directly from nonprofit or local government organizations.

The NC ESG Office puts each regional application and project application through a robust vetting process. During this process, the NC ESG Office takes into consideration:

- **The LPA's Review:** How did the LPA review applications? Was the process fair and transparent? Are the applications recommended for funding able to start January 1st, 2019?

- **Performance Measures:** Has the agency met the performance measures outlined in the contract?
- **Program Standards:** Do the agency's ESG program standards comply with and meet the requirements of the ESG program?
- **Expenditure History:** Are the agency's expenditures timely, accurate, and appropriate for the funding level received.

\*Organizations not previously funded with ESG must acknowledge review of the performance measures and expenditure requirements prior to being awarded funds.

During this process, the ESG Office also focuses on:

- **Submission Order:** Submit applications in the order requested with only the documentation requested.
- **Demonstrated Connections:** Show connections between emergency response and housing stabilization programs.
- **Data Questions:** Ensure the data provided from HMIS or comparable database is accurate and answers the question.
- **Check for Signatures:** Make sure where signatures are required, the proper individual has signed.

### Application Evaluation Criteria

The State retains the right to reject or modify proposals that do not meet threshold criteria, negotiate program features, terms and funding amounts and the right to recapture funds and reallocate if a recipient is unable to meet ESG program requirements and performance standards.

The State will also evaluate applications based on the following three criteria:

- **Threshold** – If an application does not meet the threshold items outlined in the table below, the State retains the right to reject the application
- **Requirement** – Applicants must comply with the requirement items outlined in the table below prior to contracting for ESG dollars with the State
- **Recommendation** – The items outlined in the table below are recommendations for each applicant to improve performance and enhance compliance overall in the applicant's program.

|                            | <b>Threshold</b>   | <b>Requirement / Special Consideration</b>   | <b>Recommendation</b>   |
|----------------------------|--|--|---|
| <b>Evaluation Criteria</b> | <ul style="list-style-type: none"> <li>• Application complete and received on time</li> <li>• Adequate Financial Controls</li> <li>• Housing Focused</li> <li>• ESG Policies and Procedures in place for each activity seeking funding</li> <li>• If DV – must have HMIS comparable database</li> <li>• Activity must be fully operational by January 1, 2019</li> </ul> | <ul style="list-style-type: none"> <li>• All HUD finding are resolved / no findings</li> <li>• Within 1 of 3 tiers for prior year spend down</li> <li>• Functioning Coordinated Entry System</li> <li>• Written Standards accepted by the LPA</li> <li>• The applicant collects all universal data elements</li> <li>• The applicant describes an adequate plan to ensure compliance with ESG and HUD requirements</li> <li>• Progressive engagement approach used</li> <li>• Active participation in the LPA</li> <li>• Existing connection between shelter and RRH provider</li> <li>• Following a Housing First approach</li> </ul> | <ul style="list-style-type: none"> <li>• Demonstrated experience and sound understanding of the activity requesting funding</li> <li>• Implementing a Low Barrier Shelter model</li> <li>• RRH and Prevention activities have a landlord recruitment program</li> <li>• RRH has plan for reaching out to the unsheltered</li> </ul> |

Note - Any organization or LPA can be awarded ESG funds on a probationary status. Items considered when placing an LPA or an organization on probation are:

- Prior contract non-compliance
- Tier 3 expenditure rate
- Failure to submit required documents or information per the requirements/special considerations request, etc.

## Section IV. Application Submission Information

### Application Q&A

Application Overview and Tutorials are available by following the links below. These links will be active beginning July 30, 2018 until Friday October 26, 2018 at 5pm:

- Project Application Overview:  
<https://attendee.gotowebinar.com/register/1652432228301298689>
- Regional Lead and Fiscal Sponsor Application Overview  
<https://attendee.gotowebinar.com/register/2717405996825470465>

## Application Deadline

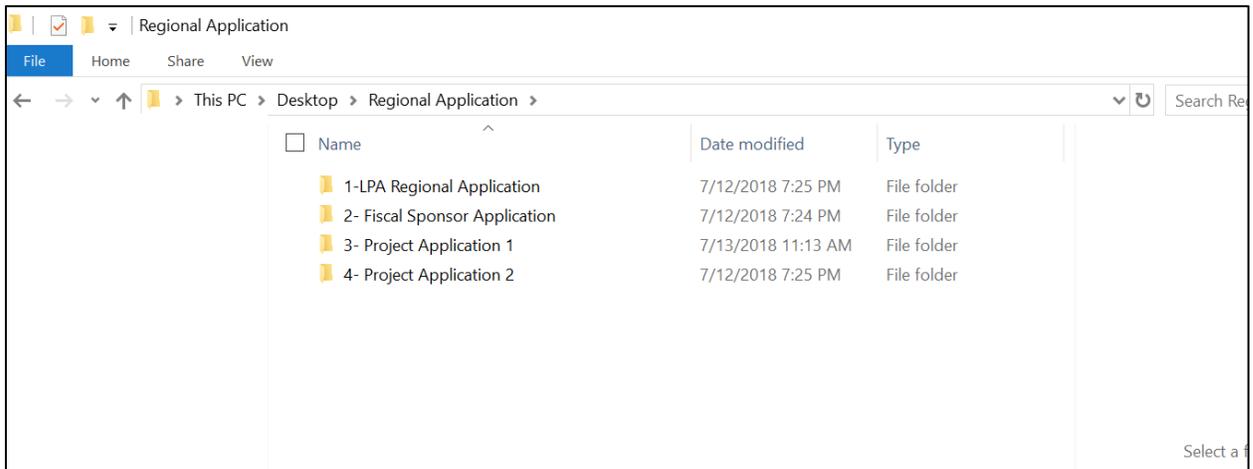
Applications in response to the RFA must be received by **5:00pm on Friday, October 26, 2018**. All applications received by this deadline will be reviewed. Late and/or incomplete applications will not be reviewed.

Please note that each Local Planning Area should submit the following in a 3-ring binder(s) **no larger than 2 inches each tabbed according to the checklist:**

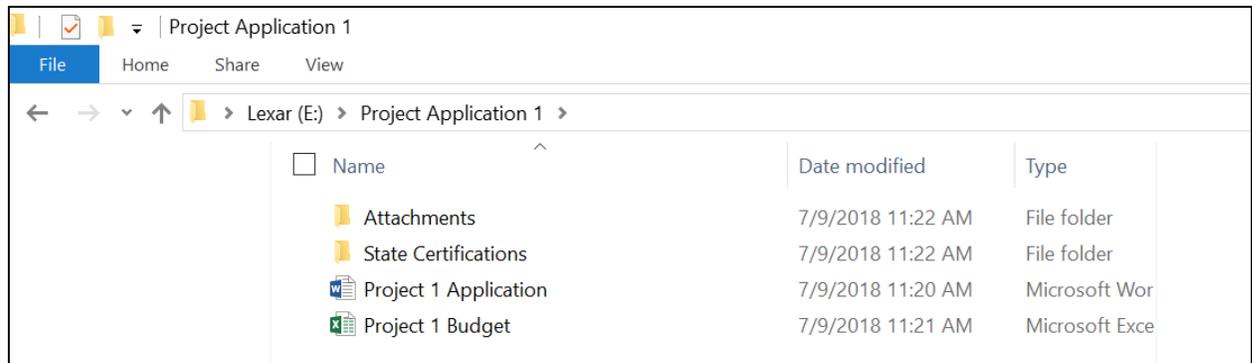
- One Regional Application
- One Project Application for each of the agencies recommended for funding
- One soft (electronic) copy on a flash drive of the complete application.
  - Please be sure to write your LPA name on the flash drive

Please see the application checklists (Appendix 1 Regional Application and Appendix 3 Project Application) for a complete list of all information that must be submitted with regional and project applications.

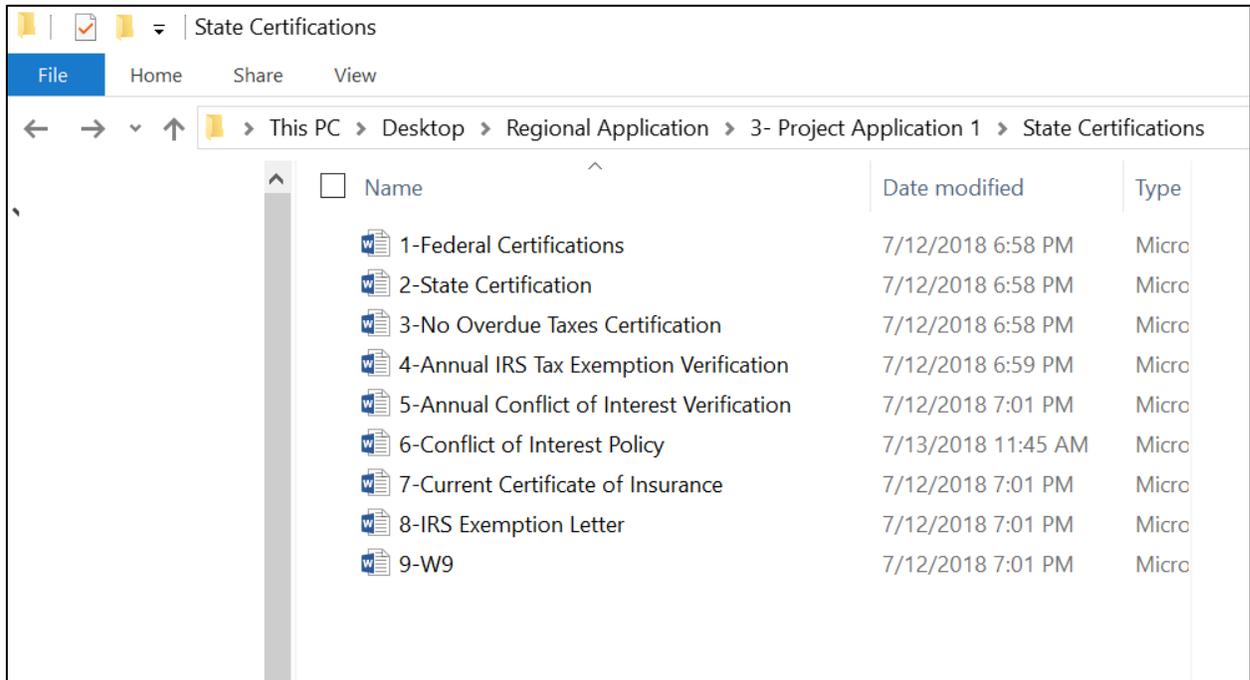
## Main Folders on Flash Drive



## Project Application's Sub-Folders



## Project Application State Certifications Folder



## Application Submission

**Applications must be received by the ESG Office by 5 PM EST on October 26, 2018.**

**If using US Postal Services, mail ESG application and supporting documents to:**

Kim Crawford  
 DHHS-DAAS  
 2101 Mail Service Center  
 Raleigh, NC 27699-2101

**If using Courier services (such as UPS, Federal Express, etc.) or Hand Delivery:**

Kim Crawford  
 DHHS-DAAS  
 918 Tate Dr  
 Raleigh, NC 27603

In the process of administering this program, DHHS will make decisions and interpretations regarding regional and project applications. DHHS is entitled to the full discretion allowed by law in making all such decisions and interpretations. DHHS reserves the right to request additional information from any applicant. DHHS reserves the right to reject any and all applications received. DHHS reserves the right to amend, modify, or withdraw provisions contained in this application that are inconsistent or in conflict with state or federal laws or regulations. All applications for ESG funding become the property of DHHS.

## Award Notification

The NC ESG Office will notify each LPA and applicant of the funding decision. Special considerations are required to be corrected and implemented prior to contract execution for ESG funds.

## Appeals Process

The NC ESG Office will provide an outline of the appeals process with award notifications. In order to be considered, **an intent** to appeal must be filed in writing, on organization letterhead, with the NC ESG Office by December 7, 2018. The appeal on organizational letterhead must be filed with the NC ESG Office by December 14, 2018. The NC ESG Office then has thirty (30) days from receipt of the appeal to respond. If the applicant organization is not satisfied with the proposed resolution from the State of North Carolina DHHS – DAAS ESG Office, further steps in the appeal process will be provided to the applicant in writing.

The appeal must make your request to Mr. Joseph Breen, Section Chief, Division of Aging and Adult Services, Planning, ESG, and Service Support Section. Your appeal must be in writing on your organization's letter head, signed by the contract signing authority.

# Section V. Appendix

## Appendix 1 – Regional Application Checklist

Each LPA should submit one regional application and one project application for each agency recommended for funding. The following charts outline the required documents for each application type.

| TAB | Document  |                          |
|-----|---|--------------------------|
| 1   | Signed, completed Regional Application (Word document)  | <input type="checkbox"/> |
| 2   | Regional Budget Worksheet (Excel spreadsheet)   | <input type="checkbox"/> |
| 3   | CoC Policies (in order):  |                          |
|     | <ul style="list-style-type: none"> <li>• Written Standards</li> </ul>   | <input type="checkbox"/> |
|     | <ul style="list-style-type: none"> <li>• Coordinated Entry, including:               <ul style="list-style-type: none"> <li>• The standardized assessment process,</li> <li>• Prioritization policies,</li> <li>• The handling of data collected,</li> <li>• Addressing the needs of households fleeing domestic violence,</li> <li>• Fair housing laws and requirements,</li> <li>• Prevention services,</li> <li>• Grievances,</li> <li>• Privacy policies</li> </ul> </li> </ul> | <input type="checkbox"/> |
|     | <ul style="list-style-type: none"> <li>• Most recent annual evaluation of coordinated entry process (findings &amp; outcomes)</li> </ul>  | <input type="checkbox"/> |
|     | <ul style="list-style-type: none"> <li>• Violence Against Women Act Policies</li> </ul>   | <input type="checkbox"/> |
|     | <ul style="list-style-type: none"> <li>• Nondiscrimination Policy with Complain Procedure identified</li> </ul>   | <input type="checkbox"/> |
| 4   | Materials used to solicit and evaluate ESG project applications and funding notifications to project applicants   | <input type="checkbox"/> |
| 5   | Staff Job Descriptions (if applicable)  | <input type="checkbox"/> |
| 6   | 2018 HDX CoC Competition Report   | <input type="checkbox"/> |

## Appendix 2 – Fiscal Sponsor Application Required Documents (if applicable)

**Fiscal Sponsor Applications must be received by 4:00pm on Monday, September 17, 2018.**

Applications should be submitted as one hard copy, including the original Fiscal Sponsor Application, and one flash drive to the NC ESG Office. All applications received by this deadline will be reviewed. Late applications will not be reviewed. Fiscal Sponsors will be notified of a decision by the NC ESG Office no later than September 24, 2018. If approved, this application must be included with the LPA Regional Application.

| TAB | Document  | Nonprofit Fiscal Sponsor Applicant | Unit of Local Government Fiscal Sponsor Applicant |
|-----|---|------------------------------------|---|
| 1   | Signed, Completed Fiscal Sponsor Application (Word Document)  | <input type="checkbox"/>           | <input type="checkbox"/>                          |
| 2   | Current year operating budget (with Revenues and Expenditures) showing reserves to cover the organizations your agency is sponsoring.   | <input type="checkbox"/>           | -   |
| 3   | Organizational Chart  | <input type="checkbox"/>           | -   |
| 4   | List of names, email addresses, telephone numbers, occupations, with officers identified. Indicate homeless or formerly homeless BOD member.  | <input type="checkbox"/>           | -   |
| 5   | Your agency's most the audit for your most recent closed fiscal year<br><br>OR<br>If you do not have an audit, use the provided sworn financial statement form, the Organizational Budget (budget vs. actual revenue and expenses), and the Statement of Activities for the most recent closed fiscal year (revenue less expenses).<br><br>If your agency's financial software produces a report with the information requested in the sworn financial statement form, the NC ESG Office will accept this report in lieu of the form. | <input type="checkbox"/>           | -   |
| 6   | NC DHHS Required Contract Certification Forms (saved as separate documents)   |                                    |   |
|     | 1. Federal Certifications   | <input type="checkbox"/>           | <input type="checkbox"/>                          |
|     | 2. State Certification  | <input type="checkbox"/>           | <input type="checkbox"/>                          |
|     | 3. No Overdue Taxes Certification Form  | <input type="checkbox"/>           | -   |
|     | 4. Annual IRS Tax Exemption Verification Form   | <input type="checkbox"/>           | -   |
|     | 5. Annual Conflict of Interest Verification   | <input type="checkbox"/>           | -   |
|     | 6. Conflict of Interest Policy  |                                    |   |
|     | 7. Current Certificate of Insurance   | <input type="checkbox"/>           | -   |
|     | 8. IRS Exemption Letter   | <input type="checkbox"/>           | -   |
|     | 9. W-9  | <input type="checkbox"/>           | <input type="checkbox"/>                          |

## Appendix 3 – Project Application Required Documents Checklist

**Note:** Each project must be submitted with separate, lettered tabs as outlined on this checklist. When multiple documents are behind one tab, take care to assemble in the noted order.

| TAB | Document  | Nonprofit Project Applicant | Unit of Local Government Project Applicant |
|-----|---|-----------------------------|--|
| A   | Signed, Completed Application (Word Document)   | <input type="checkbox"/>    | <input type="checkbox"/>                   |
| B   | Project budget worksheet (Excel spreadsheet)  | <input type="checkbox"/>    | <input type="checkbox"/>                   |
| C   | NC ESG Quarterly Performance Report January 1, 2018 – September 30, 2018 (Q1, Q2, and Q3)   | <input type="checkbox"/>    | <input type="checkbox"/>                   |
| D   | Current year operating budget (with Revenues and Expenditures)  | <input type="checkbox"/>    | -  |
| E   | LPA Participation and Coordination  | <input type="checkbox"/>    | <input type="checkbox"/>                   |
| F   | Organizational Chart  | <input type="checkbox"/>    | -  |
| G   | Board of Directors Information. List of names, email addresses, telephone numbers, occupations, with officers identified. Indicate homeless or formerly homeless board member.  | <input type="checkbox"/>    | -  |
| H   | Your agency's most the audit for your most recent closed fiscal year<br><br>OR<br><br>If you do not have an audit, use the provided sworn financial statement form, the Organizational Budget (budget vs. actual revenue and expenses), and the Statement of Activities for the most recent closed fiscal year (revenue less expenses).<br><br>If your agency's financial software produces a report with the information requested in the sworn financial statement form, the NC ESG Office will accept this report in lieu of the form. | <input type="checkbox"/>    | -  |
| I   | Project Operations Guidelines. See checklist in Appendix 6  | <input type="checkbox"/>    | <input type="checkbox"/>                   |
| J   | HUD Corrective Action Plan (if any)   | <input type="checkbox"/>    | <input type="checkbox"/>                   |
| K   | NC DHHS Required Contract Certification Forms & Documents   |                             |  |
|     | 1. Federal Certifications   | <input type="checkbox"/>    | <input type="checkbox"/>                   |
|     | 2. State Certification  | <input type="checkbox"/>    | <input type="checkbox"/>                   |
|     | 3. No Overdue Taxes Certification Form  | <input type="checkbox"/>    | -  |
|     | 4. Annual IRS Tax Exemption Verification Form   | <input type="checkbox"/>    | -  |
|     | 5. Annual Conflict of Interest Verification   | <input type="checkbox"/>    | -  |
|     | 6. Conflict of Interest Policy  | <input type="checkbox"/>    | -  |
|     | 7. Current Certificate of Insurance   |                             |  |
|     | 8. IRS Tax exemptions Letter  | <input type="checkbox"/>    | -  |
|     | 9. W-9  | <input type="checkbox"/>    | <input type="checkbox"/>                   |
| L   | Agency's Financial Policies   | <input type="checkbox"/>    | <input type="checkbox"/>                   |
| M   | <b>SHELTER SERVICES AND OPERATIONS PROJECTS ONLY</b> – Submit Shelter Habitability Inspection Dated October 2018 (ESG Form 3.2)   | <input type="checkbox"/>    | <input type="checkbox"/>                   |

## **Appendix 4 – NC ESG Fair Share Explainer**

### **Anticipated Timeline**

The FY18 NC ESG Program application is projected to be released in July 2018, with an anticipated due date of Friday, October 26th. Award decisions will be announced in mid-November. New contracts with project applicants or fiscal sponsors will be executed by January 1, 2019. Contracts will be effective January 1 – December 31, 2019.

### **Local Planning Area Applications**

Project applicants must apply through a Local Planning Area. Local Planning Areas are responsible for completing the regional application and holding a local competitive process to determine which projects will be submitted to the ESG office for funding.

### **The 2018 Local Planning Areas are:**

- NC-500 Forsyth
- NC-501 Buncombe
- NC-502 Durham
- NC-503 Balance of State Region 1
- NC-503 Balance of State Region 2
- NC-503 Balance of State Region 3
- NC-503 Balance of State Region 4
- NC-503 Balance of State Region 5
- NC-503 Balance of State Region 6
- NC-503 Balance of State Region 7
- NC-503 Balance of State Region 8
- NC-503 Balance of State Region 9
- NC-503 Balance of State Region 10
- NC-503 Balance of State Region 11
- NC-503 Balance of State Region 12
- NC-503 Balance of State Region 13
- NC-504 Guilford
- NC-505 Mecklenburg
- NC-506 Tri-Hic (Brunswick/New Hanover/Pender)
- NC-507 Wake
- NC-509 Gaston/Lincoln/Cleveland
- NC-511 Cumberland
- NC-513 Orange
- NC-516 Northwest

### **Available Funding**

The U.S. Department of Housing and Urban Development allocated \$4,993,667 to the NC State ESG Program. A portion, 7.5% or \$374,525, is for admin costs incurred by the State or subrecipients that are units of local government. The remaining funds, \$4,619,142, will be distributed to subrecipients for program costs. The amount that each Local Planning Area is eligible to apply for is the “NC ESG Fair Share”.

No more than 60% of funds can be used for Emergency Response Services (Street Outreach and Emergency Shelter). While there is a maximum percent for Emergency Services, there is no maximum for Housing Stability (Rapid Re-Housing, HMIS, and Targeted Prevention). This means a Local Planning Area may choose to apply for the full 60% of Emergency Response funding or use some of that funding for Housing Stability Activities. The chart below shows the funding that each Local Planning Area may apply for during the FY18 competition.

|            | <b>CoC</b>               | <b>ESG Fair Share</b> | <b>Emergency Services (60% max)</b> | <b>Housing Stability (40% minimum)</b> |
|------------|--------------------------|-----------------------|-------------------------------------|--|
| NC-500     | Forsyth                  | \$201,071             | \$120,643.00                        | \$80,428.00                            |
| NC-501     | Buncombe                 | \$120,412             | \$72,247.00                         | \$48,165.00                            |
| NC-502     | Durham                   | \$163,282             | \$97,969.00                         | \$65,313.00                            |
| NC-503-R1  | BoS Region1              | \$118,896             | \$71,338.00                         | \$47,558.00                            |
| NC-503-R2  | Bos Region 2             | \$106,516             | \$63,910.00                         | \$42,606.00                            |
| NC-503-R3  | BoS Region 3             | \$178,528             | \$107,117.00                        | \$71,411.00                            |
| NC-503-R4  | BoS Region 4             | \$157,442             | \$94,465.00                         | \$62,977.00                            |
| NC-503-R5  | BoS Region 5             | \$287,278             | \$172,367.00                        | \$114,911.00                           |
| NC-503-R6  | BoS Region 6             | \$183,385             | \$110,031.00                        | \$73,354.00                            |
| NC-503-R7  | BoS Region 7             | \$351,780             | \$211,068.00                        | \$140,712.00                           |
| NC-503-R8  | BoS Region 8             | \$164,182             | \$98,509.00                         | \$65,673.00                            |
| NC-503-R9  | BoS Region 9             | \$224,805             | \$134,883.00                        | \$89,922.00                            |
| NC-503-R10 | BoS Region 10            | \$222,074             | \$133,244.00                        | \$88,830.00                            |
| NC-503-R11 | BoS Region 11            | \$103,338             | \$62,003.00                         | \$41,335.00                            |
| NC-503-R12 | BoS Region 12            | \$146,486             | \$87,892.00                         | \$58,594.00                            |
| NC-503-R13 | BoS Region 13            | \$140,883             | \$84,530.00                         | \$56,353.00                            |
| NC-504     | Guilford                 | \$257,242             | \$154,345.00                        | \$102,897.00                           |
| NC-505     | Mecklenburg              | \$479,585             | \$287,751.00                        | \$191,834.00                           |
| NC-506     | Tri-Hic                  | \$153,222             | \$91,933.00                         | \$61,289.00                            |
| NC-507     | Wake                     | \$384,849             | \$230,909.00                        | \$153,940.00                           |
| NC-509     | Gaston-Lincoln-Cleveland | \$174,416             | \$104,650.00                        | \$69,766.00                            |
| NC-511     | Cumberland               | \$123,567             | \$74,140.00                         | \$49,427.00                            |
| NC-513     | Orange                   | \$57,265              | \$34,359.00                         | \$22,906.00                            |
| NC-516     | Northwest                | \$118,640             | \$71,184.00                         | \$47,456.00                            |

**Calculation of Distribution of Funds**

To establish a fair distribution of program funds, the NC ESG Program uses the Department of Housing and Urban Development’s (HUD) Continuum of Care (CoC) Pro Rata Formula as the basis for determining the amount of eligible funding for each Local Planning Area. Six entitlement communities receive ESG funding directly from HUD. The chart below shows the allocations from HUD for the six entitlements and the NC ESG Program (funds allocated to the state).

| <b>Grantee</b>        | <b>FY18 HUD Allocation</b> | <b>Admin</b>        | <b>Program</b>        |
|-----------------------|----------------------------|---------------------|-----------------------|
| City of Charlotte     | \$482,968.00               | \$36,222.60         | \$446,745.40          |
| City of Durham        | \$161,862.00               | \$12,139.65         | \$149,722.35          |
| City of Greensboro    | \$177,564.00               | \$13,317.30         | \$164,246.70          |
| City of Raleigh       | \$258,582.00               | \$19,393.65         | \$239,188.35          |
| City of Winston-Salem | \$177,701.00               | \$13,327.58         | \$164,373.43          |
| Wake County           | \$149,012.00               | \$11,175.90         | \$137,836.10          |
| NC State ESG          | \$4,993,667.00             | \$374,525.03        | \$4,619,141.98        |
| <b>Total NC ESG</b>   | <b>\$6,401,356.00</b>      | <b>\$480,101.70</b> | <b>\$5,921,254.30</b> |

The allocation that these entitlements receive from HUD are considered when determining each Local Planning Area’s eligible amount. The CoC Pro Rata percentage is multiplied by the total amount of ESG funds allocated to North Carolina (NC State ESG+ entitlements). This is the total amount that each Local Planning Area should have as its fair share of ESG funding.

For communities that do not receive entitlement funding from HUD, the full amount will come from the NC ESG Program. For entitlement communities, the amount received directly from HUD will be subtracted from their fair share, so only a portion of the fair share is awarded through the NC ESG Program. The chart below shows the total fair share for each entitlement community with the amount of program funding administered by the local government and the NC ESG Program.

| <b>Continuum of Care</b> |             | <b>ESG Fair Share Total</b><br>(entitlement + state) | <b>ESG Entitlement</b> | <b>NC ESG Fair Share</b> |
|--------------------------|-------------|--|------------------------|--------------------------|
| NC-500                   | Forsyth     | \$365,444  | \$164,373              | \$201,071                |
| NC-502                   | Durham      | \$313,005  | \$149,722              | \$163,282                |
| NC-504                   | Guilford    | \$421,488  | \$164,247              | \$257,242                |
| NC-505                   | Mecklenburg | \$926,330  | \$446,745              | \$479,585                |
| NC-507                   | Wake*       | \$761,873  | \$377,024              | \$384,849                |

\*NC-507 Wake has two entitlement funds administered separately by the City of Raleigh and Wake County. These funds have been combined in the chart.

## Appendix 5 - HUD's Definition of Homelessness

The following chart summarizes the homeless definitions; the complete homeless definitions can be found at 24 CFR 576.2.

|  |  |
|--|--|
| <p>Literally Homeless (Category 1)</p>                           | <p>Individual or family who lacks a fixed, regular, and adequate nighttime residence:</p> <ul style="list-style-type: none"> <li>• Has a primary nighttime residence that is a public or private place not meant for human habitation;</li> <li>• Is living in a publicly or privately-operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, hotels/motels paid for by charitable organizations or federal, state, and local government programs; or</li> <li>• Is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution</li> </ul> |
| <p>Imminent Risk of Homelessness (Category 2)</p>                | <p>Individual or family who will imminently lose their primary residence, provided that:</p> <ul style="list-style-type: none"> <li>• Residence will be lost within 14 days of the date of application for homeless assistance;</li> <li>• No subsequent residence has been identified; and</li> <li>• Lacks resources or support networks needed to obtain other permanent housing</li> </ul>   |
| <p>Homeless Under Other Federal Statutes (Category 3)</p>        | <p>Unaccompanied youth under age 25, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:</p> <ul style="list-style-type: none"> <li>• Are defined as homeless under other listed federal statutes;</li> <li>• Have not had a lease, ownership, or occupancy agreement in permanent housing during the 60 days prior to the date of homeless assistance application;</li> <li>• Have moved two or more times in the preceding 60 days; and</li> <li>• Can be expected to continue in such status for an extended period of time due to special needs or barriers</li> </ul>   |
| <p>Fleeing/Attempting to Flee Domestic Violence (Category 4)</p> | <p>Individual or family who:</p> <ul style="list-style-type: none"> <li>• Is fleeing/attempting to flee Domestic Violence / Victim Service Provider;</li> <li>• Has no other residence; and</li> <li>• Lacks resources or support networks needed to obtain other permanent housing</li> </ul>   |

## Appendix 6: Operations & Written Standards Checklist

**This operations manual is not the organization's personnel manual or employee handbook, these operations are program specific.** Flyers or posters do not constitute an operations policy. The operations manual should include program specific rules and contract expectations as outlined in this manual and the following below:

- Program Rules, including:
  - Program design,
  - Type of assistance,
  - Assistance time limit,
  - Eligibility determination
  - Population served
  - Termination of assistance grievance policy
- Program Intake form(s) with all HUD Universal Data Elements and basic demographic information collected.
- Fair Housing Policy must include NC Fair Housing Act Standards language.
- Anti-discriminatory policy must ensure equal employment opportunity without discrimination or harassment on the basis of race, color, religion, sex, sexual orientation, gender identity or expression, age, disability, marital status, citizenship, genetic information, or any other characteristic protected.
- Appeals, grievance, termination policies clearly defined with who, how and when the appeal must be filed.
- Policies reflect the Housing First model. The Housing First model is the most effective approach to ending homelessness. Housing First offers individuals and families experiencing homelessness immediate access to permanent affordable or supportive housing. This model of housing assistance prioritizes rapid placement and stabilization in permanent housing that does not have service participation requirements or preconditions (such as sobriety or a minimum income threshold).
- Low-Barrier policies where a minimum number of expectations are placed on people who wish to live there and a minimum number of reasons to terminate from the program.
- Habitability Standards. Subrecipients are required to conduct a habitability standards inspection on any unit that a participant will be receiving ANY ESG financial assistance such as any rental assistance, security deposit, last month's deposit, utility deposit, moving costs. Subrecipients must certify that the unit has passed habitability standards before any ESG funds may be released. In addition, an annual habitability standards inspection must be conducted for any unit in which ESG funds are being used.
- Confidentiality. The subrecipient must have written procedures to ensure all records containing personally identifying information (as defined in HUD's standards for participation, data collection, and reporting in a local HMIS) of any individual or family who applies for and/or receives ESG assistance will be kept secure and confidential.

- Terminating Assistance. Per 24 CFR 576.402, if a program participant violates program requirements, their ESG benefits may be terminated in accordance with a formal process established by the sub-Subrecipient that recognizes the rights of the individuals affected and allows for due process. The Subrecipient must exercise judgment and examine all extenuating circumstances in determining when violations warrant termination so that a participant's assistance is terminated only in the most severe cases. Termination does not bar the sub- Subrecipient from providing further assistance at a later date to the same family or individual. To terminate rental assistance or housing relocation and stabilization services, the Subrecipient's formal process must include at minimum:
  - Written notice to the program participant containing a clear statement of the reason(s) for termination;
  - A review of the decision, in which the 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
  - Prompt written notice of the final decision to the participant.

### **Written Standards Checklist**

The U.S. Department of Housing and Urban Development requires subrecipients to develop and implement Written Standards for programs provided through the Emergency Solutions Grant Program.

### **ALL PROGRAMS**

- Standards include the area of service where assistance shall be offered.
- Standards include all type(s) of assistance that will be offered through the ESG program.
- Standards summarize the procedure in place that defines how program participants will be evaluated for eligibility of assistance under the ESG program. (Note: DV shelters must follow the requirements of the Violence Against Women Act and the Family Violence Prevention and Services Act which prohibits agencies from making its shelter or housing conditional on the participant's acceptance of service)
- Standards include procedures describing the coordination (coordinated entry) emergency shelter providers, essential services providers, homelessness prevention, and rapid re-housing assistance providers, other homeless assistance providers, and mainstream service and housing providers.
- Standards include a list of available programs that program participants will be referred, including all programs reflected in 576.400 (b) and (c) such as Shelter + Care, VASH Voucher, Section 8, Emergency Food and Shelter program, etc. if available to program participants in the agency's area of service.
- Standards describe the formal termination process established by the agency that recognizes the rights of individuals affected. The agency must exercise judgment and examine all extenuating circumstances in determining when violations warrant termination so that a program participant's assistance is terminated only in the most severe cases.

- Standards describe the program participant's formal grievance process. Included shall be the right for the participant to contact the agency's Director, the Housing Division or HUD.
- Standards include summaries regarding the requirement that clients served and activities provided with ESG funds will be entered into HMIS (or comparable database if a DV shelter), the timeframe for data to be entered, and the process for ensuring confidentiality of client records.
- Standards include steps used to ensure clients receiving ESG assistance are provided all applicable HMIS releases, forms, client complaint process, etc. as required by HMIS regulations.

### **STREET OUTREACH/ EMERGENCY SHELTER-OPERATIONS/EMERGENCY SHELTER-ESSENTIAL SERVICES**

- Standards include a summary of how agency staff will target and provide services related to street outreach.
- Standards include steps for admission, diversion, referral, and discharge by emergency shelters assisted under ESG, including standards regarding length of stay limits, if any, and safeguards to meet the safety and shelter needs of special populations, such as victims of Domestic Violence / Victim Service Provider, sexual assault, etc.
- Standards include steps for admission, diversion, referral and discharge by emergency shelters assisted under ESG for individuals and families who have the highest barriers to housing and are likely to be homeless the longest.
- Standards include assessing, prioritizing, and reassessing individuals and families' needs for essential services related to emergency shelter.

### **HOMELESS PREVENTION AND RAPID RE-HOUSING**

- Standards shall include definitions of who is considered to be homeless and at-risk of homelessness, as defined in 576.2.
- Standards include a process for determining and prioritizing which eligible families and individuals will receive homeless prevention or rapid re-housing assistance.
- Standards include standards for determining what percentage or amount of rent and utilities costs each program participant must pay while receiving homelessness prevention or rapid re- housing assistance.
- Standards include process for evaluating and documenting income eligibility since program participant's income must be **below 30% of area median income** as established by HUD for the area in which the participant lives when entering the program. Agencies must follow guidelines found under 24 CFR 5.609 when calculating income.
- Standards include the steps to determine the eligibility of rental assistance, including steps to determine that rent + utilities do not exceed Fair Market Rents for the area of service.
- Standards include how agency staff will document FMR and rent reasonableness standards, lead based paint inspections, and housing inspections. Included shall be procedures to verify and document the age of the units built before 1978 may contain lead-based paint.

- Standards include steps for determining how long a program participants will be provided rental assistance and whether or not (and how) the amount of that assistance will be adjusted over time, if applicable.
- Standards include steps for determining the type, amount, and duration of housing stabilization and/or relocation services to provide to a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, the maximum number of months the program participant receives assistance, or the maximum number of times the program participant may receive assistance.
- Standards that includes the requirements of program participants to meet with a case manager not less than once per month to assist the program participant in ensuring long-term housing stability (and be documented in client case file and HMIS). Included shall be the agency's plan to assist the program participant to retain permanent housing after the ESG assistance ends, taking into account all relevant considerations such as the program participant's current or expected income and expenses, other public or private assistance for with the program participant will be eligible and likely to receive, and the relative affordability of available housing in the area. (Note DV shelters must follow the requirements of the Violence Against Women Act or the Family Violence Prevention and Services Act which prohibits agencies from making its shelter or housing conditional on the participants acceptance of service.)
- Standards include requirements that clients will be re-evaluated for program eligibility and the types and amounts of assistance the program participant needs. This re-evaluation process shall be conducted not less than once every 3 months for program participants receiving homelessness prevention assistance and not less than once annually for program participants receiving rapid re-housing assistance. Income limits shall not exceed 30% of AMI; the participants still lacks the resources and support networks necessary to retain housing.
- Standards shall include any requirements the agency may have regarding the requirement of the program participant to notify the agency of any change in income, stability, support circumstances that would affect the program participant's need for assistance under the ESG program. If applicable, when notified of the relevant change, the agency shall include steps to re-evaluate the program participant's eligibility and amount and types of assistance the program participant needs.
- If the program participant receives rental assistance or housing relocation and stabilization services, the Standards shall include the formal process for terminating a program participant that includes: 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 participant is given the opportunity to present written or oral objections before a person other than the person who made or approved the termination decision; and 3) prompt written notice of the final decision to the program participant. ***Included shall be language stating that termination does not bar the program participant from receiving assistance at a later date if the issue that caused the termination is resolved.***

## Appendix 7: Required HMIS Data Elements

| <b>Data Element</b>               | <b>Project Type</b>       |                               |                            |                          |                          |
|-----------------------------------|---------------------------|-------------------------------|----------------------------|--------------------------|--------------------------|
|                                   | <b>Shelter-Entry/Exit</b> | <b>Shelter-Night by Night</b> | <b>Homeless Prevention</b> | <b>Rapid Rehousing</b>   | <b>Street Outreach</b>   |
| Name                              | <input type="checkbox"/>  | <input type="checkbox"/>      | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> |
| Social Security Number            | <input type="checkbox"/>  | <input type="checkbox"/>      | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> |
| Date of Birth                     | <input type="checkbox"/>  | <input type="checkbox"/>      | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> |
| Race                              | <input type="checkbox"/>  | <input type="checkbox"/>      | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> |
| Ethnicity                         | <input type="checkbox"/>  | <input type="checkbox"/>      | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> |
| Gender                            | <input type="checkbox"/>  | <input type="checkbox"/>      | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> |
| Veteran Status                    | <input type="checkbox"/>  | <input type="checkbox"/>      | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> |
| Disabling Condition               | <input type="checkbox"/>  | <input type="checkbox"/>      | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> |
| Living Situation - Part A         | <input type="checkbox"/>  | <input type="checkbox"/>      |                            |                          | <input type="checkbox"/> |
| Living Situation - Part B         |                           |                               | <input type="checkbox"/>   | <input type="checkbox"/> |                          |
| Project Entry Date                | <input type="checkbox"/>  | <input type="checkbox"/>      | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> |
| Project Exit Date                 | <input type="checkbox"/>  | <input type="checkbox"/>      | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> |
| Destination                       | <input type="checkbox"/>  | <input type="checkbox"/>      | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> |
| Personal ID                       | <input type="checkbox"/>  | <input type="checkbox"/>      | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> |
| Household ID                      | <input type="checkbox"/>  | <input type="checkbox"/>      | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> |
| Relationship to Head of Household | <input type="checkbox"/>  | <input type="checkbox"/>      | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> |
| Client Location                   | <input type="checkbox"/>  | <input type="checkbox"/>      | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> |
| Income and Sources                | <input type="checkbox"/>  |                               | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> |
| Non-Cash Benefits                 | <input type="checkbox"/>  |                               | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> |
| Health Insurance                  | <input type="checkbox"/>  |                               | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> |
| Physical Disability               | <input type="checkbox"/>  | <input type="checkbox"/>      | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> |
| Developmental Disability          | <input type="checkbox"/>  | <input type="checkbox"/>      | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> |
| Chronic Health Condition          | <input type="checkbox"/>  | <input type="checkbox"/>      | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> |
| HIV/AIDS                          | <input type="checkbox"/>  | <input type="checkbox"/>      | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> |
| Mental Health Problem             | <input type="checkbox"/>  | <input type="checkbox"/>      | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> |
| Substance Abuse                   | <input type="checkbox"/>  | <input type="checkbox"/>      | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> |
| Domestic Violence                 | <input type="checkbox"/>  | <input type="checkbox"/>      | <input type="checkbox"/>   | <input type="checkbox"/> | <input type="checkbox"/> |
| Contact                           |                           | <input type="checkbox"/>      |                            |                          | <input type="checkbox"/> |
| Date of Engagement                |                           | <input type="checkbox"/>      |                            |                          | <input type="checkbox"/> |
| Bed-Night Date                    |                           | <input type="checkbox"/>      |                            |                          |                          |
| Residential Move-in Date          |                           |                               |                            | <input type="checkbox"/> |                          |
| Housing Assessment at Exit        |                           |                               | <input type="checkbox"/>   |                          |                          |

## Appendix 8: ESG Resources

The HUD [ESG resources page](#) is the central hub for all ESG information, where you can access ESG-applicable laws, regulations, and notices, plus ESG Program guides, tools, and webinars. These are all excellent resources to help staff learn or better understand the program.

### Key Concepts and Requirements

- [Eligible Activities for ESG Rapid Re-Housing and Homelessness Prevention Components](#)
- [Eligible Participants for ESG Rapid Re-Housing and Homelessness Prevention Components](#)
- [Requirements for Rental Assistance Agreements and Leases Under ESG](#)
- [ESG Requirements for Case Management to Help Ensure Housing Stability: Rapid Re-Housing and Homelessness Prevention Assistance](#)
- [Assigning Essential Services to the Appropriate Program Component](#)
- [Emergency Shelters: Distinguishing Between Renovation/Conversion and Maintenance Activities](#)
- [Using Contractors in the ESG and CoC Programs](#)
  
- [ESG Minimum Habitability Standards for Emergency Shelters and Permanent Housing](#)
- [ESG Rent Reasonableness and Fair Market Rent](#)
- [Applicable Requirements for Rental Assistance and Housing Relocation and Stabilization Services Matrix](#)

### Eligibility and Documentation

Understanding the *homeless* and *at risk of homelessness* definitions can be challenging for some communities – especially when it comes to determining and documenting eligibility for ESG rapid re-housing and homelessness prevention assistance. It is critical that recipients and subrecipients are evaluating individuals and families for assistance correctly – not only for compliance purposes but also to ensure that ESG funds are being used to serve those most in need of assistance. The following materials can help providers correctly determine and document program participant eligibility:

- [At Risk Status and Income: Recordkeeping Requirements Webinar for ESG Grantees](#)
- [Homeless Status: Recordkeeping Requirements Webinar](#)
- [Determining Homeless and At-Risk Status, Income and Disability Webinar](#)
- [The Homeless Definition and Eligibility for SHP, SPC, and ESG](#)
- [Criteria and Recordkeeping Requirements for Definition of Homelessness](#)
- [Criteria for Definition of At Risk of Homelessness](#)
- [SNAPS-Shot: Eligible Participants for ESG Rapid Re-Housing and Homelessness Prevention Components](#)
- [Homeless Emergency Assistance and Rapid Transition to Housing \(HEARTH\): Defining "Chronically Homeless" Final Rule](#)
- [SNAPS In Focus: Final Rule on Defining "Chronically Homeless" Part II: Policy and Practical Implications of the New Definition](#)

## Data Collection, Reporting, & Planning

There are multiple data collection and reporting systems that are relevant for ESG recipients and subrecipients, including the Homeless Management Information System (HMIS), and the Sage HMIS Reporting Repository (Sage). The following materials can help recipients and subrecipients understand these various data collection and reporting system requirements:

### HMIS

- [ESG Program HMIS Manual](#)
- [CoC APR and ESG CAPER HMIS Programming Specifications](#)

### Sage

- [Sage ESG CAPER Guidebook for ESG-funded Programs](#)
- [ESG CAPER: Sage HMIS Reporting Repository Template](#)
- [Sage Guidance for ESG Recipients Webinar](#)
- [Sage Guidance for ESG Subrecipients Webinar](#)

### Important Cross-Cutting Concepts

Some cross-cutting programmatic practices are required by the ESG regulations, such as consultation with Continuums of Care (CoCs) and participation in coordinated entry. HUD strongly encourages recipients and subrecipients to adopt other key program elements, such as emphasizing rapid re-housing, implementing a low-barrier approach to emergency shelter, and using a Housing First model. While not all are ESG Program-specific, the following resources can assist recipients and subrecipients to understand and incorporate these important practices into their communities' efforts to end homelessness:

- [SNAPS In Focus: Rapid Re-Housing As a Model and Best Practice](#)
- [HUD and USICH: Core Principles of Housing First and Rapid Re-Housing Webinar](#)
- [Coordinated Entry Policy Brief](#)
- [Coordinated Entry Requirements and Checklist of Essential Elements](#)
- [SNAPS In Focus: Improving our Crisis Response System](#)
- [Coordination and Collaboration for CoCs and Con Plan Jurisdictions Guide and Video](#)
- [Emergency Solutions Grants State Recipient Consultation with Continuums of Care](#)
- [FY 2016 CoC-Con Plan Jurisdiction and ESG Recipient Crosswalk](#)
- [Disaster Recovery Homelessness Toolkit](#)
- [Disease Risks and Homelessness](#)

### ESG FAQs

Through the publication of Frequently Asked Questions (FAQs), HUD offers clarifying information and guidance that may not be stated as explicitly elsewhere. All ESG Program FAQs are available on the [ESG Program FAQs](#) page.