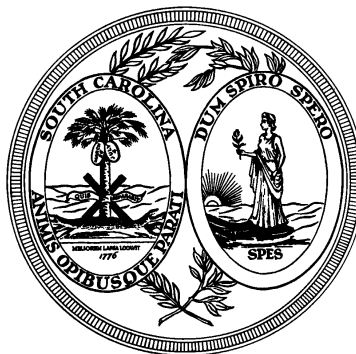


State of South Carolina  
Consolidated Plan for  
Housing & Community Development

**2012 Annual Action Plan**



*Community Development Block Grants  
HOME Investment Partnerships  
Emergency Solutions Grants  
Housing Opportunities for Persons with AIDS*

Program Year: April 1, 2012 - March 31, 2013

Public Comment Draft

**STATE OF SOUTH CAROLINA  
CONSOLIDATED PLAN FOR  
HOUSING AND COMMUNITY DEVELOPMENT**

**2012 Annual Action Plan**

**PUBLIC COMMENT DRAFT**

**-- Prepared for --**

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**South Carolina State Housing Finance and Development Authority**

**Office of the Governor, Office of Economic Opportunity**

**South Carolina Department of Health and Environmental Control,**

**STD / HIV Division**

**January 9, 2012**

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# State of South Carolina

## Consolidated Plan for Housing and Community Development

### 2012 Annual Action Plan

#### I. Executive Summary

For the 2012 Program Year, the State estimates it will receive federal resources from the U.S. Department of Housing and Urban Development (HUD) of approximately \$30.3 million. In addition, a second 2011 allocation of Emergency Solutions Grant funding will be available during the program year, bringing total funds available during the year to \$31.1 million. The four HUD programs covered by this Action Plan are (in alphabetical order): Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), which replaces the Emergency Shelter Grant program, HOME Investment Partnerships (HOME) and Housing Opportunities for Persons with AIDS (HOPWA). Funds for most of these programs have been significantly reduced over the past several years, and this trend is expected to continue in 2012 with anticipated HUD funds representing 17 percent less than in 2011. In spite of additional homeless ESG resources, HOME funding is expected to be only half of the already reduced 2011 level, and CDBG is also expected to reflect another reduction for 2012. As resources have shrunk, needs have been prioritized and investments targeted to achieve the greatest impact on the goals and objectives identified in the State's Consolidated Plan.

#### Objectives and Outcomes

The South Carolina 2011-2015 Consolidated Plan for Housing and Community Development was developed after citizen input and interagency consultation. In the plan, the state identified three broad priority needs related primarily to low and moderate income residents in South Carolina, which are consistent with HUD's three key objectives:

- Provide decent housing,
- Create suitable living environments, and
- Expand economic opportunities

The state also identified specific objectives to address these priority needs over the five-year period covered by the Consolidated Plan. These objectives were developed within the HUD Performance Measurement System framework, which was implemented to comply with the mandate that all federal agencies measure the outcomes of their programs. The Performance Measurement System allows HUD to aggregate local and regional accomplishments to convey the impact of CDBG, HOME, HOPWA and ESG investments across the country, and it also provides for a common set of general outcomes. The State's objectives therefore not only address priority needs in South Carolina, but also the three HUD outcomes, as follows:

- **Availability/accessibility** – making new or improved infrastructure, services, public facilities, housing, shelter, other basics of daily living, jobs or economic opportunity available or accessible, or more available or accessible, to low and moderate income people, including those with disabilities, in the areas where they live.

- **Affordability** – improving the affordability or lowering the cost to obtain or maintain housing, a suitable living environment or economic opportunity through a variety of means, such as: making basic infrastructure more affordable by lowering the cost, providing assistance to develop or finance more affordable housing choices or to lower the cost of housing, reduce the cost of community services like fire protection by improving ISO ratings and lowering insurance costs, etc.
- **Sustainability** – preserving existing housing, infrastructure and community facilities that directly contribute to quality of life and making them more sustainable, through activities such as owner and renter housing rehabilitation, repairs or energy efficiency improvements, upgrading deteriorated, dilapidated and/or inadequate infrastructure and facilities and improving their ability to support a suitable living environment, as well as businesses and jobs necessary to create economic opportunity, revitalizing and improving communities and neighborhoods, eliminating obstacles to economic growth and competitiveness, and overall making communities and neighborhoods more livable, more viable, more economically diverse and more sustainable, especially for low and moderate income persons.

To ensure measurable progress toward these outcomes, a five-year Strategic Plan was developed as part of the 2011-2015 Consolidated Plan. The plan outlines a variety of strategies that may be undertaken during the planning period, and each year's Annual Action Plan then identifies the particular strategies and actions to be undertaken during the year, as well as quantifiable goals or expected outcomes. The Strategic Plan notes that resource constraints, shifting priorities and uncertainty about funding commitments may limit the state's ability to undertake all of the strategies described in the Consolidated Plan, and further, conditions may change and necessitate new strategies to achieve the objectives established for the plan period. Specific objectives for 2012 are shown on **Table 3A** beginning on page 18.

## Past Performance

The State is currently implementing the Annual Plan for Program Year 2011 which is the first year of the new 2011-2015 Consolidated Plan period. Actual accomplishments for 2011 will be reported in June 2012. Past accomplishments are available for the prior 2006-2010 plan period, with the most recent results available being for 2010. In 2010, the CDBG, HOME, ESG and HOPWA programs received a combined allocation of \$33,945,270, which in addition to other available resources was used to address the state's priority needs and objectives. Distribution of funds was in accordance with each program's annual action plan. The state's success in achieving its goals and objectives using the funds available for program year 2010 is analyzed in detail in the state's *Consolidated Annual Performance and Evaluation Report* ("CAPER"), which is available online at <http://www.cdbgSC.com>. Significant accomplishments were achieved by each program, in spite of funding reductions that have made it difficult to address all needs and achieve objectives, and which have come at a time when the economy is lagging, employment is struggling and housing values have declined, making assistance difficult. Below are highlights of performance and accomplishments for 2010.

- Affordable rent or home purchase for 943 LMI households
- 210 new affordable homes or rental units for LMI households

- Preservation of affordability and improved housing conditions for 107 LMI households
- 292 LMI households connected to safe and reliable public water and sewer
- Better living conditions for residents of 38 rural communities as a result of new or upgraded public infrastructure
- Safer, more viable and sustainable neighborhoods as a result of planning or revitalization projects in 15 neighborhoods, to benefit over 9,500 (68%) LMI residents, and a redevelopment plan to eliminate blight in 4 communities and benefit 240,000 additional state residents
- 200 new jobs primarily for LMI residents
- Improved economic competitiveness for 64,683 residents of 13 rural communities where obstacles to economic development will be removed, in town commercial centers revitalized, critical public services such as fire protection and health services upgraded, and resources for workforce skills training and education improved by expanding or renovating libraries
- Emergency or longer term rental assistance to ensure decent housing for 526 people living with HIV/AIDS
- Supportive services for 948 people living with HIV/AIDS
- Emergency shelter and services for 31,833 homeless persons and prevention activities for 341 people at risk of becoming homeless
- Use of HUD resources to leverage an additional \$26.4 million in other federal, state, local and private investment

Overall, South Carolina built upon the accomplishments of the first four years of the plan period and made additional progress. Cumulatively, for the 2006-2010 planning period, accomplishments were significant and nearly every five year target was met and exceeded. Accomplishments for only two goals were less than expected, due to changes in underlying needs and an unforeseen, dramatic downturn in the economy.

## **II. Resources**

### **Federal Resources**

For the 2012 Program Year, the State will receive \$30.3 million in federal, U.S. Department of Housing and Urban Development (HUD) resources for the four programs covered by the Consolidated Plan, to address the State's priority needs, objectives and outcomes. The State will also receive the second allocation of Program Year 2011 Emergency Solutions Grant Program funding, bringing total HUD funds to be distributed during Program Year 2012 to \$31.1 million. The additional ESG funds will be distributed in accordance with the new Emergency Solutions Grant Program guidelines and regulations, following an amendment to the State's 2011 Annual Action Plan for ESG. ESG Applications competitively funded in 2012 will receive either 2011 or 2012 funding. In contrast to homeless resources which have increased, there has been a reduction of CDBG and HOME funding at the federal level, as well as a reduction in the State's program funds due to increases in the number of entitlements and consortiums in the State. For CDBG, this means a reduction in CDBG funds, or the primary source of HUD funding that can be used

to achieve many Suitable Living Environment and Economic Opportunity objectives in rural areas of the state.

Each of the four HUD programs covered by this plan is briefly described below, along with their actual or estimated allocation for the 2012 program year. More detailed information, including complete program descriptions, methods for distributing funds and information on funding cycles and match requirements is included in the attachments to this document.

### ***Community Development Block Grant***

The CDBG program is administered by the South Carolina Department of Commerce, (DOC) Grants Administration. Local governments use CDBG funds to strengthen and revitalize communities. Eligible CDBG activities primarily target low and moderate income persons and include the following:

- Public infrastructure, facilities and services,
- Community and neighborhood revitalization,
- Economic development, and
- Planning.

The State of South Carolina estimates that its 2012 CDBG allocation from HUD will be \$18,074,066. These funds will be distributed as follows:

<b>CDBG Allocation Plan</b>	
<b>Category</b>	<b>Amount</b>
Community Development Programs	\$14,931,844
■ Community Infrastructure	\$7,231,844
■ Community Enrichment	\$2,000,000
■ Village Renaissance	\$5,000,000
■ Ready to Go	\$700,000
Business Development Program	\$2,000,000
Regional Planning Program	\$500,000
State Technical Assistance (1%)	\$180,741
State Administration (2% of allocation + \$100,000)	\$461,485
<b>Total 2012 CDBG Allocation</b>	<b>\$18,074,066</b>

In addition to HUD's CDBG allocation, DOC expects to receive approximately \$65,000 in program income during the program year. It is estimated that an additional \$4 million in recaptured, remaining and reallocated funds may also be available for distribution. These funds will be distributed in accordance with the CDBG program description based on availability and timing of resources, as well as program demand.

### ***Home Investment Partnerships***

The HOME Investment Partnerships Program, administered by the State Housing Finance and Development Authority (SHFDA), targets activities and policies aimed at expanding the supply of affordable housing and increasing the number of families with access to affordable housing. Eligible HOME activities include the following:

- Rental housing construction or rehabilitation,
- Homeownership/homebuyer assistance, including development and rehabilitation of single family housing and downpayment and closing cost assistance,
- Owner-occupied rehabilitation or replacement housing.

The 2012 funding distribution total of \$8,100,000 is based on an estimated 2012 HUD allocation of \$4,400,000 and anticipated program income of \$3,700,000. The anticipated 2012 HOME allocation is a nearly 50% decrease over 2011 funding of \$8,500,000.

<b>HOME Allocation Plan</b>	
<b>Activity</b>	<b>Amount</b>
Rental (non-competitive) – HOME/LIHTC/Multifamily Bond	\$4,100,000
Homeownership Assistance (non-competitive) in conjunction with Single Family Mortgage Revenue Bond Program	\$1,640,000
Competitive Rental (including 15% CHDO Setaside)	\$1,700,000
CHDO Operating Expenses (5%)	\$220,000
Program Administration (10%)	\$440,000
<b>Total 2012 Allocation &amp; Program Income</b>	<b>\$8,100,000</b>

### ***Emergency Solutions Grant***

The Governor's Office, Office of Economic Opportunity, will administer the ESG or Emergency Solutions Grant Program, which replaces the Emergency Shelter Grant program effective January 2012. Like the original ESG shelter-focused program, the new ESG program will be administered through local governments and non-profit organizations. However, it will incorporate elements of the Homelessness Prevention and Rapid Re-housing Program (HPRP) introduced as part of the federal economic stimulus effort, and it will focus more funding on preventing initial and recurrent homelessness, shortening the duration of episodes of homelessness, and assisting in the transition from homelessness to independent living. Essential supportive services for homeless individuals and families will remain a focus but will be broadened to specifically support both sheltered and, though outreach, unsheltered homeless. South Carolina will receive a second 2011 allocation of \$846,849, which will be subject to the new ESG program regulations effective January 2012, and a 2012 allocation of \$2,352,358, bringing total ESG resources available during the program year to \$3,199,207.

Emergency Solutions Grant funds will be used for one or more eligible activities (renovation, conversion or major rehabilitation of buildings for use as shelters, essential supportive services,



preventive services and operating costs) to accomplish one or more program objectives, including:

- Reaching out to homeless persons and especially unsheltered homeless persons to assess their individual needs,
- Addressing the emergency shelter and transitional housing needs of homeless persons,
- Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families and unaccompanied youth) make the transition to permanent housing and independent living, by:
  - Shortening the period of time that homelessness is experienced,
  - Facilitating access to affordable housing,
  - Preventing the recurrence of homelessness for those who have previously been homeless.
- Helping low-income individuals and families avoid homelessness and especially helping prevent homelessness for those who are extremely low-income and either being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions) or receiving assistance from public or private agencies that address housing, social services, employment, education or youth needs.

Funds will be distributed as follows:

<b>ESG Distribution Plan</b>	
<b>Activity</b>	<b>Amount</b>
Emergency shelter and street outreach*	\$1,279,884
Homeless prevention and re-housing	\$1,641,746
Program Administration	\$277,577
<b>Total Funds Available for Distribution</b>	<b>\$3,199,207</b>

\* ESG elected to establish the cap on 2012 allocation funds that may be used for street outreach and shelter as the total amount of the 2010 allocation committed for homeless assistance activities.

\*\* Homeless prevention and re-housing funds include \$745,698 out of the second 2011 allocation that will be distributed in 2011 plus \$896,048 set aside for this activity out of the 2012 allocation.

### ***Housing Opportunities for Persons with AIDS***

The HOPWA Program is administered by the South Carolina Department of Health and Environmental Control (DHEC), STD/HIV Division. HOPWA provides housing and supportive services and other assistance to low-income persons with AIDS or related diseases and their families. The HOPWA allocation is based on population and the number of reported AIDS cases. Eligible HOPWA activities include the following:

- Emergency housing
- Shared housing arrangements

- Multi-family housing
- Single room occupancy (SRO) dwellings
- Community facilities
- Supportive services if provided in conjunction with HOPWA housing assistance

The State estimates it will receive \$1,728,286 in 2012 and DHEC plans the following allocation of funds:

<b>HOPWA Allocation Plan</b>	
<b>Activity</b>	<b>Amount</b>
Short-term Rent, Mortgage and Utility	\$214,392
Supportive Services	\$733,774
Permanent Housing Placement Services	\$27,764
Tenant-Based Rental Assistance	\$497,973
Operating Costs	\$126,826
Sponsor Administrative Expenses	\$85,467
Grantee Administrative Expenses	\$42,090
<b>Total 2012 Allocation</b>	<b>\$1,728,286</b>

## Other Resources

Given reductions in funding at the federal level, additional resources are not expected to be available, except those targeted to recovery programs. Such additional resources may include funds recaptured from the various new funding sources allocated to or competitively available to the state under the American Recovery and Reinvestment ARRA and/or other recovery legislation include:

- Additional rounds of Neighborhood Stabilization Program (NSP) funding,
- Homeless Prevention and Rapid Re-housing Program (HPRP), which will be rolled into the new Emergency Solutions Grant Program when it becomes effective,
- Tax Credit Assistance Program (TCAP) and Tax Credit Exchange Program (TCEP), which allowed SHFDA to assist prior developer recipients of Low Income Housing Tax Credits (LIHTC),
- Public Housing Capital Fund,
- Lead Hazard Reduction Grants,
- Project Based Rental Assistance,
- Foreclosure prevention counseling competitive funds.

In addition, HUD requires the State to provide matching funds for the CDBG, HOME, and ESG Program allocations. The HOPWA program does not require a match from the State of South Carolina for their allocation.

The CDBG program requires a 50 percent match for all administrative costs in excess of \$100,000 on a dollar-for-dollar basis. The State's match for CDBG is provided by the Department of Commerce budget. In addition, CDBG funds frequently leverage other federal, state, local and private funds. CDBG generally requires local governments to match a portion of the grant if they have the financial capacity, and public and private resources are often used to complete projects and create greater local impact.

The HOME program requires a 25 percent match. HOME program matching funds are provided by the SHFDA through the State Housing Trust funds. More information on the HOME match is included in the attached HOME Program Description.

The ESG Program requires a dollar-for-dollar match in non-ESG funds from the State for their allocation. To meet this requirement, the State requires that applicants to the State program provide a dollar-for-dollar match if they are awarded a grant. Match can be either in the form of a cash contribution or in other donated/in-kind resources such as the value of buildings, equipment, and volunteer services. The State is allowed to waive the match requirement for up to the first \$100,000 of its allocation for applicants who are least capable of leveraging local resources to meet the match. The State has established procedures to demonstrate that this provision has been met for those who wish to request a waiver. Since only a limited portion of the State's allocation is exempted from the matching requirement, and eligibility for the waiver must be sufficiently established by the applicant, it is anticipated that only a few waivers will be granted per funding cycle.

A number of other resources, including private, non-profit, local, state and federal programs, can also be used to address housing, community development and special needs. These services are provided on a statewide or regional basis for non-homeless special needs populations, including the elderly, low-income families, persons with mental and physical disabilities, and persons with AIDS/HIV. Related organizations also provide advocacy, direct assistance, funding, information, or referrals for those populations. The organizations and primary services offered are listed in the 2011-2015 Consolidated Plan.

Much of the funding for housing and community development programs in South Carolina originates from Federal sources. Some programs including HOME, CDBG, Low Income Housing Tax Credits (LIHTCs), Section 8 rental assistance programs and Low Income Home Energy Assistance (LIHEAP), are allocated to states based on formulas. Other programs are available only on a demonstration basis or through a competitive process on a national or regional level. These sources of funds are more difficult to obtain and less secure as a long-term funding source. A complete list of federal resources for housing and community development is provided in the 2011-2015 Consolidated Plan.

There are also a number of state programs available to assist in addressing housing and community development needs. Some of these are outlined on the following page.

## State Programs and Types of Assistance

Program	Type of Assistance			
	Housing	Community Development	Economic Development	Transportation
Business Development Corporation of SC (BDC) / Community Development Corporation of SC			X	
BDC / SC Capital Access Program			X	
DAH / State Historic Preservation Grant		X		
BCB / State Water Pollution Control Revolving Fund		X		
DMH / Housing and Homeless Programs	X			
DOC / Coordinating Council for Economic Development			X	
DOC / Rural Infrastructure Fund		X	X	
DOC / Other Grant Funds			X	
DOT / "C" Funds				X
DOT / Transportation Assistance				X
HHS / Senior Center Permanent Improvement Program		X		
JEDA / Industrial Revenue Bond			X	
JEDA / InvestSC / SC Venture Capital Authority			X	
PRT Film Commission / Wage and Supplier Film Rebates			X	
PRT / Park and Recreation Development Fund		X		
PRT / Recreation Land Trust		X		
PRT/ Tourism Fund			X	
Rural Infrastructure Bank		X	X	
SHFDA / Housing Trust Fund	X			
SHFDA / Mortgage Revenue Bond Programs (Homeownership)	X			
SHFDA / Multi-Family Tax Exempt Bond (Multi-family)	X			
State Tech / ReadySC (previously CATT)			X	
State Tech / Registered Apprenticeships			X	
State Tech / Pathways to Prosperity			X	

For housing, the most significant of these programs are administered by the State Housing Finance and Development Authority, in conjunction with federal HOME funds, to further the state's affordable housing goals.

### ***Mortgage Revenue Bond Program***

The Mortgage Revenue Bond (MRB) Program, administered by SHFDA, is the State's primary tool for expanding homeownership opportunities for low and moderate income families in South Carolina. The sale of tax exempt bonds to investors provides the bulk of the funding available to qualified, first-time homebuyers. Banks and mortgage companies originate mortgage loans on the agency's behalf and offer them at reduced interest rates. This below market rate financing provides the edge needed to make homeownership affordable for many of the state's lower income residents. Maximum purchase price and borrower income limits apply and typically vary by county.

### ***South Carolina Housing Trust Fund***

In 1992, landmark legislation established the South Carolina Housing Trust Fund and created a valuable resource for affordable rental housing and homeownership opportunities for low income residents of the state. Funding comes from a dedicated portion of the deed stamp tax, tying annual funding levels directly to the state's level of real estate activity.

Awards from the Housing Trust Fund are available to eligible non-profit housing development sponsors in all 46 counties. Funds are awarded on a quarterly basis and can be used to finance acquisition or construction of affordable single family homes or the development of affordable group homes for the disabled, emergency housing for battered women and their children, single room occupancy units for working homeless and disabled veterans, and multifamily rental units for single-parent households, families and the elderly. SHFDA provides technical assistance and compliance monitoring of Housing Trust Fund financed developments. Proposals are submitted to SHFDA's Board of Commissioners and awards are made based on local housing needs, development feasibility, and available resources.

### ***Multifamily Tax Exempt Bond Program***

SHFDA's Multifamily Tax Exempt Bond Program provides permanent real estate financing for property being developed for multifamily rental use through the sale of tax-exempt revenue bonds. Since 1982, the Multi-Family Tax Exempt Bond Finance Program has provided permanent financing for apartments in more than 50 complexes located throughout the state.

Financing is available to non-profit and for-profit sponsors, or developers, who agree to set aside: a) at least 20% of the units for households with annual gross incomes at or below 50% of the area median income, or b) 40% or more of the units for households whose annual gross income is at or below 60% of the area median. After a development has been placed in service, SHFDA staff review tenant records and development financial records, perform physical site inspections to ensure compliance with management and operating restrictions, and approve and conduct training for management personnel.

### ***Low Income Housing Tax Credit Program***

The Low Income Housing Tax Credit Program (LIHTC) is a federal program administered in South Carolina by SHFDA. Its purpose is to provide an incentive to owners developing affordable multifamily rental housing. Allocations of credits are used to leverage public, private and other funds in order to keep rents affordable. Developments that may qualify for credits include new construction, acquisition with rehabilitation, and rehabilitation and adaptive re-use. Developers who are awarded tax credits must agree to keep apartments affordable and available to lower income tenants for at least 30 years.

Annually, the SHFDA establishes priorities and needs in its QAP, or Qualified Tax Credit Allocation Plan, and accordingly allocates tax credits for rental housing development projects which add to or significantly improve existing rental stock through redevelopment (rehabilitation); projects which promote and encourage the addition of or significant upgrade of rental housing in rural areas; projects which develop affordable rental housing in areas experiencing economic growth where current supply is limited; projects which attract (leverage) or preserve existing federal, state, and local subsidies through additional assistance; projects which help preserve long-term affordability of at-risk low income units; and projects which

provide housing to disabled persons. Ten percent of the state's annual LIHTC allocation is reserved for the exclusive use of joint venture projects that involve the substantive participation of qualified non-profit organizations.

### ***Section 8***

The Section 8 Rental Assistance Program is funded by the HUD and administered under contract with HUD by SHFDA. There are three (3) components to the state-administered Section 8 Program: Housing Choice Vouchers, Moderate Rehabilitation, and Homeownership Vouchers. The Section 8 Housing Choice Voucher Program provides rental assistance in the private rental market to very low income individuals and families in Clarendon, Colleton, Dorchester, Fairfield, Kershaw, Lee, Lexington, and Williamsburg Counties. The program is funded by HUD and limited by HUD's budget. Qualified families pay approximately 30% of their income toward rent and utilities and the program pays the difference. Currently, there is a waiting list for the program, and the waiting list is closed in most counties. Applicants must have a "Gross Income" below HUD's annually published income standard, and elderly, disabled and veteran applicants are given priority. Income limits are based on family size and county residence.

### ***Foreclosure Prevention***

In recent years, SHFDA has made mortgage foreclosure prevention one of the highest priorities of its mortgage servicing division, and this has kept the Authority's foreclosure rate below the national average. Educational and advocacy efforts by SHFDA, the Affordable Housing Coalition of SC, the SC Department of Consumer Affairs and others all focused on maintaining existing homeownership at affordable and sustainable levels to help prevent additional foreclosures and the additional burden that would place on the availability of affordable rental housing, homeless assistance resources and the economy.

In program year 2010, the state was allocated and won additional resources to assist in this effort, including \$2 million under the fourth round of federal funding to support foreclosure prevention counseling efforts. SHFDA applied for these funds with Family Services, Inc. as its subgrantee. Family Services received similar funding under the first three rounds, had developed an efficient, successful statewide program and developed a partnership with SHFDA to extend the reach and impact of existing foreclosure prevention efforts. The grant supporting this effort is being provided by the National Foreclosure Mitigation Counseling Program.

South Carolina was also designated one of the country's "Hardest Hit Housing Markets," and as a result SHFDA will receive up to \$138 million from the second round of HUD's new Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets (HFA Hardest Hit Fund). The first round of funding targeted five states with home price declines greater than 20%, which did not include South Carolina. The second round of funds targeted five states living in economically distressed areas where the unemployment rate in 2009 exceeded 12%, which did include South Carolina. Program activities include unemployment programs, mortgage modifications, mortgage modifications with principal forbearance, short sales/deeds-in-lieu of foreclosure, principal reduction programs for borrowers with severe negative equity and second lien reductions.

### III. Annual Objectives and Outcome Measures

Based on community input and research, the 2011-2015 Consolidated Plan for Housing and Community Development in South Carolina contains extensive analyses and discussion of priority needs in the state, primarily as related to low and moderate income residents. The framework for the analysis was HUD's three key objectives of:

- Decent housing,
- Suitable living environment and
- Economic opportunity.

To ensure measurable progress toward the state's priority needs, a strategic plan for the five-year period covered by the Consolidated Plan was developed to address these priority needs. Objectives and potential actions to achieve these objectives are outlined in the Plan, and each year's Annual Action Plan will establish specific and quantified annual goals against which progress can be measured. This conforms to and allows reporting under the HUD Performance Measurement System, which was implemented to comply with the mandate that all federal agencies measure the outcomes of their programs. The Performance Measurement System allows HUD to aggregate local and regional accomplishments to convey the impact of CDBG, HOME, HOPWA and ESG investments across the country, and it also provides for a common set of general outcomes.

An important note in the Strategic Plan is that resource constraints, shifting priorities and uncertainty about funding commitments may limit the state's ability to undertake all of the strategies described in the Consolidated Plan, and further, conditions may change and necessitate new strategies to achieve the objectives established for the plan period. Specific objectives for 2012, along with proposed accomplishments or outcome measures, are shown on **Table 3A** beginning on page 18.

Summarized below are priority needs and objectives designed to address these needs, while also generating measurable outcomes in one of three HUD Performance Measurement System areas:

- **Availability/accessibility** – making new or improved infrastructure, services, public facilities, housing, shelter, other basics of daily living, jobs or economic opportunity available or accessible, or more available or accessible, to low and moderate income people, including those with disabilities, in the areas where they live.
- **Affordability** – improving the affordability or lowering the cost to obtain or maintain housing, a suitable living environment or economic opportunity through a variety of means, such as: making basic infrastructure more affordable by lowering the cost, providing assistance to develop or finance more affordable housing choices or to lower the cost of housing, reduce the cost of community services like fire protection by improving ISO ratings and lowering insurance costs, etc.
- **Sustainability** – preserving existing housing, infrastructure and community facilities that directly contribute to quality of life and making them more sustainable, through activities such as owner and renter housing rehabilitation, repairs or energy efficiency improvements, upgrading deteriorated, dilapidated and/or inadequate infrastructure and

facilities and improving their ability to support a suitable living environment, as well as businesses and jobs necessary to create economic opportunity, revitalizing and improving communities and neighborhoods, eliminating obstacles to economic growth and competitiveness, and overall making communities and neighborhoods more livable, more viable, more economically diverse and more sustainable, especially for low and moderate income persons.

## **Priority Needs and Objectives**

### ***Housing***

The highest priority housing need in South Carolina is the availability of decent, safe and affordable housing, particularly housing that is close to transportation and/or offers easy access to community services and employment centers, rental housing, and transitional and permanent supportive housing for households emerging from homelessness or with special needs, such as the elderly, disabled and those living with HIV/AIDS.

Preservation and sustainability of existing, affordable owner and renter housing is also important, and repairs, rehabilitation and energy efficiency improvements are needed to address this need. Improvements to existing housing can also address the need for housing that is physically more accessible for the elderly and disabled. Transitional and permanent supportive housing for people with special needs, including the elderly, disabled, those living with HIV/Aids and individuals and families emerging from homelessness, remains a priority need, and making this housing affordable is critical given the typically very low incomes of the elderly, disabled, previously homeless and other special needs sub-populations. Availability is also an issue, since development of new supportive and transitional housing is constrained by limited targeted funding and the limited number of low income housing developers with experience and capacity.

Other priority needs relate to the homeless, both sheltered and unsheltered, and those at risk of becoming homeless. Emergency shelter remains a priority need, as do essential, supportive services for those who are homeless or transitioning out of homelessness and into independent living. Preventing homelessness for those at risk, and quickly re-housing those who have become homeless, are also priority needs and ones which have been exacerbated by the ongoing economic downturn, high unemployment, lost wages and lower income levels, and continuing high rates of foreclosures. Homeless prevention and re-housing were at the heart of the Homeless Prevention and Rapid Re-housing (HPRP) federal stimulus program, and the new Emergency Solutions Grant program incorporates changes allowing it to better respond to these needs.

To address these needs, the state has identified objectives for improving availability, affordability and sustainability, as follows.

- **Availability/Accessibility of Decent Housing**
  - OBJECTIVE DH-1.1: Increase the supply of affordable rental units for LMI households
  - OBJECTIVE DH-1.2: Increase the supply of homeowner units affordable for LMI households
  - OBJECTIVE DH-1.3: Support transitional and supportive housing for people with special needs



- **Affordability of Decent Housing**

- OBJECTIVE DH-2.1: Improve affordability of owner and renter housing for LMI families
- OBJECTIVE DH-2.2: Provide tenant-based rental assistance (TBRA) to help persons with HIV/AIDS access housing
- OBJECTIVE DH-2.3: Prevent initial or recurrent homelessness or assist with transition to permanent housing
- OBJECTIVE DH-2.4: Address short-term housing instability by providing emergency assistance for people living with HIV/AIDS

- **Sustainability of Decent Housing**

- OBJECTIVE DH-3.1: Make existing affordable housing more sustainable and preserve affordable housing stock

### ***Suitable Living Environment***

Suitable living refers to the quality, condition and capacity of facilities and services provided by or available within communities, neighborhoods, towns, or regions that are primarily low and moderate income or where low and moderate income residents live and work. Basic, essential needs beyond shelter must be met in order to ensure health and safety. These include elements such as clean drinking water, water for fire protection, safe roads and bridges, and adequate storm drainage to prevent flooding. Community facilities and services must also be available, accessible and affordable in order to create and sustain quality of life. For those who are homeless, or those who have special needs, a suitable living environment can also mean emergency shelter and related services or the supportive services necessary to make independent living possible for people living with HIV/AIDS and their families.

Priority needs identified in the Consolidated Plan are broad and often relate to quality of life and community sustainability as well as community competitiveness and economic opportunity. Needs are interrelated and compelling, and changes in community and economic development are requiring new responses for addressing needs. There is an overriding need to strengthen communities and help prepare them for a sustainable future by:

- Investing wisely in infrastructure, community facilities, services and neighborhoods comprehensively, by building on and improving existing assets while also helping to improve health and safety or economic opportunity.
- Working collaboratively within regions to develop regional economies of scale, maximize limited resources, especially as relates to existing infrastructure which needs to be modernized and upgraded to make existing systems more financially viable, energy efficient and sustainable.
- Limiting the financial impact on communities and tight municipal and county budgets by identifying, upgrading and maintaining existing facilities, or adaptively re-using existing facilities, and by avoiding the creation of new facilities that might create additional or undue financial operating burdens.

- Invest in and revitalize existing neighborhoods in established communities to make them more livable and sustainable, with an emphasis on public safety, appearance, impact on community as a whole, and access to goods, services, housing and jobs.

For those who are homeless, whether they are sheltered or unsheltered, much more basic needs exist for shelter and supportive services, and for those living with HIV/AIDS, supportive services such as case management, transportation, educational and employment services, and substance and drug abuse are needed to promote independent living.

Objectives and potential strategies will achieve availability/accessibility and sustainability outcomes, as follows:

- **Availability/Accessibility of a Suitable Living Environment**
  - OBJECTIVE SL-1.1: Provide CDBG funding for new or improved infrastructure, facilities or services
  - OBJECTIVE SL-1.2: Support shelters and other entities that provide outreach and essential services to sheltered and unsheltered homeless
  - OBJECTIVE SL-1.3: Provide emergency shelter for homeless persons and families
  - OBJECTIVE SL-1.4: Provide supportive services to persons with special needs to promote independent living
- **Sustainability of a Suitable Living Environment**
  - OBJECTIVE SL-3.1: Support community and regional planning and coordination initiatives
  - OBJECTIVE SL-3.2: Preserve neighborhoods through revitalization, development and elimination of blight

### ***Economic Opportunity***

Additional priority needs exist to create economic opportunity for individuals in the form of jobs, as well as economic opportunities for local businesses who provide goods and services. As population and commercial activity increase, the ability of a community to be economically competitive, and the success of the community in sustaining and growing existing, local business and employers and attracting new ones, also increases. Creating an environment conducive to economic growth is a complex process requiring planning, community leadership and involvement and innovative thinking. Jobs alone will not necessarily generate sustainable economic opportunity, and what worked twenty years ago will not necessarily create a solid economic base today, particularly in rural, less developed areas. New approaches are constantly necessary as the economy, local economic conditions, and business and employer needs all change. And areas in greatest need of economic development, which in South Carolina are the smaller rural communities, are those areas where challenges are greatest, owing to above average levels of poverty and unemployment, gaps in education and skill levels, and limitations in the form of scarce resources, capacity and vision.

Priority needs identified in the Consolidated Plan are as broad in scope as the complex array of factors that determine the ability of a community to generate economic opportunity and employment for its residents. Economic needs overlap suitable living environment needs and

even housing, with the most pressing needs resulting from the economic downturn, business closures, job losses and high unemployment in many counties. Diverse and compelling needs associated with improving the economy include infrastructure, sites and buildings needed to attract new businesses, workforce development and employment-related training, downtown development and small business programs, and elimination of obstacles to economic development.

Specific objectives are aimed at making jobs more available and more accessible, particularly for the state's low and moderate income workers, and this involves multiple approaches. This can be accomplished by supporting local business growth, as well as by more traditional forms of job creation assistance, such as infrastructure or other public or private assistance aimed at helping communities attract new employers and jobs. Workforce development must also be advanced, to ensure skills, education and training levels qualify the state's workers for jobs in today's economy, and employment assistance, childcare and other programs and services are needed, particularly for those who are homeless or have special needs, to improve access to existing jobs, ability to compete for jobs and ability to maintain employment. Job support for those who already have jobs, in the form of child care, healthcare and training, can help maintain employment. The linkages between people, homes and jobs and services also need to be improved, and strategies to accomplish this may focus on improving transportation systems or by encouraging transit-oriented housing development and the location of housing and services closer to employment.

Objectives to address these needs will generate accessibility/availability and sustainability outcomes, as follows:

- **Availability of a Economic Opportunity**
  - **OBJECTIVE EO-1.1:** Support the creation or retention of jobs for LMI persons
  - **OBJECTIVE EO-1.2:** Support programs or services that improve the availability of or access to jobs for LMI persons
- **Sustainability of a Economic Opportunity**
  - **OBJECTIVE EO-3.1:** Improve community economic competitiveness and ability to support sustainable economic opportunity for residents

Overall, the State's objectives and outcomes described above are reflective of the purposes of the four Consolidated Plan programs, and they are also reflective of the broad needs of the state regarding housing and community and economic development. The state's objectives and strategies also recognize that local community resources to address needs are limited, particularly for LMI communities, and the resources available under the Consolidated Plan must be prioritized and targeted to achieve the most significant impact. Finally, needs in the state are interrelated and objectives aimed at addressing one need will also help address others.

## **2012 Objectives and Outcome Measures**

Objectives for the 2012 Program Year will include all those identified above and will reflect the strategies outlined in the Strategic Plan section of the 2011-2015 Consolidated Plan. Specific annual goals and outcome measures have been established for each. Undertaking the strategies

outlined in the Strategic Plan will help address each of the state's objectives for housing, community and economic development, homelessness and the special needs of people living with HIV/AIDS. Progress in achieving stated goals and outcomes for the 2012 Program Year will be reported in the Consolidated Annual Performance and Evaluation Report (CAPER) following the end of the program year, in June 2013.

Objectives and outcome measures for 2012 are provided on the following pages in a format corresponding to HUD Table 3A – Summary of Specific Annual Objectives. This table summarizes the objectives identified above and:

- The sources of funds the state expects to use for each objective,
- A performance indicator or output, and
- A specific goal against which progress will be measured at the end of the year.

As the plan period progresses, actual accomplishments will be added as they become available at the end of each year, and subsequent year's goals will be added prior to the start of each year. At the end of the five-year plan period, Table 3A will provide an overview of the state's performance over the entire period and the impact of activities funded by the state using Consolidated Plan CDBG, HOME, ESG and HOPWA funds.

**Table 3A - Summary of Specific Annual Objectives**

Specific Obj#	Outcome/Objective Specific Annual Objectives	Sources of Funds	Performance Indicators	Program Year	Expected Number	Actual Number	% of Goal Complete
DH-1	Availability/Accessibility of Decent Housing						
DH-1.1	Increase the supply of affordable rental units for LMI households	HOME	New affordable rental units	2011	170		
				2012	100		
				2013			
				2014			
				MULTI-YEAR GOAL	270		
DH-1.2	Increase the supply of homeowner units affordable for LMI households	HOME	New affordable homeowner units	2011	15		
				2012	15		
				2013			
				2014			
				MULTI-YEAR GOAL	30		
DH-1.3	Support transitional and supportive housing facilities for people with special needs	HOPWA	Number of housing units assisted	2011	20		
				2012	20		
		HOME		2013			
				2014			
				2015			
		MULTI-YEAR GOAL	40				
DH-2	Affordability of Decent Housing						
DH-2.1	Improve affordability of owner housing for LMI families	HOME	Households assisted	2011	900		
				2012	425		
				2013			
				2014			
				MULTI-YEAR GOAL	1,325		
DH-2.2	Provide tenant-based rental assistance to make housing for persons with HIV/AIDs more affordable	HOPWA	Households assisted	2011	110		
				2012	110		
				2013			
				2014			
				MULTI-YEAR GOAL	220		
DH-2.3	Prevent homelessness and/or assist with rapid re-housing or transition to permanent housing	ESG	Persons assisted	2011	600		
				2012	900		
				2013			
				2014			
				MULTI-YEAR GOAL	1,500		
DH-2.4	Address short-term housing instability by providing emergency assistance for people living with HIV/AIDS	HOPWA	Households assisted	2011	300		
				2012	300		
				2013			
				2014			
				MULTI-YEAR GOAL	600		
DH-3	Sustainability of Decent Housing						
DH-3.1	Make existing affordable housing more sustainable and preserve affordable housing stock	CDBG	Households assisted	2011	200		
				2012	200		
		HOME		2013			
				2014			
				2015			
		MULTI-YEAR GOAL	400				

**Table 3A - Summary of Specific Annual Objectives**

Specific Obj#	Outcome/Objective Specific Annual Objectives	Sources of Funds	Performance Indicators	Program Year	Expected Number	Actual Number	% of Goal Complete
<b>SL-1</b>	<b>Availability/Accessibility of Suitable Living Environment</b>						
<b>SL-1.1</b>	Provide funding for new or improved infrastructure, facilities or services	CDBG	Number of predominantly LMI communities assisted	2011	10		
				2012	15		
				2013			
				2014			
				2015			
			<b>MULTI-YEAR GOAL</b>		<b>25</b>		
<b>SL-1.2</b>	Support organizations that provide essential services to homeless individuals and families, both sheltered and unsheltered	ESG	Number of entities assisted	2011	25		
				2012	20		
				2013			
				2014			
				2015			
			<b>MULTI-YEAR GOAL</b>		<b>45</b>		
<b>SL-1.3</b>	Provide shelter and services for sheltered and unsheltered homeless persons	ESG	Persons assisted	2011	30,000		
				2012	30,000		
				2013			
				2014			
				2015			
			<b>MULTI-YEAR GOAL</b>		<b>60,000</b>		
<b>SL-1.4</b>	Provide supportive services to persons with special needs to promote independent living	HOPWA	Households assisted	2011	850		
				2012	850		
				2013			
				2014			
				2015			
			<b>MULTI-YEAR GOAL</b>		<b>1,700</b>		
<b>SL-2</b>	<b>Affordability of Suitable Living Environment</b>						
<b>SL-2.1</b>				2011			
				2012			
				2013			
				2014			
				2015			
<b>SL-3</b>	<b>Sustainability of Suitable Living Environment</b>						
<b>SL-3.1</b>	Support community and regional planning and coordination initiatives	CDBG	Number of predominantly LMI communities assisted	2011	40		
				2012	40		
				2013			
				2014			
				2015			
			<b>MULTI-YEAR GOAL</b>		<b>80</b>		
<b>SL-3.2</b>	Preserve neighborhoods through revitalization, development or elimination of blight	CDBG	Number of predominantly LMI communities assisted	2011	12		
				2012	10		
				2013			
				2014			
				2015			
			<b>MULTI-YEAR GOAL</b>		<b>22</b>		

**Table 3A - Summary of Specific Annual Objectives**

Specific Obj#	Outcome/Objective Specific Annual Objectives	Sources of Funds	Performance Indicators	Program Year	Expected Number	Actual Number	% of Goal Complete
<b>EO-1</b>	<b>Availability/Accessibility of Economic Opportunity</b>						
<b>EO-1.1</b>	Support the creation or retention of jobs for LMI persons	CDBG	Jobs created or retained	2011	75		
				2012	55		
				2013			
				2014			
				2015			
			<b>MULTI-YEAR GOAL</b>		<b>130</b>		
<b>EO-1.2</b>	Support programs or services that improve availability of or access to jobs for LMI persons	ESG	Number of programs or providers supported	2011	30		
				2012	30		
		HOPWA		2013			
				2014			
				2015			
			<b>MULTI-YEAR GOAL</b>		<b>60</b>		
<b>EO-2</b>	<b>Affordability of Economic Opportunity</b>						
<b>EO-2.1</b>				2011			
				2012			
				2013			
				2014			
				2015			
<b>EO-3</b>	<b>Sustainability of Economic Opportunity</b>						
<b>EO-3.1</b>	Improve community economic competitiveness and ability to support sustainable economic opportunity	CDBG	Number of communities assisted	2011	10		
				2012	4		
				2013			
				2014			
				2015			
			<b>MULTI-YEAR GOAL</b>		<b>14</b>		

## **IV. Method of Distribution**

Method of distribution refers to the means by which the state will distribute funds expected to be received by the four formula grant programs, CDBG, HOME, ESG and HOPWA, each year. Each program distributes funds to local governments, nonprofit organizations and other entities to carry out the activities identified in the Consolidated Plan, in accordance with applicable program requirements. Funds are made available as described below, for priority activities identified in the Strategic Plan that will directly impact priority needs and help accomplish goals and objectives described in this Annual Plan.

- CDBG and HOME have established programs for 2012 designed to address the three priority needs, Decent Housing, Suitable Living Environment and Economic Opportunity, and related objectives identified in this Annual Plan. Programs and funding levels are provided under the Federal Resources section of this plan. Strategies, or specific activities and project types that potential funding recipients may propose, are described in each program's annual plan, along with scoring criteria as applicable to the competitive programs and any other criteria used to select projects for funding.
- ESG makes funds available through one competitive funding round each year, and will do so again for 2012 to distribute both the 2012 allocation and the second 2011 allocation. Eligible nonprofits and units of local government in the state may operate homeless shelters, transitional housing, homeless services programs, or homeless prevention and re-housing programs and may request funds for any eligible activity defined in the program annual plan. These activities correspond to priority activities identified in this Annual Plan, and to the requirements and regulations governing the new Emergency Solutions Program. Funding decisions are based on eligibility, selection and scoring criteria described in the annual plan.
- HOPWA makes funds available to Ryan White Part B Service Providers, eligible nonprofit organizations and local health departments that assist persons with HIV/AIDS, as described in the program's annual plan.

Activities to be undertaken by recipients of funds are subject to the specific applications received and program funding awards. For more detailed information on the types of eligible activities, as well as the method of distribution for each program, refer to the program descriptions provided in the *Attachments*.

## **V. Geographic Distribution and Allocation Priorities**

The State makes funding available for local governments (in the CDBG & HOME programs), non-profit organizations (HOME, ESG, & HOPWA programs) and private developers (HOME program) to carry out activities that address priority needs. The State must rely on applications for funding from these entities in order to address the priority needs. It is the desire of the State of South Carolina to allow each region and locality to determine and address the most pressing needs it faces in the general context of the priority needs presented in this plan. Furthermore, the State acknowledges that it is difficult to rank one housing and community development need over another because they all are interrelated and respond to the basic needs of low- and moderate-income households and special needs populations.



- CDBG projects may be awarded to local governments in any area of the State that is not within an entitlement community. The activities funded are determined entirely by the applications submitted and the results of the project selection process. The geographic distribution of CDBG projects may therefore vary from year to year.
- The HOME Program provides priority rating points for counties with the greatest needs. The needs are based on the Low Income Housing Tax Credit Program criteria that include prior awards allocated, median county income, and other related housing data.
- The ESG Program is a competitive program and geographic distribution is based on applications received and the results of the project selection process.
- The HOPWA program provides funding to project sponsors across the State.

The state does not plan to dedicate resources to Community Revitalization Strategy Areas as defined by HUD.

## VI. Affordable Housing Goals

The state's housing priorities are illustrated on Table 2A below, as well as in the 2011-2015 Consolidated Plan. Needs are prioritized based on whether federal (CDBG, HOME, HOPWA, or ESG) funds will be used to address the need within the next five years, and they are in accordance with the HUD required assumptions.

The State's Annual Housing Completion Goals are shown on Table 3B on the following pages. This table identifies specific goals for Program Year 2012 for the number of homeless, non-homeless and special needs households to be provided affordable housing and the number of all households to be provided affordable housing through activities including rental assistance, homeownership assistance, production of new units or, rehabilitation of existing units.

**HUD Table 2A -State Priority Housing/Special Needs/Investment Plan**

PART 1 PRIORITY HOUSING NEEDS		Priority Level Indicate High, Medium, Low, checkmark, Yes, No
Renters (Small Related, Large Related, Elderly and Other)	0 – 80%	Y
Owners	0 – 80%	Y
PART 2 PRIORITY SPECIAL NEEDS		Priority Level
Elderly and Frail Elderly		Y
Severe Mental Illness		Y
Developmentally Disabled		Y
Physically Disabled		Y
Persons with Alcohol/Other Drug Addiction		
Persons with HIV/AIDS		Y
Victims of Domestic Violence		

**HUD Table 2A**  
**State Priority Housing/Special Needs/Investment Plan**

<b>PART 3 PRIORITY HOUSING ACTIVITIES</b>	<b>Priority Level</b>
<b>CDBG</b>	
Acquisition of existing rental units	
Production of new rental units	
Rehabilitation of existing rental units	
Rental assistance	
Acquisition of existing owner units	
Production of new owner units	
Rehabilitation or repair of existing owner units	Y
Homeownership assistance	
Infrastructure to support or facilitate affordable housing	Y
Acquisition and clearance to support or facilitate affordable housing	Y
<b>HOME</b>	
Acquisition of existing rental units	
Production of new rental units	Y
Rehabilitation of existing rental units	Y
Rental assistance	
Acquisition of existing owner units	
Production of new owner units	Y
Rehabilitation of existing owner units	
Homeownership assistance	Y
<b>HOPWA</b>	
Rental assistance	Y
Short term rent/mortgage utility payments	Y
Facility based housing development	Y
Facility based housing operations	Y
Supportive services	Y
<b>Other - ESG</b>	
Renovation, rehabilitation and conversion	
Essential services	Y
Preventive services	Y
Operational costs	Y

**HUD Table 3B**  
**State Annual Housing Completion Goals**  
**Program Year 2012**

Grantee Name: South Carolina Program Year: 2012	Expected Annual Number of Units To Be Completed	Actual Annual Number of Units Completed (CAPER Only)	Resources expected to be used during the period			
<b>ANNUAL AFFORDABLE RENTAL HOUSING GOALS (SEC. 215)</b>			<b>CDBG</b>	<b>HOME</b>	<b>ESG</b>	<b>HOPWA</b>
Acquisition of existing units			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Production of new units	100		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rehabilitation of existing units			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rental Assistance	110		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Total Sec. 215 Affordable Rental	210		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>ANNUAL AFFORDABLE OWNER HOUSING GOALS (SEC. 215)</b>						
Acquisition of existing units			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Production of new units	15		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rehabilitation of existing units			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Homebuyer Assistance	425		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total Sec. 215 Affordable Owner	440		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>ANNUAL AFFORDABLE HOUSING GOALS (SEC. 215)</b>						
Acquisition of existing units			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Production of new units	115		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rehabilitation of existing units			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rental/Homebuyer Assistance	535		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Total Sec. 215 Affordable Housing	650		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>ANNUAL AFFORDABLE HOUSING GOALS (SEC.215)</b>						
Homeless households	30,000		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Non-homeless households	1,450		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Special needs households	20		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>ANNUAL HOUSING GOALS</b>						
Annual Rental Housing Goal	210		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Annual Owner Housing Goal	440		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total Annual Housing Goal	650		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

## VII. Homeless and Other Special Needs Activities

The South Carolina General Assembly's Task Force on Homelessness developed a "Blueprint to End Chronic Homelessness" based on considerable public input. The action steps to achieve this objective are included in the plan, which is available on the internet and can be accessed at the following web address: <http://www.state.sc.us/dmh/homelesstateplan04.pdf>.

No single federal or state agency is charged with planning and implementing a strategy to combat homelessness in South Carolina. Instead, the SC Council on Homelessness was formed in 2003 as an interagency body comprised of key leadership agencies, with the goal of improving the service delivery system and providing the leadership and cooperation necessary for an

integrated approach to addressing the comprehensive needs of homeless individuals and families in South Carolina. Member agencies are those that provide services and funds to homeless individuals, programs or organizations, such as the Governor's Office of Economic Opportunity which administers the Emergency Shelter Grant (ESG) program for the state, and the State Housing Finance and Development Authority (SHFDA), which administers the HOME program for the state. Funding for the Council itself is limited, and the Council is dependent upon member agencies to provide funding for statewide efforts such as the biennial counts required by HUD. More information about the Council can be found on their website at <http://www.schomeless.org>.

During the 2012 program year, using limited available funds the SC Homelessness Council will continue to tabulate and analyze the results of the 2011 Homeless Count and begin preparation for the 2013 Count. Further, with the 2011 Homeless Count, the state now has three sets of data with which to evaluate the characteristics and trends of homelessness in South Carolina. Disregarding the 2005 count, which was conducted only over one 12-hour time period with no additional window for implementing the unsheltered count, the 2007, 2009 and 2011 counts now comprise three complete and fairly comparable counts of homelessness. Additionally, data from these two most recent homeless counts was used to assess and prioritize needs. Results of the 2011 count were not available for inclusion in the 2011-2015 Consolidated Plan, but will be used for the 2013 Action Plan.

Among the four HUD programs covered by the Consolidated Plan, ESG will continue to be the primary program for addressing the needs of the homeless, particularly since the retooling of the ESG program into the new homeless Emergency Solutions Program to incorporate the purposes of the Homeless Prevention and Rapid Re-housing Program (HPRP) originally introduced under the American Recovery and Reinvestment Act. HPRP funds were intended to provide homeless prevention assistance to households who would otherwise become homeless as a result of the economic recession, and to rapidly re-house individuals and families meeting the McKinney-Vento Homeless Assistance Act definition as homeless. The new solutions-oriented ESG Program incorporates essential HPRP activities, expanding them to include outreach to homeless and especially unsheltered homeless to assess individual needs, helping chronically homeless transition out of homelessness and into permanent housing and independent living, by shortening the length of time homelessness is experienced, facilitating access to affordable housing and preventing the recurrence of homelessness for those who have previously been homeless. An additional emphasis is on preventing homelessness for individuals and families a) receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs, and b) being discharged from publicly funded institutions and systems of care such as healthcare and mental health facilities, foster care and youth facilities and correctional programs and facilities. A final new element requires the State, directly or through its subgrantees, to undertake actions to address the housing and supportive service needs of persons who are not homeless but have other special needs. Reflecting the emphasis on prevention and transition to housing and re-housing, the program now requires a minimum funding set-aside which is reflected in ESG's allocation plan.

During Program Year 2012, considerable effort will go into policy and program changes needed to fully incorporate the new elements of the program into existing application, award, implementation, monitoring, reporting and technical assistance activities, as well as to

coordinating with Continuums of Care and continuing to implement new HMIS reporting requirements.

The 2011 Annual Plan for ESG, which is included in the Attachments, details how the new Emergency Solutions Grant program requirements will be met. One-year goals were included in Table 3A, and the specific action steps also required under the new program regulations will be provided by applicants for ESG funds as a requirement of the competitive funding process. This is considered the most effective way to implement the more specific, new requirements to detail actions that will reduce and end homelessness by:

- Reaching out to homeless persons and especially unsheltered homeless persons to assess their individual needs,
- Addressing the emergency shelter and transitional housing needs of homeless persons,
- Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families and unaccompanied youth) make the transition to permanent housing and independent living, by:
  - Shortening the period of time that homelessness is experienced,
  - Facilitating access to affordable housing,
  - Preventing the recurrence of homelessness for those who have previously been homeless.
- Helping low-income individuals and families avoid homelessness and especially helping prevent homelessness for those who are extremely low-income and either being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions) or receiving assistance from public or private agencies that address housing, social services, employment, education or youth needs.

Specific activities eligible under the ESG Program for 2012 are also detailed in the ESG program description.

In addition to ESG funding and actions, the State Housing Trust Fund managed by SHFDA will continue to allow new construction and rehabilitation of homeless shelters and supportive housing as activities eligible for funding. Other agencies, using primarily state or federal funding sources, will undertake activities as described in the 2011-2015 Consolidated Plan to address homelessness, to prevent persons from becoming homeless, to assist in transitioning the homeless to permanent, independent living, and to address the special needs of persons who are not yet homeless. These activities generally include the provision of information, outreach and referral, assistance to non-profit organizations, capacity building, advocacy, continuum of care services, and technical assistance.

Finally, the most active groups in planning and meeting the needs of the homeless in South Carolina will continue to be the continua of care coalitions, of which there are now four serving the state, following the 2010 merger of Pee Dee and Total Care into the new Eastern Carolina Homeless Organization (ECHO). Homeless services provided by Continuum of Care organizations can now be accessed from any county in the state, and the move to consolidate two of the state's smaller COCs continues this trend toward improving access to services.

The primary purpose of a continuum of care is to function as a planning organization to identify and meet the needs of the homeless in their communities by developing a seamless system of care to support homeless people from the street into permanent housing. The continuums participate in many activities:

- Estimating the extent and needs of the homeless.
- Coordinating services.
- Developing new services according to need.
- Securing funding to sustain activities.
- Expanding and developing programs.
- General education; and one of the most important functions.
- Advocacy.

Membership includes homeless organizations, individuals, non-government service providers, housing providers and developers, local governments, local and county social service agencies, faith-based institutions and business leaders.

## **VIII. Other Actions**

The Consolidated Plan regulations require the State to address other actions to meet specific initiatives identified by HUD. These actions are fully detailed in the State's 2011-2015 Consolidated Plan and are summarized below.

### **Obstacles**

Limited resources, shifting priorities and uncertainty about funding commitments may limit the State's ability to undertake all the strategies listed; however, it is a point of action. In the event that federal assistance is reduced, those outcomes which have been quantified may be reduced proportionally.

The primary obstacle to meeting underserved housing and community development needs of the state is funding, and these resources are shrinking in spite of additional funding under ARRA. Demand for assistance is growing, particularly as a result of recent economic conditions, and exceeds the supply of available resources. The number of lower income individuals, families, and neighborhoods in need, coupled with the complexity of issues they face is steadily increasing in both scale and cost. The combination of these factors places substantial new burdens on an already strained housing and community development delivery system.

Capacity and resource coordination are also significant obstacles. Infrastructure deficiencies are persistent impediments to the State's ability to address long-standing community needs. Insufficient expertise, funding, and planning plague a disproportionate number of South Carolina's rural areas. Capacity limitations as well as inadequate resource coordination are barriers to undertaking crucial quality of life improvements. Consequently, much needed new development or upgrades in housing, infrastructure, and community facilities are not made. Prolonged periods of disinvestment and decline have resulted in some economic and social decline in many communities across the state.

The State's strategy to overcome existing deficiencies in its housing and community development efforts is based on collaboration, education, outreach, and comprehensive planning. Consumers, providers, funders, policy makers, advocates and communities can benefit from increased communication, training and technical assistance to establish meaningful solutions to the housing and community development needs and improved quality of life among lower income populations.

A greater emphasis is being placed on collaboration among partners as the most effective means to reach community and economic development goals. South Carolina is poised to turn a corner in its economic structure, and utilizing our resources along with others will be the only way to make positive change. CDBG is making specific efforts to help make communities more economically competitive.

The CDBG program recognizes obstacles concerning funding and underserved needs. To address limited funding, the CDBG program requires that recipients generally provide a match for most types of projects and encourages leveraging of financial and other resources. This financial vested interest on the part of the recipient encourages the timely and successful completion of projects as well as the careful selection of projects that best meet the needs of the community.

### **Barriers to Affordable Housing**

Barriers to development of affordable housing were discussed in detail in the Housing Needs and Housing Market Analysis section of the 2011-2015 Consolidated Plan. In terms of strategies for addressing barriers, affordable housing continues to be a priority in South Carolina. Foreclosure and homelessness prevention have been at the forefront, as a result of persistently high unemployment, lagging business and economic activity, and credit market issues. Each of these, however, threatens to become a longer-term barrier and merits attention. Tight credit markets caused a sharp decrease in new housing development activity at the same time as homeownership became even farther out of reach for many of the state's residents. The need for additional rental housing has also increased. Foreclosure and homelessness prevention strategies include capitalizing on the various new federal resources and programs made available in recent years under the American Recovery and Reinvestment Act (ARRA), additional rounds of HUD Neighborhood Stabilization (NSP) Program funding that may become available, the Homelessness Prevention and Rapid Re-Housing Program (HPRP), which is being rolled up with ESG under the new Emergency Solutions Grant program, the US Treasury Department's New Issue Bond Program, which has helped shore up the housing bond market and allow agencies like SHFDA greater capacity for ongoing lending activities for first-time homeowners, and the HUD Tax Credit Assistance and Exchange Programs.

Most recently South Carolina was designated one of the country's "Hardest Hit Housing Markets" and received funds available from HUD's new Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets (HFA Hardest Hit Fund). The first round of funding targeted five states with home price declines greater than 20%, which did not include South Carolina. The second round of funds targeted five states with high numbers of people living in economically distressed areas, where the unemployment rate in 2009 exceeded 12%. This did include South Carolina and is yet another indication of the need for foreclosure and homeless prevention activities.

All of this activity focused on foreclosure, homeless prevention, neighborhood stabilization and re-housing does not preclude the need for ongoing efforts to address other, more traditional barriers to affordable housing that continue to exist. The Affordable Housing Study Committee in the Lt. Governor's Office and the newly created State Housing Commission can help the state focus on affordable housing issues. For example, legislation authorizing local and regional governments to establish local housing trust funds was passed but identifying funding sources remains a priority.

National legislation aimed at funding a National Housing Trust Fund can also help, as can funding for local housing trust funds which can be formed in South Carolina as a result of recent legislation, but for which no dedicated funding exists. Congress established the National Housing Trust Fund (NHTF) as part of the federal Housing and Economic Recovery Act of 2008, making it the first new federal housing program since the HOME Program was created in 1990 and the first new program aimed at increasing production of housing affordable for extremely low income households since the Section 8 Program was created in 1974. This is a significant potential resource, but the fund remains to be capitalized. The US House of Representatives did pass legislation that included funding for the NHTF, and HUD published proposed regulations for implementing the NHTF in October 2010. However, funding for the NHTF was not included in the most recent federal budget.

Strategies for addressing barriers to affordable housing, which have been identified in the state's 2011-2015 Consolidated Plan and the state's Analysis of Impediments, include:

- Cutting production, purchasing and financing costs to make homeownership more affordable, to make financing more accessible, and to simplify the home buying process.
- Encouraging local governments to identify and remove regulatory barriers, especially any identified as a result of a local or regional analysis of impediments to fair housing.
- Expanding opportunities to educate local governments about barriers to affordable housing, such as NIMBY, and strategies for addressing them, using the annual affordable housing forum, other workshops, information technology, and media communications.
- Expanding rental housing choice by increasing the number of low income multifamily units.
- Encouraging better planning, zoning and building codes to foster more diverse housing choices and costs.

### **Low Income Housing Tax Credit Program**

The State Housing Finance and Development Authority (SHFDA) administers the Low Income Housing Tax Credit Program for the State. Each year the SHFDA undertakes an analysis of rental housing needs to develop a Qualified Tax Credit Allocation Plan (QAP). The QAP establishes criteria for low income rental housing development projects for which developer tax credits will be allowed. The needs assessment is prepared using a variety of available data including census and Consolidated Plan information. Rental housing development priorities financed with tax credits are based on the State's analysis of needs. The latest 2012 Qualified Tax Credit Allocation Plan can be found on the SHFDA website at:

<http://www.schousing.com/library/tax%20Credit/2012/Final%20QAP.pdf>.



The SHFDA, as allocator of tax credits and in accordance with identified needs, has established the priorities for the allocation of credits for rental housing development projects as those which add to or significantly improve existing rental stock through redevelopment (rehabilitation), promote and encourage new or significantly upgraded rental housing in rural areas, develop affordable rental housing in areas experiencing economic growth where current supply is limited, attract (leverage) or preserve existing Federal, State, and local subsidies through additional assistance, help preserve long-term affordability of at-risk low income units and provide housing to disabled persons. The housing development priorities of the Tax Credit Program are consistent with the goals outlined in this Consolidated Plan.

## **Public Housing Initiatives**

The State Housing Finance and Development Authority (SFHDA), which serves as the Local Housing Authority in the administration and delivery of rental assistance under HUD's Section 8 programs, does not operate, own, or manage any public housing units. Instead, community based Public Housing Authorities in the larger suburban and metropolitan areas traditionally own and manage public housing developments. SHFDA supports the efforts of local Public Housing Authorities, through financing or technical assistance and consistent with the objectives of Federal programs that encourage homeownership, self-sufficiency, and youth development, but the state does not undertake public housing resident management or ownership initiatives.

During the development of the Consolidated Plan, the State reviewed the plans of public housing authorities in South Carolina. These plans indicate a general trend toward concepts of family self-sufficiency, individual development accounts, and homeownership programs.

To the State's knowledge, there are no outstanding court orders, consent decrees, or HUD sanctions that would either prevent or negatively impact the delivery of affordable housing to low income persons and families or impede implementation of the Consolidated Plan.

## **Lead-based Paint (LBP) Hazard Reduction**

The following are strategies and possible resources available to the State to combat the danger that lead based paint hazards present to children. Typically, Federal programs are limited in scope and are targeted to only certain population or housing sectors. Moreover, they often do not fully address testing children for elevated blood levels or abating lead from all housing, schools or childcare facilities. Attention should be focused first on units posing the greatest hazard and on strategies designed to meet the special needs of those populations feared most at risk. South Carolina's resources to reduce the lead-based paint (LBP) hazard include:

- Lead hazard abatement is an eligible activity under both the HOME and CDBG programs for projects involving repair or rehabilitation of housing. Both programs provide guidance regarding required steps to evaluate, address and/or abate lead, safe work practices, and notification procedures.
  - Lead hazard requirements/guidelines consist of written notification via brochure notifying tenants and potential homebuyers of dangers of lead-based paint poisoning. All beneficiaries must read and sign the documentation prior to occupying the unit.

- SHFDA's Low Income Housing Tax Credit, Section 8 Restructuring, Homeownership and Mortgage Assistance and Housing Trust Fund Programs all require compliance, disclosure and/or testing in accordance with federal requirements.
- Recipients of CDBG and HOME funds are encouraged to identify additional sources of funding to assist with lead hazard activities related to projects where rehabilitation is not funded. Examples include HUD Lead Safe Homes and other grant programs and private sector resources that may be available.
- The SC Department of Health and Environmental Control has agreed to participate in the Environmental Health Public Tracking System (EHPT) of the US Centers for Disease Control and Prevention. DHEC is currently working to streamline its own lead database so that it can provide required EHPT data and incorporate data from the Adult Blood Lead Epidemiology and Surveillance Program. Data is expected to be available this program year or next. Availability of data is guaranteed by South Carolina law, which requires physicians are required to report conditions, including suspected lead poisoning, on the DHEC List of Reportable Conditions to their local public health department, and laboratories are required to report all blood lead values in children under six years of age.

The state will also continue to take the following actions in addressing lead-based paint hazards in pre-1978 housing:

- Provide information and guidance related to lead-based paint hazard reduction to recipients of CDBG and HOME, including training as necessary.
- Continue to require notification of residents and owners of all houses receiving CDBG and HOME assistance regarding the hazards of lead-based paint.
- Incorporate lead hazard reduction strategies, in accordance with HUD requirements, in all HUD assisted housing rehabilitation and provide technical assistance on an as needed basis to ensure compliance with program policies and procedures and HUD notification requirements.

## **Poverty Reduction**

Poverty in South Carolina is discussed in detail in the 2011-2015 Consolidated Plan. The latest data available indicates that approximately 15.5% of South Carolinians have incomes below the poverty level. Addressing this issue falls within the purview of numerous state agencies, including the Department of Social Services, the Department of Employment and Workforce, the Department of Health and Human Services, the Department of Education, the Commission on Minority Affairs and the Department of Commerce. Each of these agencies has a mission and undertakes planning activities (such as TANF plans) which encompass one or more of the factors shown to cause poverty: insufficient education, lack of economic opportunity, health and social problems and lack of self-sufficiency.

The key means with which a state can combat poverty in the short-term is to create economic opportunity and provide opportunities for working age adults to improve skill levels and successfully compete for new and better paying jobs as these opportunities become available. Over the longer term, K-12 education and programs to combat health and social problems and

address disparities in access to services and support are also important. The latter, however, are beyond the scope of the agencies involved in this Consolidated Plan.

## **Institutional Structure and Coordination**

The State's strategy to enhance its housing and community institutional structure centers around improved education, outreach, comprehensive planning and coordination. Consumers, providers, financiers, policy makers, advocates and communities benefit from increased cross-sector communication (dialogue) and education in understanding that economic factors are inextricably linked with meaningful solutions to the housing needs and improved quality of life among lower income populations.

Both public and private sector agencies, organizations and institutions contribute to the State's delivery infrastructure for affordable housing and community development. These agencies and organizations are important development partners in South Carolina. Some have established histories as partners with the State; many more are new and emerging collaborators. All are tremendously vital resources in South Carolina's continuing challenge to address the affordable housing and improved community and economic development needs of lower income households.

The following agencies and organizations contribute significant financial and technical resources to benefit low and moderate income individuals and families of the State. These contributions help capitalize outreach, education and development initiatives. Private and local funds are leveraged with Federal and State funds in order to implement affordable housing and community development initiatives Statewide. Each entity, public or private, pass-through or direct provider, offers services to low income persons and is considered a critical component of South Carolina's housing and community development delivery system.

### ***Federal***

- Department of Housing and Urban Development
- Department of Agriculture, Rural Development
- Department of Commerce, Economic Development Administration
- Department of Health and Human Services

### ***State***

- Department of Commerce, Grants Administration
- State Housing Finance and Development Authority
- Department of Health and Environmental Control
- Governor's Office, Office of Economic Opportunity
- South Carolina Human Affairs Commission
- Department of Social Services
- Department of Mental Health
- Department of Disabilities and Special Needs
- Department of Alcohol and Other Drug Abuse Services

- Department of Health and Human Services
- Department of Labor, Licensing and Regulation - S.C. Migrant and Seasonal Farmworkers Commission
- Department of Transportation
- Department of Parks, Recreation and Tourism
- Budget and Control Board - Office of Local Government
- Department of Employment and Workforce
- Jobs-Economic Development Authority
- Governor's Office, Office of Small and Minority Business (Assistance)
- Governor's Office, Division of Constituent Services
- Commission for Minority Affairs
- Department of Consumer Affairs

***Local and Regional***

- Councils of Government
- Regional Housing Authorities
- Municipal and County Governments
- Public Housing Authorities

***Non-profit organizations***

- Community Housing Development Organizations
- Community Development Corporations
- Community Development Financial Institutions
- Community Action Agencies
- Small Business Development Centers
- Non-profit Economic Development Organizations

***Quasi-Governmental – Government Sponsored Enterprises (GSEs)***

- Fannie Mae, Freddie Mac and Ginnie Mae
- Federal Home Loan Bank of Atlanta

***Private***

- Financial Institutions (banks, mortgage companies, credit unions)
- Special Interest Organizations and Trade Associations
- Home Builders
- Realtors
- Insurance Companies
- Rental Housing Developers
- Special Needs Housing Developers

## IX. Citizen Participation Plan

The State certifies that it has adopted and is following the Citizen Participation (CP) Plan described in the 2011-2015 Consolidated Plan and which sets forth the State's policies and procedures for citizen participation. The Plan provides for and encourages citizens to participate in the development of the Consolidated Plan, any substantial amendments to the Consolidated Plan, subsequent Annual Action Plans, and the Consolidated Annual Performance Report.

Specific emphasis is placed on the participation of low- and moderate-income persons, including minorities, non-English speaking persons and persons with disabilities, particularly those living in slum and blighted areas and in areas where CDBG funds are proposed to be used, and by residents of predominantly low- and moderate-income neighborhoods. Those wishing to attend the public hearing and requiring special accommodations, including English language translation, were encouraged to contact the state in advance to arrange assistance.

The State is required to keep appropriate records, such as newspaper notices of hearings, minutes of those public hearings and responses to inquiries, to demonstrate that the CP Plan is being followed.

In preparing the 2012 Annual Action Plan, the state undertook the following efforts to encourage citizen participation:

- Notices to the public of the availability of the proposed 2012 Action Plan and a public hearing were placed in three major state newspapers, *The State*, *The Greenville News*, and *The Charleston Post and Courier* on January 8, 2012.
- A public hearing was held at 2:00 p.m. on January 25, 2012 at the South Carolina Department of Commerce and a notice was published in three of the state's major newspaper(s) as listed above.
- The public notice and a copy of the proposed Plan were made available for public review at the offices of the South Carolina Department of Commerce, the State Housing Finance and Development Authority, the Governor's Office, and the South Carolina Department of Health and Environmental Control. Copies were also made available at the ten Regional Councils of Governments and on the Department of Commerce Community Development Block Grant web site, [www.cdbgSC.com](http://www.cdbgSC.com). Finally, each of the four formula programs covered by the Action Plan notified interested parties on their respective mailing lists.
- A thirty-day public comment period ran from January 9 to February 6, 2012.
- A meeting was held with representatives from the ten Regional Councils of Governments on December 16, 2011 for the purpose of obtaining input on needs and feedback on the proposed Community Development Block Grant (CDBG) Program for 2012. Additional meetings will be held on January 18 and January 25, 2012, prior to the public hearing, to obtain further input.

## **X. Form 424 Application and Certifications**

The standard form 424 for each of the four HUD formula programs and required certifications are attached to the program specific requirements. The program year is April 1, 2012 to March 31, 2013.

### **Discharge Policy**

Various agencies in state government (including but not limited to the Governor's Office, Office of Economic Opportunity, Departments of Social Services, Mental Health, Vocational Rehabilitation, Corrections and Juvenile Justice) have established policies for the discharge of persons from publicly funded institutions or systems of care in order to prevent such discharge from immediately resulting in homelessness for such persons.

### **Affirmatively Furthering Fair Housing**

Each state grantee that receives CDBG funding under Title I of the Housing and Community Development Act is required to further fair housing and conduct fair housing planning through the following actions.

1. Conduct an analysis to identify impediments to fair housing choice within those cities/communities within its jurisdiction.
2. Take appropriate actions to address the effects of any impediments identified through the analysis.
3. Maintain records, reflecting the analysis and the actions taken in this regard.

The state must also make efforts to assure that units of local government receiving HUD funds comply with these certifications to affirmatively further fair housing.

As a part of the Consolidated Plan process, and as a requirement for receiving HUD funding, the state is required to submit a certification that it has undertaken fair housing planning through the actions mentioned above. This certification can be found in the Attachments.

Consistent with the above requirements, the State has undertaken fair housing planning at the state level, including preparation of an Analysis of Impediments (AI), taking actions to overcome the effects of identified impediments, maintaining records, and ensuring that all State-funded jurisdictions comply with their certifications to affirmatively further fair housing. Further, the state has consistently focused on fair housing issues and made efforts to mitigate impediments to fair housing choice through:

- Enforcement of fair housing and related laws
- Education
- Outreach
- Making affordable housing more readily available
- Consulting with various state, local, regional and other organizations on fair housing
- Addressing capacity.

The State's fair housing efforts are detailed each year in the State's Consolidated Annual Performance and Evaluation Report (CAPER), as required by HUD.

### ***Analysis of Impediments***

A primary accomplishment to date has been the considerable new research and analysis needed to develop the Analysis of Impediments (AI), which consistent with HUD guidance in its *Fair Housing Planning Guide*, forms a comprehensive review of the state level laws, regulations and administrative policies, procedures, and practices that pertain to fair housing and assessment of how these and other conditions, both private and public, affect fair housing choice. The AI will form the basis of the state's fair housing planning efforts and efforts to affirmatively further fair housing during the five-year plan period, and it will also guide the state in developing specific actions to be undertaken each year and reported on in the CAPER each year.

The state's AI was based on a review of data, new and existing research, public outreach and other information collected from a wide range of sources, which assisted in identifying impediments and developing a greater understanding of the conditions that affect fair housing choice for the residents of South Carolina, and in particular for the state's protected classes and special needs populations. Such data included census, fair housing complaints, lending and foreclosure, legal statutes, barriers to affordable housing and public input through surveys and forums. Following is a summary of the impediments identified as a result of this analysis.

- Housing discrimination impedes fair housing choice and primarily impacts minorities and persons with disabilities.
- The prevalence of predatory lending products, coupled with a lack of access to credit and poor financial literacy, enable and may contribute to discriminatory effects.
- Economic barriers serve as an impediment to fair housing choice particularly when the supply of adequate affordable and accessible housing is limited.
- Regulatory barriers and lack of adequate coordination and resources can impede fair housing choice.
- Fair housing is impeded by a lack of knowledge of fair housing laws and fair housing resources among the general public, housing providers and policy makers.

### ***Fair Housing Responsibilities***

It is the goal of the State to reduce and eventually eliminate any existing housing discrimination and prevent its reemergence in the future, as well as to address other impediments to equal housing opportunity. Most of the authority to address fair housing lies at the local county and municipal government level, with little ability by any individual state agency to effect broad changes either at the legal and regulatory level or at the local government level. Further, within the state, there are numerous fair housing planning entities that receive HUD funding. These not only include the four state agency partners in the State Consolidated Plan, but also numerous local county and municipal governments and consortiums that receive HUD funding directly. Finally, organization of state government is such that none of these agencies are tasked solely with a fair housing mission, and this brings in additional entities including the SC Human Affairs Commission and the SC Department of Consumer Affairs. Each of these is involved in fair

housing but there is no central coordinating entity, with authority to take action on behalf of the state as a whole.

The role of the SC Department of Commerce, as lead entity for the Consolidated Plan, is largely to advocate for and promote actions that improve fair housing, encourage coordination amongst disparate public entities, encourage Con Plan partners to act and report on fair housing issues, analyze existing data sources, report on progress on fair housing issues, highlight findings from data analyses, and encourage meaningful action and cooperation at local levels, both by recipients of State HUD funds and other direct HUD recipients in the state.

Given these constraints, the state will each year undertake actions aimed at addressing fair access to housing and fairness of housing choices for State residents. These may include the actions outlined in the Analysis of Impediments, or other actions that may be subsequently identified as relevant and potentially effective in combating and eliminating impediments to fair housing choice. Actions may be undertaken by the SC Department of Commerce in its role as the lead agency for the State Consolidated Plan, by the Consolidated Plan partner agencies, by other HUD-funded agencies in the state, by local government recipients of HUD funds or by other state agencies, as appropriate.

### ***Planned Actions to Address Impediments in 2012***

During 2012, the State will address as many of the impediments as possible, through actions that may include any of the actions listed below for each impediment, others identified in the AI, or other appropriate actions. Some actions, if undertaken during the year, may address more than one impediment and this will be discussed when the actions are described at the end of the year in the CAPER.

#### ***Discrimination in the Housing Market***

Despite an ongoing emphasis on Fair Housing and continual outreach and education, discriminatory practices still persist and limit housing choices for the state's protected classes. During the 2011-2015 plan period, the state will promote activities and actions that will help identify, monitor and eliminate discrimination by housing providers, including actions to combat discrimination in the private sector in lending, brokerage, leasing, appraisal and other activities related to the provision of housing.

- Coordinate with the SC Human Affairs Commission to increase data collection and improve the quality of data regarding complaints in order to better monitor and analyze the incidences of discrimination.

#### ***Private Sector Lending Practices***

During the 2011-2015 plan period, the state will promote fair lending practices and support programs that improve financial literacy among the state's protected classes as a primary tool for reducing susceptibility to unfair and predatory lending. The state will encourage local outreach efforts and those sponsored by organizations such as the National Association of Realtors, builders associations and others aimed at educating private sector participants in housing related activities like development of affordable and accessible housing, lending, brokerage and sales, and appraisal. The state will also attempt to capitalize on existing



organizations which may be able to create new mechanisms for regulating these types of activities.

- Implement the newly established mortgage loan database at the SC Department of Consumer Affairs to target unethical business practices.

### ***Affordability and Accessibility of Housing Choices***

The provision of a greater supply of affordable housing in locations near jobs and services improves the number of housing options available to lower income populations, which in South Carolina encompass a high degree of minorities, elderly and persons with disabilities, as well as households with single female parents, and this in turn helps to eliminate economic barriers to housing choice. Expanding housing options in all locations that are accessible to persons with disabilities, and increasing the awareness of requirements of developers and housing providers regarding accessibility and accommodations, will help eliminate physical barriers to housing choice for people with disabilities who often have a difficult time locating suitable and accessible housing. It will also facilitate “aging in place” of existing residents whose accessibility needs may currently be met but which may change as they get older.

- Promote the availability of affordable housing choices through [www.SChousingsearch](http://www.SChousingsearch).

### ***Public Agency Policies and Coordination***

Greater coordination at the state and local level will help to increase the effectiveness of fair housing issues and ensure that fair housing is integrated into broader housing and human services efforts to reach those most affected by housing discrimination.

- Encourage greater coordination of fair housing efforts, including the collection and analysis of data and training of staff with fair housing roles.

### ***Public Awareness and Outreach***

There are a wide range of actions needed in education and outreach that will help to address identified impediments to fair housing choice.

- Develop and distribute a broad range of materials and other fair housing resources for local governments and housing groups to increase public awareness of fair housing.

### ***Additional Affirmatively Furthering Fair Housing Actions for 2012***

In addition to identifying impediments to fair housing at the state level, the agencies administering the programs included in the Consolidated Plan will also ensure that funding recipients comply with fair housing requirements. To this end, the state will undertake the following actions:

- SHFDA, as the state’s housing agency, will require that funding recipients uphold the law, inform the public, owners and potential tenants about applicable fair housing laws, and affirmatively market HOME assisted housing in order to inform and solicit applications from eligible persons in the housing market area who are not likely to apply

(defined as persons who do not reflect the race/ethnicity of the residents in the neighborhood where units are located).

- CDBG will require all funding recipients to develop a Fair Housing plan, designate a Fair Housing Coordinator and identify actions to be taken during the grant period to address fair housing issues and help eliminate impediments to fair housing.
- CDBG will also require recipients to undertake progressive fair housing actions and provide guidance on actions grant recipients can take to further fair housing in their communities.

## **XI. Monitoring**

All Federal programs covered by the Consolidated Plan are governed by separate monitoring and compliance requirements. The State will rely on the enforcement of these requirements by administering agencies and organizations, whether public or private, to ensure compliance with statutory and regulatory program requirements.

### **CDBG**

In the CDBG program, all projects are monitored for compliance. The review process is carried out to address three basic questions:

- Are approved activities being carried out and in a timely manner?
- Are activities and certifications conducted in accordance with the requirements and the primary objectives of Title I and with other applicable laws; and
- Does the recipient show a continuing capacity to carry out approved activities in a timely manner?

During the course of a CDBG project, the State monitors each recipient through periodic on-site visits and written quarterly reports, so that any problems that might occur may be resolved as soon as possible. It is the goal of the State to assist and support recipients in complying with applicable State and Federal requirements and in implementing their project activities in a timely manner.

### **HOME**

In the HOME program, all projects will be monitored for compliance. Prior to monitoring, each recipient is required to attend one or more HOME Wellness meetings to ascertain their compliance with regulations. Follow-up meetings are scheduled as needed for recipients to receive technical assistance to ensure full compliance. Those recipients deemed to be in compliance are then scheduled for monitoring visits.

In addition, written quarterly reports are received by the Authority to compliment the wellness meetings as another form of follow-up.

## **ESG**

The Governor's Office of Economic Opportunity (OEO) is required by Title I of the Housing and Community Development Act of 1974, as amended, to review the performance of units of local government which receive Emergency Shelter Grants Program (ESG) funds through the State. Monitoring visits to each subgrantee are made to (1) review the financial records of the subgrantee, and (2) to offer technical assistance.

Subgrantees are generally monitored at least once during the grant period by a representative of the Office of Economic Opportunity for the purpose of reviewing the programmatic accomplishments of the projects funded under the Emergency Shelter Grants Program. Site visits are made to each project site / subgrantee at least once during the calendar year in which the unit of local government has received ESG funds. The State representative reviewing the accomplishments of the project will assess actual progress measured against the approved objectives, budget, and timetable proposed by the subgrantee. The purpose of the programmatic review is to (1) evaluate program management in compliance with the application submitted to the OEO, (2) assess the accomplishments of the program, and (3) to offer technical assistance.

## **HOPWA**

For HOPWA, SCDHEC requires programmatic and fiscal reports from each contractor quarterly and annually. Contract monitoring visits are conducted at least annually. A team composed of program staff and staff from Health Services Administration, to include a budget specialist and a contract specialist, conducts annual site review visits. This team approach is quite effective in conducting a comprehensive site review with a focus on providing technical assistance.

Program issues monitored during a site visit include documentation of client eligibility as well as verification of income information. Fiscal documentation of previously submitted invoices is also reviewed. Contractors/subcontractors meeting the federal threshold of expending \$300,000 or more of federal funds in a fiscal year are required to submit fiscal audit reports according to the federal regulations time frames.

The HIV/AIDS Division provides technical assistance (TA) to funded HIV care and services contractors for both administrative and programmatic activities. TA is provided and/or coordinated by Division staff. Specific areas of TA that the division provides include:

- Monitoring of contract objectives.
- Assistance in planning, implementing, and evaluating HIV care and services.
- Assistance with the coordination of community networking and consortia activities.
- Dissemination of federal and state policies and procedures.
- Linking with Division and/or DHEC training and TA resources.
- Other issues relevant to HIV care and services contracts as well as in response to requests for assistance.

The Division provides targeted technical assistance and monitoring to contractors out of compliance with the contract objectives through the use of the corrective technical assistance plan. An agency may be placed on this plan when any of the following conditions are present.

- OMB audit is overdue.
- Quarterly reports are submitted late during two or more quarters.

Contractors placed on this plan receive written notice of specific areas of programmatic/administrative weakness, in addition to a technical assistance plan with specific recommendations outlining steps to improve areas cited. Follow-up technical assistance may be conducted in order to assess the agency's ability to resolve deficiencies. Agencies that do not resolve or adequately address deficiencies may jeopardize future funding opportunities.

Each of the four grantee agencies (DOC-Grants Administration Division, SHFDA, OEO, DHEC) also prepare individual, annual performance reports specific to their own administered programs, and related strategies and actions. The DOC Grants Administration Division will continue to combine these documents into the single Performance Report required by HUD each year.

## Attachments

Citizen Comments

State Certifications

Program Specific Requirements (Certifications, Method of Distribution and Program Descriptions)

- Community Development Block Grant
- Emergency Solutions Grant
- HOME Investment Partnerships
- Housing Opportunities for Persons With AIDS

## **Citizen Comments on Proposed 2012 Annual Action Plan**

During the public comment period, which runs from January 9, 2012 to February 7, 2012, the State will make the draft plan available to the public for review and will hold a public hearing on January 25, 2012. Notice of the availability of the draft plan was published in *The State* Newspaper, the *Greenville News* and the *Charleston Post & Courier* on January 8, 2012, posted on [www.cdbgSC.com](http://www.cdbgSC.com). The notice provided instructions on how to provide comments regarding the Plan.

## State Certifications

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the State certifies that:

**Affirmatively Further Fair Housing:** The State will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the state, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

**Anti-displacement and Relocation Plan:** It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential antidisplacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

**Drug Free Workplace:** It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about:
  - a) The dangers of drug abuse in the workplace;
  - b) The grantee's policy of maintaining a drug-free workplace;
  - c) Any available drug counseling, rehabilitation, and employee assistance programs; and
  - d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph I that, as a condition of employment under the grant, the employee will:
  - a) Abide by the terms of the statement; and
  - b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position

title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted –
  - a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
  - b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

**Anti-Lobbying:** To the best of the State's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
3. It will require that the language of paragraphs 1 and 2 of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

**Authority of State:** The submission of the consolidated plan is authorized under State law and the State possesses the legal authority to carry out the programs under the consolidated plan for which it is seeking funding, in accordance with applicable HUD regulations.



**Consistency with plan:** The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

**Section 3:** It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.

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Signature/Authorized Official

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Date

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Assistant Director, Federal Programs

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Title

## Specific CDBG Certifications

The State certifies that:

**Citizen Participation:** It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR §91.115 and each unit of general local government that receives assistance from the State is or will be following a detailed citizen participation plan that satisfies the requirements of 24 CFR §570.486.

**Consultation with Local Governments:** It has or will comply with the following:

1. It has consulted with affected units of local government in the nonentitlement area of the State in determining the method of distribution of funding;
2. It engages in or will engage in planning for community development activities;
3. It provides or will provide technical assistance to units of local government in connection with community development programs; and
4. It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected.

**Local Needs Identification:** It will require each unit of general local government to be funded to identify its community development and housing needs, including the needs of low-income and moderate-income families, and the activities to be undertaken to meet these needs.

**Community Development Plan:** Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objectives of Title I of the Housing and Community Development Act of 1974, as amended. (See 24 CFR 570.2 and 24 CFR part 570)

**Use of Funds:** It has complied with the following criteria:

1. Maximum Feasible Priority. With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);

2. Overall Benefit. The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) 2011, 2012, and 2013 (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;
3. Special Assessments. The state will require units of general local government that receive CDBG funds to certify to the following:
  - a) It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

- b) It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

**Excessive Force:** It will require units of general local government that receive CDBG funds to certify that they have adopted and are enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

**Compliance With Anti-discrimination laws:** The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

**Compliance with Laws:** It will comply with applicable laws.

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Signature/Authorized Official

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Date

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Assistant Director, Federal Programs

Title

## **Appendix to Certifications**

### **Instructions Concerning Lobbying and Drug-Free Workplace Requirements:**

#### **A. Lobbying Certification**

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

#### **B. Drug-Free Workplace Certification**

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification.
2. The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
4. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).
5. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph three).

6. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

**South Carolina Department of Commerce  
Grants Administration  
1201 Main Street, Suite 1600  
Columbia, SC 29201**

Check \_\_\_\_\_ if there are workplaces on file that are not identified here; The certification with regard to the drug-free workplace required by 24 CFR part 24, subpart F.

7. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C.812) and as further defined by regulation (21 CFR 1308. 11 through 1308.15);

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).



# **Community Development Block Grant**

## **Program Description**

**Program Year**

**April 1, 2012 - March 31, 2013**

**DRAFT**

**State of South Carolina  
Department of Commerce  
Grants Administration**

South Carolina

**State of South Carolina  
Department of Commerce  
Grants Administration**

**1201 Main Street, Suite 1600  
Columbia, South Carolina 29201**

**Phone: (803) 734-0429  
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**[www.cdbgSC.com](http://www.cdbgSC.com)**



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### *POLICY OF NON-DISCRIMINATION*

The State of South Carolina does not discriminate on the basis of age, race, color, religion, sex, national origin, disability or familial status in the admission or access to, or treatment or employment in, its federally assisted programs or activities. Dick Scott, Department of Commerce, Grants Administration, 1201 Main Street, Suite 1600, Columbia, SC 29201, Phone (803) 734-0429 (VOICE) or (803) 734-1046 (TDD), has been designated to coordinate compliance with the non-discrimination requirements of the CDBG program.

## Overview

The South Carolina Community Development Block Grant (CDBG) Program is designed to provide assistance to units of general local government in improving economic opportunities and meeting community revitalization needs, particularly for persons of low and moderate income. The CDBG program has been funded through the State since 1982 by the U.S. Department of Housing and Urban Development (HUD) under the Housing and Community Development Act of 1974, as amended (Title I).

The CDBG program is governed by Title I of the Housing and Community Development Act of 1974, as amended, and its implementing regulations for the State Program at 24 CFR Part 570, Subpart I. All CDBG activities must be carried out in accordance with the requirements of Title I, Subpart I, the State Consolidated Plan and this Program Description.

Grants Administration, a division of the SC Department of Commerce, administers the annual allocation from HUD for the CDBG program. Throughout this Program Description, the term "State" generally refers to the entity administering the CDBG program, i.e., Grants Administration.

In the following sections, a description of the State of South Carolina's CDBG Program is presented along with the amount of funds available and the method of distribution of those funds. Also presented are the categories of grants to be made available, selection criteria, eligible activities, and the eligibility requirements for applicants.

The State will conduct workshops to assist local governments and other interested parties in the preparation of grant applications and the administration and management of funded projects in accordance with program requirements. In addition, the State is available to provide technical assistance to local governments and non-profit organizations regarding the CDBG program.

## CDBG Program Goals and Outcomes

The Department of Commerce seeks to improve the well-being of all South Carolinians in a manner that supports and enhances a high quality of life. The State CDBG Program supports the agency's efforts to strengthen communities through revitalization and improvement of neighborhoods, public infrastructure, and the local economy.

In an effort to effectively target resources and ensure program accountability, the CDBG program has incorporated a focus on project outcomes. Shrinking resources on the national and state levels require that programs provide concrete evidence that their investments are resulting in the desired outcomes.

The three overarching goals of the CDBG program are to provide decent housing, economic opportunities and a suitable living environment. Within the context of these goals, each project must also meet one of three outcomes identified by HUD: affordability, accessibility, or sustainability.

## National Objectives

Each activity must address at least one of the three National Objectives of the CDBG program: (1) benefit low and moderate income (“LMI”) persons, (2) aid in the prevention or elimination of slums and blight, and (3) meet other urgent community needs posing a serious threat to the health or welfare of the community, where other financial resources are not available to meet such needs. The South Carolina CDBG Program has been designed to give maximum priority to activities that will benefit LMI persons. As required by Title I, the State of South Carolina is certifying to HUD that at least 70 percent of the total CDBG funds received by the State during the three year period from 2011 through 2013 will be used to provide benefits to persons from LMI families.

For activities that address benefit to LMI persons, at least 51 percent of the beneficiaries must be from LMI families, except that single-family housing activities must benefit 100 percent LMI. The definition of LMI used in the State's CDBG program is as follows:

### Non-metropolitan counties

Low and moderate income levels will be determined by eighty percent (80 percent) of the higher of the following: The median family income for the county of residence or the statewide non-metropolitan median family income, whichever is higher.

### Metropolitan counties

Low and moderate income levels will be determined on the basis of eighty percent (80 percent) of the entire Metropolitan Statistical Area (MSA) median family income.

HUD adjusts median family income levels for family size. The State will provide CDBG applicants and recipients with the latest available HUD data, and this must be used to determine which persons qualify at the time of assistance as being from low and moderate income families. When conducting limited clientele activities, the following persons are also presumed to be LMI by HUD (absent evidence to the contrary): abused children, elderly persons, battered spouses, homeless persons, severely disabled adults, illiterate adults, migrant farm workers, or persons living with AIDS.

Applications that address the third national objective of imminent threat to the health or welfare of the community must comply with the requirements shown below:

- Applications must contain a certification of imminent health threat from the Commissioner of the South Carolina Department of Health and Environmental Control (DHEC), or the Governor must have made a declaration of emergency.
- Conditions which pose a serious and immediate threat must be of recent origin or must have recently become urgent. A condition will generally be considered of recent origin if it developed or became critical within eighteen (18) months preceding the submission of an application. The application may not address conditions that have become serious due to a lack of maintenance of an existing facility or improvement.

- The applicant must demonstrate that it lacks the resources to effectively address the imminent threat and other sources of funding are not reasonably available.

## Eligible Applicants

Under Title I, all units of general local government are eligible to apply for CDBG financial assistance with the exception of the ten large cities and six urban counties that participate in the CDBG Entitlement program and receive CDBG funds directly from HUD. The ineligible cities include: Aiken, Anderson, Charleston, Columbia, Florence, Greenville, Rock Hill, Spartanburg, Summerville and Sumter. The HUD designated urban counties of Charleston and Greenville as well as the unincorporated areas of the following counties are also not eligible: Horry, Lexington, Richland, and Spartanburg. Some of the municipalities within these counties may be included in the HUD entitlement designation and some may not. For an eligibility determination, please contact the urban county or the state.

For any application to be considered for funding, the applicant must comply with the requirements of this Program Description as well as applicable federal regulations and state requirements and submit a complete and acceptable application.

## Types of Applications

### **Individual Application**

A unit of local government generally may apply for only one project per application and funding category, and that project must be designed to address an identified priority need of the jurisdiction. The single project requirement may be waived if Grants Administration determines that there is an overriding administrative and/or cost benefit to undertaking separate projects under one grant or program. Unless a project is being conducted in phases, there should not be multiple applications to benefit the same target area or persons through the same activity.

### **Joint Application**

Eligible applicants may apply jointly for projects to alleviate common problems or address mutual need(s) when it is documented that mutual action is required or when it is in the best interests of all applicants. The necessity or appropriateness for mutual action must be acknowledged by Grants Administration prior to the submission of an application.

A joint application will be funded as a multi-jurisdictional award and must include an agreement written in accordance with HUD and Grants Administration procedures which:

- States that the parties have agreed to cooperate in undertaking the project,
- Delineates the responsibilities and authorities of each party with respect to the administration of the grant, and
- Authorizes one of the parties to be the recipient of the funds and have primary administrative responsibility.

Applicants proposing to submit joint applications should contact Grants Administration for further instructions. The lead jurisdiction in a joint application must comply with program threshold requirements. Each participating jurisdiction is required to comply with all citizen participation requirements, certifications and other Title I requirements, as applicable.

### **Applications for Areas Outside Municipal Jurisdiction**

Activities must significantly benefit residents of the applicant jurisdiction and the applicant must determine that the activities will meet a priority need. This determination should be documented in the needs assessment and public hearing. For an activity to significantly benefit the residents of the applicant jurisdiction, CDBG funds expended must not be unreasonably disproportionate to the benefits of the applicant's residents. Where mutual action is required, a County may apply jointly with a municipality to address the needs of areas outside the jurisdiction of a municipality. It is also permissible for a County to undertake a project in a municipality without meeting the requirements of a joint application, since the County's jurisdiction includes the municipality.

### **Applications Involving an Entitlement Jurisdiction**

Generally, state CDBG funds may not be spent in entitlement communities. Residents of entitlement jurisdictions may only receive an incidental benefit from a state CDBG funded activity. For projects submitted by eligible State CDBG program applicants that also incidentally benefit entitlement areas:

- The applicant must determine that the proposed activity meets a priority need,
- All but incidental beneficiaries must be documented as residing in the non-entitlement area,
- The project must be consistent with the Entitlement's Consolidated Plan, and
- The Entitlement may be required to provide a share of the total project cost equal to the proportion of Entitlement benefit.

### **Single or Multiple Activity Projects**

Applications may be submitted for single or multiple activity projects, depending on the program category. For the Community Development Program, multiple activity projects may only be undertaken in a target area or neighborhood, and all activities must be interrelated. The needs of the neighborhood being addressed should be included in the applicant's needs assessment and the proposed outcome of the activities should determine the appropriate program category. It is recommended that applicants proposing multiple activities seek technical assistance from Grants Administration staff prior to applying for funding.

## **Eligible Activities**

Units of local government may apply for assistance under the appropriate grant program category to undertake any of the activities specified in Section 105(a) of Title I, as amended. A copy of Title I, as amended, is available from the State.

Examples of the types of activities that are eligible for CDBG funding are as follows: acquisition of real property; construction of, or improvements to, public works and facilities; rehabilitation of public and private property; code enforcement in deteriorating areas where other public improvements and services are expected to arrest the decline of an area; lead-based paint hazard evaluation and reduction; assistance to facilitate and expand home ownership for low and moderate income persons; provision of public services; housing services; assistance to neighborhood-based non-profit organizations, local development corporations or other similar entities to carry out community revitalization or economic development activities; demolition and clearance; removal of architectural barriers; relocation payments and assistance for displaced individuals and businesses; provision of appropriate assistance to private, for-profit entities to carry out economic development projects; assistance to micro enterprises; and CDBG eligible planning and administration.

## **General Requirements**

### **Applications**

In order to be considered for CDBG funding, units of local government must submit an acceptable application that meets all federal and state program requirements. A local government may obtain an application by submitting to Grants Administration a written request from the chief elected or chief administrative official of the local government. The Application Request contains a brief description of the proposed project, the number of proposed beneficiaries and an estimate of the percentage of beneficiaries who are LMI (if appropriate), the project location, total project costs, all funding sources, the amount of CDBG funds to be requested and the proposed use of such funds. Grants Administration may request a meeting with the potential applicant or conduct a site visit to determine eligibility and feasibility prior to mailing an application. Deadlines for applications to be submitted for consideration are specified in each program category described in this Program Description or as indicated when the application is mailed to the applicant.

### **Citizen Participation**

Units of local government wishing to participate in the CDBG program must provide for participation by citizens in the planning and implementation of any project involving CDBG funds. Units of local government are required to develop and follow a written citizen participation plan, to conduct a community needs assessment to identify the community revitalization and economic development needs of the local government and LMI persons, and to hold public hearings regarding these identified needs and proposed and completed activities in accordance with the federal and state program requirements and guidelines.

### **Performance Thresholds**

In order to participate in the CDBG program, a unit of local government must be able to meet certain performance threshold requirements for CDBG funds previously awarded. These requirements are detailed in the descriptions of each grant category in this Program Description. Grants Administration may waive the threshold requirements where circumstances beyond the control of the applicant were directly responsible for such requirements not being met or in the

event of an urgent and compelling need for immediate assistance, such as an imminent health threat to the public.

### **Certifications and Disclosures**

All applicants for funding under the State CDBG program are required to comply with the provisions in Title I and other applicable federal and state laws and regulations. Lead applicants must also provide certifications and disclosures regarding the amount of assistance sought from Grants Administration and other government entities during the federal fiscal year, the financial interests of persons involved in the activities, the sources of funds to be made available for the activities and how such funds will be used as well as any known, potential conflicts of interest.

### **Residential Anti-displacement and Relocation Assistance Plan**

The State certifies that it will undertake activities that minimize the displacement of persons or businesses. CDBG funds should not be used to carry out activities that result in displacement unless there is a public health or safety threat. Local governments must also make such certification and must demonstrate that there are no other feasible alternatives.

Section 104(d) provides that a grant funded under CDBG may be made by the State only if the applicant certifies that it is following a "residential anti-displacement and relocation assistance plan" (the Plan). The Plan must contain at least two components: (1) a requirement to replace all LMI dwelling units that are demolished or converted to a use other than LMI housing as a direct result of CDBG assistance; and, (2) a relocation assistance component (which also addresses the applicant's efforts to minimize the displacement of persons). Both components must meet the HUD requirements at 24 CFR 570.488.

Grants Administration will not require the Plan to be submitted with an application unless CDBG activities that would involve the Plan are proposed to be undertaken. The State CDBG Program Implementation Manual provides guidance on the preparation of the Plan.

### **Application Assistance**

The state publishes Application Guidelines and annually provides technical assistance to help potential applicants in applying for CDBG funding. The Application Guidelines are included on the website at [www.cdbgSC.com](http://www.cdbgSC.com)

## **Access to State Records and Program Information**

The procedures for the review of State CDBG records are in accordance with the Freedom of Information and Privacy Acts. Records related to the use of CDBG funds administered by the State are available for public review upon request at the SC Department of Commerce, Grants Administration, 1201 Main Street, Suite 1600, Columbia, SC 29201 between 8:30 a.m. and 5:00 p.m., Monday through Friday. Persons wishing to review such records or who would like additional information on the CDBG program should contact Grants Administration, Phone: Voice (803) 734-0429/ TDD (803) 734-1046.

## Funding Distribution

The State of South Carolina's 2012 estimated CDBG allocation is \$18,074,066. The funds will be distributed as follows (the italicized amounts are breakdowns of the Community Development Program amounts). The State may issue contingent grant awards or commitments to local governments in the event the CDBG funding allocation from HUD is delayed.

Category	Amount
Community Development Programs	\$14,931,844
■ <i>Community Infrastructure</i>	<i>\$7,231,844</i>
■ <i>Community Enrichment</i>	<i>\$2,000,000</i>
■ <i>Village Renaissance</i>	<i>\$5,000,000</i>
■ <i>Ready to Go</i>	<i>\$700,000</i>
Business Development Program	\$ 2,000,000
Regional Planning Program	\$ 500,000
State Technical Assistance (1%)	\$ 180,741
State Administration (2% of allocation + \$100,000)	\$ 461,481
<b>Total 2012 CDBG Allocation</b>	<b>\$18,074,066</b>

Up to ten percent may be reallocated among any of the grant categories to address the State's program priorities and local needs as identified by the Secretary of the Department of Commerce. In the event of a federal or state declared disaster or emergency, up to ten percent of the State's unobligated allocation may be reallocated to address the needs of the disaster consistent with Title I. Any requirements, thresholds, or limits may be waived at the discretion of the State in the event of a disaster. Priority consideration will be given to projects that address the immediate needs of LMI persons as a result of the disaster. Requests for housing assistance as a result of the disaster should address only LMI households.

### **Administration and Technical Assistance**

The State may not use more than twenty percent of the total annual allocation for planning and general administrative costs carried out by units of local government and the State. Section 811 of the Housing and Community Development Act of 1992 includes a provision that allows the State to use one percent of its allocation to provide technical assistance to local governments and non-profit program recipients. The State intends to use such funds to provide technical assistance to units of local government, non-profits, and other interested parties on community and economic development issues. There will be an emphasis on the provision of technical assistance for local governments.

Assistance will include one-on-one advice and guidance, training workshops and manuals, and best practices exchanges. On-site assistance will be provided for identification of community needs, planning, project development, project implementation and meeting federal and state program compliance requirements. Funds will also be used to conduct workshops to assist interested parties in applying for and implementing CDBG funded projects.



## **Distribution of Additional Allocations, Reallocated, Recaptured and Remaining Funds**

Additional allocations are any funds HUD adds to the State's original grant award for any given year. Reallocated funds are those funds that HUD has recaptured from a grantee and reallocated to the State. Recaptured funds are funds the State receives back from a grantee as a result of disallowed costs, deobligation or termination of CDBG funding.

Remaining funds consist of any funds that have not been awarded at the completion of a program category funding cycle, or one year after such funds were granted to the State, or at the time the State is awarded its next regular allocation by HUD. This may occur due to an insufficient number of acceptable applications being received by the State in a particular funding category or as a result of insufficient funds remaining in a funding category to fully fund another acceptable application.

It is estimated that approximately \$4 million in such funds may be available for distribution. At the discretion of Grants Administration, any additional allocations, reallocated, recaptured or remaining funds described in this or any prior year's Program Statement or Description may be awarded in any grant category described in this Program Description or the applicable prior year's Program Statement or Description. Generally such funds will be awarded in the program categories where applications for eligible and fundable projects exceed available funds. Under unusual circumstances, Grants Administration may consider a waiver of any CDBG program requirement set by the State and may use any available funds for projects that are determined to meet urgent or compelling needs or for pilot projects where the Secretary of the Department of Commerce determines it necessary to implement the objectives of the Department of Commerce, within HUD requirements.

## **Program Income**

The State will require that units of local government, unless the conditions of the grant award state otherwise, return to the State all program income from activities carried out with CDBG funds. All program income returned to the State will be administered in accordance with the provisions of this Program Description and applicable federal and state regulations and statutes.

Program income to be received by the State, as a result of a loan made by JEDA under the CDBG Revolving Loan Fund, will continue to be collected by JEDA unless otherwise designated by the SC Department of Commerce. On a quarterly basis, JEDA will transfer these funds to the Department of Commerce for distribution. Any program income received by the State will be treated as recaptured funds and distributed in accordance with the provisions in this Program Description. The State anticipates receiving approximately \$65,000 in program income this year from JEDA.

Under the provisions of Title I, the State is obligated to waive the requirement for the return of program income to the State when the unit of local government will use that income to carry out the same activity that provided the income, provided that other HUD and State administrative

requirements will be met. Examples of the same activity would be: using program income resulting from the repayment of a loan made to a business to make another loan, and using program income resulting from housing rehabilitation activity to establish a revolving loan fund to carry out additional housing rehabilitation.

Each CDBG application must contain a program income plan, whether income will be received or not. The State will require that all program income derived from CDBG funds be returned to the State unless the recipient requests retention of program income to be used for the same activity. Program income plans must be approved by the local governing body and signed by the chief executive official of the local government. Program income plans are to be submitted at the time of grant application and will be considered on a case-by-case basis. If the plan submitted with the application is acceptable, the approval of the grant is indication that the program income plan has been approved. However, if the plan is incomplete, unacceptable or not included, the grant award will be conditioned to require submission of an acceptable program income plan.

Program income, whether returned to the State or retained at the local level, may be included in the total amount of funds from which the State may take up to two percent for State CDBG program administrative costs.

## **Grant Program Categories**

Below is a description of the types of grants available to address the objectives of the State's CDBG program and the methods of distributing funds for these categories. Each category includes a description of the objectives, requirements, grant amounts, funding limits, matching requirements and the selection process. There are three broad grant program categories: Community Development, Business Development, and Regional Planning. The Community Development Program is further broken down into several subcategories to address infrastructure, community facilities, and neighborhood priorities.

Grants Administration will perform due diligence in reviewing each application for feasibility, fundability, and compliance with program requirements. Site visits will be conducted as necessary to verify information contained in the application. Applicants should have the individuals responsible for writing the application, as well as those individuals who are most familiar with the project area available during the site visit, if requested. The applicant should ensure that the application is internally consistent and that all numbers are correct prior to submission.

Grants Administration reserves the right to prescribe revisions in project proposals if activities prove to be CDBG ineligible, do not address program initiatives, or are not necessary project components; if proposed project costs are determined to be unacceptable, e.g., costs exceed CDBG requirements; or if there is not enough funding available to fully fund the request. Additionally, projects should not be submitted for consideration if there is local controversy regarding the activities or proposed outcomes. Such projects may be returned to the applicant for local resolution.

## Community Development Programs

Total Funds: \$14,931,844

### **Description**

This program is designed to produce outcomes that improve citizens' quality of life and create a competitive environment for jobs and investment by addressing priority community development needs. Activities should contribute to healthy, safe and sustainable neighborhoods and communities. These grants are designed to improve the quality of life for distressed and LMI communities. Community Development projects will compete within the following subcategories that have the same general submission requirements, except that the Ready to Go Program will not be funded in a competitive funding round. Applications for this program will be considered eligible once all required application information is received and if it qualifies for the minimum score using the non-comparative scoring criteria of the Community Development Programs. All other Community Development requirements will apply.

### **Community Infrastructure**

**Funds Available:** \$7,231,844

**Grant Maximum:** \$500,000\*

**Grant Minimum:** \$50,000

\* Waivers of the grant maximum up to \$1,000,000 will be considered based on whether the project addresses an urgent and compelling need, regional solution, or system-wide improvements (i.e., treatment plant), as well as the extent of leveraging and a reasonable CDBG cost per beneficiary of \$10,000 per household or less. A written waiver request explaining the rationale must be submitted for consideration with the application request.

### **Outcome and Priorities**

A Community Infrastructure application must contribute to creation of healthy and sustainable residential communities through water, sewer, roads, drainage or other activities that address one or more of the priorities listed in order of importance:

1. Significant improvements to existing infrastructure to address health concerns, meet required quality standards and ensure community sustainability
2. Projects that result in a more viable regional infrastructure solution or that provide new access to services near business centers where it is cost effective to address a documented health threat
3. Upgrades to infrastructure to address quality standards where there are only general health concerns or provide new services that are not near business centers when it is cost effective to address a documented health threat

Note: Priority will not be assigned to infrastructure improvements that are necessary because of a lack of maintenance and repairs. Similarly, a priority may not be assigned if new service is proposed for an isolated neighborhood and there is no documented health threat or the service is not cost effective given the number of households committed to benefit.

## **Community Enrichment**

**Funds Available:**      **\$2,000,000**

**Grant Maximum:**      **\$500,000\***

**Grant Minimum:**      **\$50,000**

\* Due to federal caps on public services/equipment, the number and amount of grants for this purpose may be limited. Planning grants are also subject to a \$25,000 maximum grant.

### **Outcome and Priorities**

This program is designed to fund facilities, services and other activities that strengthen existing communities and support a high quality of life within the following state priority areas:

1. Workforce development
2. Safe and healthy communities
3. Obstacles to economic competitiveness

Project investments will result in more sustainable development opportunities that contribute to the long term vitality of communities and business centers. Activities must have the broad support of citizens and local businesses. Generally, buildings must be owned by the local government. Long term financial viability of the facilities/services must be demonstrated to ensure that it does not add an undue, new operating burden on local taxpayers.

A variety of activities are eligible but consideration for funding will be based on state priorities listed below and in the Community Development Selection Criteria:

- First priority - Workforce Development
  - Libraries – facilities or computer equipment with broadband capability to enhance skills training and education
  - Workforce Quick Jobs Training Centers - facilities or equipment for skills training and development associated with the Technical Colleges (equipment must be in conjunction with a new facility)
  - Publically owned facilities (except operating school facilities) that offer extended educational opportunities for adult literacy, or to serve at risk LMI children or youth
- Second priority – Safe and Healthy Communities
  - Public safety facilities and services in LMI neighborhoods - police substations, or other public improvements designed to address crime prevention

- Demolition of vacant, dilapidated structures to address and support crime prevention efforts in targeted LMI neighborhoods
- Fire substations or trucks serving LMI residential areas that provide a significant improvement in service for in town locations or near business centers
- Health clinic facilities or equipment in underserved areas or multi-service centers for health or related social services
- Third priority - Obstacles to Economic Competitiveness
  - Public facilities modifications to ensure accessibility for disabled persons or for energy efficiency improvements for CDBG eligible public facilities that will significantly reduce operating burdens and promote sustainability (i.e., replacing windows, upgrading HVAC, etc)
  - Brownfield projects or demolition of obsolete buildings
  - Downtown streetscape infrastructure where there is significant business activity and substantial prior investments. Projects must include a plan for retail/small business support.
  - Transportation-oriented public facilities or services to serve LMI workforce populations
  - Planning for regional infrastructure or brownfields clean up and redevelopment

Equipment for public service activities must be for new or expanded services and generally associated with a significant capital investment in facilities. Only major pieces of equipment that have a durable life of five years will be considered for funding.

### **Village Renaissance Program**

**\*Funds Available:**     **\$5,000,000**

**Grant Maximum:**       **\$375,000**

**Grant Minimum:**       **\$50,000**

\* The majority of funds available in this program are reserved for projects eligible for multi-year funding commitments for phased implementation activities under the previous years' CDBG Program Description.

### **Outcome**

This program is primarily designed to assist in the development of sustainable communities through revitalization of in-town residential neighborhoods. Projects must incorporate comprehensive strategies for linking commercial revitalization successes with improvements to neighborhoods that are generally adjacent to downtown or business centers. Such neighborhoods should be within walking distance to downtown or business centers (typically no more than ½ mile from the downtown or business center). Neighborhoods where significant CDBG and/or other funds have previously been expended may not be appropriate for this program. A local government may address no more than one neighborhood at a time.

Neighborhood revitalization can involve a three phased program of planning and implementation that may be funded with CDBG and/or other funds. The first phase requires a neighborhood revitalization plan. The plan should identify community needs and prioritize activities designed to comprehensively revitalize the neighborhood with CDBG and other funds. A plan is a pre-requisite to any implementation funding regardless of whether CDBG funds are involved in the planning phase.

### **Planning Phase**

The targeted neighborhood must submit an acceptable comprehensive revitalization plan that involves neighborhood residents in identifying needs and solutions. If a neighborhood revitalization study has not been previously undertaken, the local government may apply for a maximum of \$25,000 to conduct a study that sets out a realistic plan for implementation of CDBG eligible and other activities in two possible implementation phases. Planning activities must be concluded prior to the next applicable Village Renaissance funding round and bring projects to a “ready to be implemented” stage with all preliminary work completed. Plan elements must include but are not limited to:

- Comprehensive needs assessment (qualitative and quantitative) and prioritization
  - Land use and housing existing conditions
  - Infrastructure and public facilities existing conditions
  - Public safety and services (police, fire, health, education)
- Comprehensive strategies for revitalization that guide investments to achieve the following outcomes:
  - Improve neighborhood involvement and interaction
  - Provide safety and neighborhood pride
  - Address infrastructure and public facilities needs
  - Identify in fill housing opportunities
  - Improve physical appearance and property values
  - Promote sustainability and conservation
- Specific actions to prepare for implementation of revitalization strategies:
  - General cost estimates for plan activities and PER cost estimate and preliminary design for CDBG eligible activities
  - Analysis of acquisition requirements
  - Tier 1 ERR for all revitalization activities (good for 3 years)
  - LMI survey determination for individual activities, as needed
  - Code enforcement ordinance or other locally adopted and enforceable procedures, as appropriate
  - Anti-displacement and relocation plan, as appropriate
- Maps illustrating existing conditions, problems and proposed solutions
- Roles and responsibilities –neighborhood and local government involvement and commitment in planning and implementation
- Time frame for implementation of all strategies, including phased activities

The plan must be submitted to GA for approval at least 30 days prior to the due date for a request for an application for Village Renaissance implementation funding. The neighborhood revitalization plan will be reviewed to determine if it includes the required elements in sufficient detail to be eligible to compete for CDBG funding for implementation of the neighborhood plan. In the event that CDBG makes a grant to develop a neighborhood revitalization plan and the plan is not approved, or the local government does not submit an application for implementation funding, the local government may not be eligible for funding in any CDBG Community Development program for a two year period. All other CDBG threshold requirements are applicable.

### **Implementation Phases**

Implementation of comprehensive neighborhood revitalization must involve multiple activities including a public safety component. Activities must be described in the plan and may include:

- Infrastructure - water, sewer, roads, drainage
- Public facilities- sidewalks, security lighting and cameras, police or fire substations, technology, multi-service centers designed to address crime risk factors, walking trails, green space, landscaping
- Housing - infrastructure or other activities to support affordable or workforce housing; exterior only improvements including facades, minor repairs, energy efficiency improvements, handicap accessibility
- Demolition and clearance of vacant and dilapidated properties
- Public services - crime watch program, drug or gang education, awareness or prevention programs. Note: Services are limited to 15% of the CDBG project activity costs, must be new or expanded services, and applicant must commit to continue such services after the grant is closed without creating an operating burden on the local government.

All implementation phases will be competitively selected and must comply with applicable program threshold requirements.

- If there is an acceptable existing neighborhood revitalization plan, an application may be submitted for CDBG eligible activities needed to implement the plan up to a maximum of \$375,000.
- If there is a CDBG funded revitalization plan that has been approved by Grants Administration at least 30 days prior to submission of a Village Renaissance application request, an applicant may apply for a maximum of \$375,000 to implement the plan. There is no guarantee of funding even though a revitalization plan has been approved.
- To be eligible to apply for a second implementation phase of Village Renaissance for up to \$375,000, prior implementation activities must be completed and the grant closed in compliance with program requirements. The second implementation phase will also be competitive and there is no guarantee of funding.

## **Ready to Go Program**

**Funds Available:**     **\$700,000**

**Grant Maximum:**     **\$500,000**

**Grant Minimum:**     **\$50,000**

### **Outcome**

This program is designed to stimulate the local economy by addressing urgent or compelling community needs, encouraging the timely implementation of CDBG eligible projects, and being cost effective. The project requires an upfront investment of local and other funds for planning, project design and permitting that is substantially equivalent to the required 10% local match.

The project must be an eligible public facility improvement under the Community Infrastructure or Community Enrichment program. All required project activities leading up to bidding must be complete prior to submission of the application including but not limited to: project design, environmental review, acquisition and permits. CDBG funds may only be used for construction. Local and other funds must be used for pre-bid activities and will count toward the match requirements of the program. Projects must be advertised for bid within 60 days of grant award.

Applications will be accepted on an ongoing basis and funding will occur throughout the year, based on funding availability, when all application documentation has been received. No grant award will be made until evidence is submitted that all pre-bid activities are complete. Projects will be reviewed using the non comparative scoring factors as listed in the Community Development Program Selection Criteria section. The project must obtain a minimum score of 150 points to be considered eligible for funding. In the event there are more eligible applications than funds available, the highest scoring eligible projects will be funded. Application requests that do not meet all program requirements may be considered in the appropriate competitive program.

## **Community Development Program Requirements**

A unit of local government, filing individually or as a lead applicant, may submit only one application per Community Development Program category. A Community Development Program project may consist of one primary activity and associated activities as appropriate and necessary to implement the primary activity in one or more eligible target areas, or a project may consist of multiple activities which address priority needs in one defined LMI neighborhood or target area.

The grant award limits for each category may be waived at the discretion of Grants Administration in order to provide the level of assistance required where other resources are not reasonably available to the unit of local government to address the need in a timely manner or where Grants Administration determines the amount is necessary and appropriate to achieve the State's CDBG Program objectives.



### **Performance Threshold**

As a performance-based incentive, a unit of local government can apply for an additional Community Development grant if it has no more than two open CDBG grants (excluding Business Development or Regional Planning grants). However, the open grants must not have exceeded a 30 month grant period.

There are additional program category threshold limits that apply:

- No more than one Village Renaissance project.
- No more than one Ready to Go project.
- No more than one project for the same general target area/neighborhood open at the same time (unless a complete close out package is submitted prior to or with the next application).

For threshold purposes, a grant is considered open if it is not programmatically closed at the time of application submission. The applicant must submit a request for waiver prior to or with the application request. At the discretion of Grants Administration, a performance threshold waiver may be considered only for the following reasons:

- There is an urgent or compelling need for immediate assistance, such as an imminent health threat to the public, or
- It is determined that lack of performance on an open grant is due to unavoidable circumstances or conditions beyond the control of the local government. If problems are determined to be administrative, the local government may be allowed to apply if a different grant administrator is responsible for the new application/project.

A unit of local government may not apply for Community Development funds if it has any open grant which has not been programmatically closed due to the local government's lack of compliance with significant programmatic or financial requirements of the program. A grant may not be awarded to a local government which has a serious, outstanding audit or monitoring finding involving the potential for significant monetary restitution or non-responsiveness on any previously funded CDBG grant.

### **Application Requests and Deadlines**

Units of local government that are interested in applying for Community Development Programs must request an application from Grants Administration and provide a brief, written description of the proposed project, the proposed number of beneficiaries and an estimate of the percentage of beneficiaries who are LMI (if appropriate), the project location and map, total project costs, all funding sources, the amount of CDBG funds to be requested, and the proposed use of such funds. Signed application requests must be submitted by the chief elected or administrative official of the unit of local government by the application request due date. Application requests will be reviewed to determine whether the proposed project appears to meet eligibility, national objective and threshold requirements. Grants Administration may request a meeting with the potential applicant or conduct a site visit to determine eligibility and feasibility prior to mailing an application.

### **Community Infrastructure**

Application Requests due: **March 16, 2012 at 5:00 p.m.**  
Applications due: **April 16, 2012 at 5:00 p.m.**

### **Community Enrichment and Village Renaissance**

Application Requests due: **August 17, 2012 at 5:00 p.m.**  
Applications due: **September 17, 2012 at 5:00 p.m.**

### **Local Match/ Leveraging**

CDBG projects are expected to leverage other public and private investments and serve as a catalyst for future development. Projects that traditionally have the greatest long term impact are those that have an investment by the community. Leveraging of CDBG funds is also considered a scoring factor in the selection of projects for funding.

There must be a 10% match of the total CDBG request, unless otherwise approved, which can come from a variety of committed sources including other, non-Commerce grants, loans, waiver of fees, public or private investments, and documented volunteer or in-kind contributions.

Any fees for low and moderate income hook up/connection to public water and sewer must be waived or paid with non-CDBG funds, and may be considered part of the local match requirement.

The required match must be for activity costs directly related to the CDBG project. The state must approve in advance any proposed match (except application preparation or environmental review costs) that has been spent prior to application submission for all projects except Ready to Go. With prior written approval, the match may be used for acquisition, engineering design or permitting prior to the submission of the application. This is encouraged so that projects are construction ready.

The match requirement may be modified or waived by Grants Administration upon written request and after consideration of the following minimum factors: the nature of the project, the need being addressed, local financial capacity and the availability of other resources. Grants Administration may request financial and other information as may be needed to make a determination. It is unlikely that a 100% waiver will be approved since match can come from a variety of sources.

### **Selection Process**

Grants Administration will review all of the applications it receives for completeness and eligibility of activities under federal and state guidelines. Applications will also be reviewed based on the following factors to determine fundability and feasibility of the project:

- Appropriateness of the technical design given the size and resources of the community and the complexity of the problem
- Project is ready to start

Applications that are incomplete or contain significant problems, deficiencies or discrepancies, such that a determination of the viability or fundability of the project cannot be readily

determined, will not be considered and will be returned to the applicant. Projects which are locally controversial will not be considered feasible until the controversy is satisfactorily resolved. Clarifications to the application which are requested by Grants Administration must be submitted within the timeframe specified and must be acceptable to Grants Administration. Failure to adequately respond within the timeframe will result in the application being returned to the applicant.

An on-site review of the proposed project may be conducted as necessary to verify information in the application. Upon completion of the feasibility and fundability review, applications will be evaluated and scored based on the following Selection Criteria.

### **Community Distress**

**5%**

- (All projects) Projects will be assigned a score from highest to lowest based on location in one of the Distressed county designations, as defined by the SC Department of Revenue for the purpose of determining Job Tax Credits
  - ♦ Tier III and IV (Distressed and Least Developed) Counties = 3
  - ♦ Tier III (Moderately Developed) Counties = 2
  - ♦ Tier I (Developed) Counties = 1

### **Severity of the Problem**

**10%**

- Degree that public health and safety is affected, if applicable, and
- Degree facilities/services are currently serving the community and the adequacy of the facilities/services, as applicable
  - ♦ Severe need = 3
  - ♦ Moderate need = 2
  - ♦ Slight need = 1

### **Citizen Participation**

**5%**

- Outreach efforts to low and moderate income citizens,
- Needs assessment is comprehensive and solicited from broad community,
- Project is top 3 priority need unless otherwise justified,
- Public hearings held according to requirements,
- Participation in hearings by broad community, and
- Local leadership, businesses and residents are committed to the project and there is no evidence of controversy or disagreement

*Scores based on review of above factors:*

- ♦ All requirements met and significant additional efforts and participation = 3
- ♦ Above minimum effort but additional effort or participation limited = 2
- ♦ Minimum requirements met = 1

### **Level of Effort**

**5%**

- Return on CDBG investment ratio compared to all projects

- ♦ Rank ordered and assigned points in logical increments

### **Feasibility**

**15%**

- Effective project planning addresses all aspects of project and outcomes are achievable
  - ♦ Long term, viable solution to the problem
  - ♦ Past efforts to solve problem and develop plans for implementation, and
  - ♦ Alternatives considered and best solution being implemented, and
  - ♦ Cost estimates current, appear reasonable, all necessary costs included, and
  - ♦ All project resources are available in a timely manner, and
  - ♦ Project is eligible and all qualifying households determined and committed

*Scores based on review of above factors:*

- ♦ Effective project planning and ability to achieve outcome with resources available in a timely manner = 3
- ♦ Some concerns which impact ability to achieve outcome in a timely manner = 2
- ♦ Significant issues which impact ability to achieve outcome in a timely manner = 1

### **Readiness to Proceed**

**5%**

- Readiness to proceed with project if awarded
  - ♦ Environmental review submitted to GA
  - ♦ Site control (if applicable)
  - ♦ Engineer/Architect procured
  - ♦ Design complete

*Scores based on review of above factors:*

- ♦ One point will be assigned for each of the above activities completed, up to a maximum of three points

### **Cost/Benefit**

**5%**

- CDBG cost/benefit ratio compared to all projects
  - ♦ Rank ordered and assigned points in logical increments

### **Beneficiaries**

**5%**

- Total persons benefiting (**2.5%**)
  - ♦ Rank ordered and assigned points in logical increments
- LMI % benefiting (to be scored regardless of the national objective) (**2.5%**)
  - ♦ 100-85 = 3
  - ♦ 84-65 = 2
  - ♦ 64-51 = 1

### **Outcome**

**20%**

- Implements a comprehensive plan for revitalization or development
- Provides new or improved access to public services or facilities

- Supports healthy and safe neighborhoods and community
- Contributes to overall community sustainability- economically or environmentally
- Acts as stimulus for additional investments

*Scores based on review of above factors:*

- ◆ Significant Impact = 3
- ◆ Moderate Impact = 2
- ◆ Lower Impact = 1

## **Project Sustainability**

**5%**

- Extent to which improvements can be maintained without creating new, undue tax burdens
  - ◆ Infrastructure operating revenues as measured by annual rate per 6,000 gal / median household income for applicant
  - ◆ Rank ordered and assigned points in logical increments
  - ◆ Budgets and market studies indicate ability to sustain improvements and does not result in new, undue operating burden

*Scores based on review of above factors:*

- ◆ Ability to maintain documented = 3
- ◆ Some ability = 2
- ◆ Limited ability = 1

## **State Priorities**

**10%**

- Extent to which project proposes to address identified state priorities as listed under each program category or as shown below.

*Community Infrastructure, Community Enrichment and Ready to Go:*

- ◆ First priority projects = 3
- ◆ Second priority projects = 2
- ◆ Third priority projects = 1

*Village Renaissance:*

- ◆ First priority projects located adjacent to a downtown with significant business activity = 3
- ◆ Second priority projects located in town or near business centers = 2
- ◆ Third priority projects located in unincorporated areas that would impact economic competitiveness = 1

## **Capacity**

**10%**

First time applicant or previous recipient with grants closed over three years will receive maximum points.

Previous applicants - Performance on grants in last three years:

- Compliance with program requirements (monitoring and match commitment) **(3%)**
  - ◆ All requirements met on all applicable grants = 3
  - ◆ Requirements are generally met (minor issues) on all grants = 2
  - ◆ Significant requirements not met on 1 or more grants = 1
- Achieved program benefits **(3%)**
  - ◆ Total and LMI benefit numbers exceeded or on target for all grants = 3
  - ◆ Benefit reduced less than 10% = 2
  - ◆ Benefit reduced more than 10% = 1
- Timely completion of projects **(3%)**
  - ◆ All projects completed within 24 months = 3
  - ◆ All projects completed within 30 months = 2
  - ◆ All projects completed within 3 years = 1
- Timely submission of reports and information **(1%)**
  - ◆ All information submitted within required timeframes = 3
  - ◆ Average of less than 30 days late = 2
  - ◆ Average exceeds 30 days = 1

Applications will be scored against those submitted in the same program. For example, Community Infrastructure applications will be compared and scored against each other. The Selection Criteria will be rated and assigned a score from 1 to 3 where 3 = the best response, 2 = average, and 1 = less than satisfactory. Zero points may be awarded to a criterion if minimum program requirements are not addressed. The point assignment will be multiplied by the weight of each criterion to obtain a score. There is a maximum score of 300 points.

Grants Administration may utilize the expertise of other appropriate State agencies, such as the SC Department of Health and Environmental Control, the SC Budget and Control Board's Division of Local Governments, or the State Housing and Finance Development Authority in making a determination regarding the above factors. Grants Administration may request additional information from the applicant or other sources as necessary to evaluate the application and proposed project. Grants Administration reserves the right to negotiate or require changes in activities or funding in order to achieve program objectives. For water and sewer projects, the State may require that rates be adjusted to appropriate levels to ensure adequate funding for operation and maintenance or to facilitate borrowing a portion of project costs if such rate increases are reasonable and appropriate.

In the event of a tie where there are more applications under consideration for funding than there are funds available, preference will be given first to those applications addressing the highest state priorities and second, to those with the highest Outcome score. If there continues to be a tie the one that benefits the most LMI persons will be funded. The highest scoring projects determined to be fundable will be recommended to the Secretary of the SC Department of Commerce, or his designee, for funding based on the amount of funds available. Projects generally should score at least 175 points to be considered for funding but such projects are not guaranteed funding. The Secretary, or his designee, will make final funding determinations based on a review of the projects utilizing the selection criteria and that best meet Department objectives.

Grants Administration may make commitments for funding from future rounds, or any additional allocations, reallocations, recaptured or remaining funds, to projects from this program year which are determined by the Secretary, or his designee, to meet Department objectives. Grants Administration may also make a commitment to a project and/or partially fund a project (i.e. for ERR, acquisition, engineering) that scores sufficiently but is not ready due to design, environmental or funding issues. Funding may come from this program year, reallocated or recaptured funds, or be contingent on future years' funding.

## Business Development Program

**Total Funds:**            **\$2,000,000**

### **Outcome**

This program provides financial resources for local governments to pursue opportunities that create new jobs, retain existing employment, stimulate private investment, and revitalize or facilitate the competitiveness of the local economy. Funding will be prioritized based on the following order:

1. New or expanding businesses tied to job creation
2. Area economic development activities not associated with job creation
3. New or expanding local businesses that provide essential goods and services in predominately LMI communities

### **Grant Amount**

Grants and/or loans with performance requirements may be provided to assist new or expanding businesses that propose to create or retain jobs. The level of assistance will be based on an analysis of the needs of the business and the local government, the CDBG cost per job, and the amount of investment by the business. Projects must first qualify based on the actual need for assistance and do not automatically qualify for the maximum grant amount.

Maximum for job creation/retention:	\$10,000 per job
Minimum:	\$50,000

Maximum for area economic development:	\$500,000
Minimum:	\$50,000

Maximum for local goods and services:	
o Service area less than 20% poverty or 70% LMI	\$350 per LMI person
o Service area equal/more than 20% poverty or 70% LMI	\$1,000 per LMI person

The maximum grant limit may be waived, by the Secretary of Commerce, where it is determined that the increased cost is appropriate and necessary to address state and local economic development needs as long as CDBG requirements will still be met. A waiver may be further considered in unique circumstances where the level of assistance is determined justified by the Secretary of Commerce based upon the overall impact of the project and where the necessary level of assistance cannot be met by other available resources in a timely manner.

### **Business Development Program Requirements**

Applications for the Business Development Program must meet one of the three national objectives of the CDBG program. There is an emphasis on expanding employment opportunities for persons from LMI families. A unit of local government may apply at any time for a Business Development Grant and grants will be awarded throughout the year, as funds are available based on the funding priorities.



HUD regulations require that at least 51 percent of any jobs to be created and/or retained as a direct result of CDBG assistance be for persons whose total family income is low to moderate (LMI Jobs). Any business that will create or retain jobs directly as a result of any project undertaken with a Business Development Grant must provide a written commitment of the total number of jobs to be created or retained as a result of the grant funded activities. For new jobs, the employer must commit to hiring at least 51 percent of the employees from low and moderate income families. For jobs to be retained, the employer must establish that 51 percent of the jobs to be retained are, or within a reasonable time period will be, held by persons from LMI families. Where appropriate, Grants Administration will make a preliminary determination of the potential for LMI jobs to be created by reviewing the entry-level job skills, educational requirements, and job training opportunities to be provided and average wage. For retained jobs, there must also be clear and objective evidence that permanent jobs would be lost without the CDBG assistance. Jobs must be created within a reasonable time frame of the assistance, when the business becomes operational (generally 24 months from time of the assistance). Grants Administration may require a legally binding performance agreement which outlines repayment of a portion or all of the CDBG funds awarded for a project if the jobs creation/retention commitment and LMI hiring requirement is not met.

Generally, projects to support job creation through the location or expansion of retail and/or services type projects (shopping centers, truck stops, etc.) may only be considered in areas which qualify under HUD's presumption criteria for low and moderate income benefit or in predominately low and moderate income communities.

Grants Administration will not fund any project which involves the relocation of a business from another state, in accordance with HUD requirements, where there would be a significant job loss in the labor market area. Grants Administration also will not recommend relocation of a business from one jurisdiction to another within the State. The Secretary, in an exceptional circumstance, may waive this restriction where it is in the best interest of the State as a whole; e.g., where relocation is necessary to retain an existing business or to permit significant expansion of employment and such relocation will not have substantial negative impact on the local economy and employment.

### **Performance Thresholds**

At the discretion of Grants Administration, a grant may not be awarded to local governments which have a serious, outstanding audit or monitoring finding related to any previously funded CDBG grant where the grantee has not been responsive and/or there is the potential for significant monetary restitution.

### **Application Requests and Deadlines**

The chief elected or administrative official of the unit of local government must request applications for Business Development assistance from Grants Administration. Such requests should include as appropriate, the name of the business, its product or service, estimated initial capital investment, and the number of jobs to be created or retained. The request must also briefly describe the project for which CDBG funds are being requested, the estimated total cost of the project, the amount of CDBG funds being requested and the sources of all other funds necessary to complete the project. (If a preliminary engineering cost report is available, it should

be included). Grants Administration may request a meeting with the potential applicant or may conduct a site visit to determine the eligibility and feasibility prior to mailing an application.

Applications may be submitted at any time. Grants Administration may issue commitments at any time for project funding contingent upon receipt of an acceptable written commitment from the business (if job creation or retention is involved), acceptable application information, compliance with CDBG program guidelines and HUD regulations, and continued program funding.

### **Local Match**

CDBG projects are expected to leverage other public and private investments and serve as a catalyst for future development. Projects that traditionally have the greatest long term impact are those that have an investment by the community. Leveraging of CDBG funds is also considered a scoring factor in the selection of projects for funding.

There must be a 10% match/leverage of the total CDBG request, unless otherwise approved, which can come from a variety of committed sources including other, non-Commerce grants, loans, waiver of fees, public or private investments, and documented volunteer or in-kind contributions.

Any fees for low and moderate income hook up/connection to public water and sewer must be waived or paid with non-CDBG funds, and may be considered part of the local match requirement.

The required match/leverage must be for activity costs directly related to the CDBG project. The state must approve in advance any proposed match/leveraging that has been spent prior to application submission. With prior written approval, the match may be used for preparation of the environmental review record (ERR), acquisition, or engineering design prior to the submission of the application. This is encouraged so that projects are construction ready.

The match/leveraging requirement may be modified or waived by Grants Administration upon written request and after consideration of the following minimum factors: the nature of the project, the need being addressed, local financial capacity and the availability of other resources. Grants Administration may request financial and other information as may be needed to make a determination. It is unlikely that a 100% waiver will be approved since every community is expected to make a contribution to the project.

### **Selection Criteria**

Applications will be considered in the order received. Funding may be limited or delayed if necessary to ensure funding availability for prior commitments for economic development assistance. Grants Administration will review the applications for completeness and for compliance with the above criteria, and applicable HUD regulations. Applications not meeting these requirements will not be recommended for funding.

Grants Administration may request other state agencies to assist in evaluating projects and activities. Grants Administration may request additional information from the applicant or other sources as necessary to evaluate the application and the proposed project.

Grants Administration will utilize the HUD guidelines at 24 CFR 570.482(e) and Appendix A in evaluating and selecting projects to be recommended for assistance to businesses under the Business Development Grant Program. The objectives of these guidelines are to ensure: (1) That project costs are reasonable; (2) That all sources of project financing are committed; (3) That to the extent practicable, CDBG funds are not substituted for non-Federal financial support; (4) That the project is financially feasible; (5) That owner's equity return is not unreasonably high; and (6) That to the extent practicable, CDBG funds are disbursed on a pro-rata basis with other finances provided to the project. The following factors will also be considered, as appropriate, in making a funding determination on all projects recommended by the Secretary:

### **Market Conditions (Need)**

- Availability and utilization of local government or other public resources to assist the project and the relative need for CDBG assistance. Evidence of local economic distress such as recent plant closings and/or lay-offs and local unemployment rate. Evidence of market need for local goods and services.

### **Economic Impact**

- Number of permanent, full time jobs created or retained; CDBG cost per job (LMI and non-LMI); average wages, health benefits, capital investment; potential future growth; potential for catalyzing area economic development activity or cluster activity.

### **Leveraging**

- Ratio of private and/or public funds to CDBG funds. Generally private investment is expected to significantly exceed the amount of the CDBG and other public assistance.

### **Viability/Level of Public Risk**

- Public costs are reasonable, all funding sources are committed and available, private funding to be spent before public funding to the extent practical, security provided, as appropriate (assets, guarantees, etc.), and potential of the project to achieve the proposed public benefits within proposed timeframe.

The Secretary will approve funding as recommended, unless the Secretary's consideration of the above factors results in a determination that such funding is not necessary or appropriate.

In the event funds are not available to fully fund all Business Development applications under consideration at the same time, priority will be given to applications with prior commitments, and then preference will be given to projects based upon a consideration of the following factors: (1) level of job creation or retention, (2) economic impact on the local economy, (3) level of capital investment and (4) distress level of the county where the project is located.

Under unusual circumstances, Grants Administration may consider a waiver of any CDBG program requirements, set by the State, for projects that are determined to meet urgent or compelling needs or where the Secretary of the Department of Commerce determines it necessary to implement the objectives of the Department of Commerce.

## Regional Planning Program

**Funds Available: \$500,000**

**Grant Maximum: \$50,000\***

\* Waivers of the grant maximum may be considered for planning activities to conduct comprehensive analyses of impediments to fair housing within a region and may also include actions to eliminate such impediments.

## Outcome

This program is designed to provide CDBG funds to Councils of Governments to assist local governments in developing plans and building local community development capacity. This assistance will build capacity to effectively determine community needs, long-term goals and short-term objectives, and develop plans for carrying out effective strategies to address community needs. The planning assistance need not be limited to the jurisdiction of the applicant and will include both regional and local planning and technical assistance activities.

## Requirements

One applicant from each regional planning district may apply for this assistance. Each of the counties within a regional planning district must enter into an Intergovernmental Agreement to apply for and implement regional planning assistance grants. This Agreement will designate a lead county to apply for the grant to comply with all requirements of the application and grant. The lead county will enter into a 12-month subrecipient agreement with the Councils of Government to undertake the activities on behalf of the applicant. The subrecipient agreement will include specific performance and reporting measures tied to the scope of work outlined in the application and other appropriate factors. Planning activities must be directly related to an activity which, if carried out, would be eligible under the CDBG program and meet one of the three national objectives -- benefit to low and moderate income persons, aid in the prevention or elimination of slums and blight, or meet other urgent community needs posing a serious threat to the health or welfare of the community where other financial resources are not available to meet such needs.

### Performance Threshold

The 2009 Regional Planning grant must be 100 percent expended at the time of award of the 2010 Regional Planning Grant or unused funds must be returned to Grants Administration. All other previous regional planning grants must be programmatically closed.

### **Application Deadlines and Selection Process**

Applications due: **May 3, 2013 at 5:00 p.m.**

Only one application will be funded within each of the ten planning districts of the State. The awards will be based on completion of an acceptable application, which complies with the program description requirements.

# **2012 HOME Investment Partnerships Program Action Plan**

Prepared by  
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## EXECUTIVE SUMMARY

The Action Plan is a document submitted to the U. S. Department of Housing and Urban Development (HUD) annually which describes the method used by the South Carolina State Housing Finance and Development Authority (the Authority) to distribute the HOME Investment Partnership Program (HOME) funds. It also contains information on the application process and program objectives.

HOME was created under Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990. The Authority's HOME Program is designed to promote partnerships among HUD and other federal entities, state/local governments, and those in the nonprofit and for-profit sectors who build, own, manage, finance, and support low income housing initiatives. HOME provides the flexibility needed to fund a wide range of low income housing initiatives through creative and unique housing partnerships. As the designated administrator of the state's HOME Program, the Authority has specifically designed the HOME Program to meet the needs of low to moderate income South Carolinians to be in accordance with the HOME regulations 24 CFR Part 92.

As the Participating Jurisdiction (PJ) for the state, the Authority will continue to ensure that HOME funds are distributed in a manner that is reasonably equitable to all regions of the state. The 2012 Action Plan reflects the priorities of the State as set forth in the State's current Consolidated Plan. Our mission is to create quality affordable housing opportunities for the citizens of South Carolina. More specifically, our goal is to promote partnerships with various municipalities, banking institutions, nonprofits, for-profit organizations, and Public Housing Authorities (PHAs). Our purpose is to work with these partners to increase awareness of the HOME Program while increasing housing quality and capacity statewide.

The State of South Carolina has fifteen (15) other local PJs which receive direct funding from HUD for their areas of service. These PJs include: City of Charleston, City of Columbia, City of Greenville, City of Spartanburg, Charleston County, Greenville County, Lexington County, Richland County, Spartanburg County, Anderson County Consortium (*Anderson City and County*), Beaufort County Consortium (*Beaufort, Jasper, Hampton, Colleton*), Georgetown County Consortium (*Horry, Georgetown, Williamsburg*), Greenwood County Consortium (*Abbeville, McCormick, Edgefield, Saluda, Greenwood, Laurens*), Orangeburg County Consortium (*Aiken, Allendale, Bamberg, Barnwell, Calhoun, & Orangeburg*), Sumter County Consortium (*Sumter, Lee, Clarendon, Kershaw*), The Authority does not regulate the administration of the other PJs; however, we do encourage applicants and participants alike to work with local funding sources to leverage all available resources in the state.

In 2012, as the State PJ, the Authority will administer a total of approximately \$8,100,000 in HOME funds. This amount consists of the 2012 anticipated HUD allocation of \$4,400,000 and the anticipated 2012 HOME program income of \$3,700,000. There are several legislated set-asides allowed and required by HUD.

**2012 HOME Distribution (Table 1)**

<b>Set Asides</b>	<b>Allocation</b>	<b>Program Income</b>	<b>Totals</b>
<i>State PJ Balance/Less the following set asides</i>	<b>\$4,400,000</b>	<b>\$3,700,000</b>	<b>\$8,100,000</b>
Administrative 10%	(\$440,000)		(\$440,000)
CHDO Operating 5%	(\$220,000)		(\$220,000)
HOME/Tax Credit/Multi-Family Bond Program	(\$2,240,000)	(\$2,600,000)	(\$4,840,000)
Single Family Division/Other eligible Activities		(\$1,100,000)	(\$1,100,000)
Statewide Rental *	(\$1,500,000)		(\$1,500,000)
Statewide PJ Balance	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

(\*includes the required 15% legislated set aside for Community Housing Development Organizations (CHDOs))

The Authority shall distribute its 2012 HOME Program funds to eligible entities through one or more funding cycles and utilize the following set-asides: Administration, CHDO Reserve, CHDO Operating Expenses, Low Income Housing Tax Credit (LIHTC) program, Rental and Homeownership activities.

HUD has legislated that of the total anticipated 2012 HUD allocation of \$4,400,000 several set-asides are allowed and/or required. One requirement is to set-aside fifteen percent (15%) or \$660,000, for Community Housing Development Organizations (CHDOs) to develop, sponsor, or own rental and homeownership activities. Allowable set-asides include ten percent (10%) for administration and five percent (5%) for CHDO operating funds.

As referenced in Table 1, the Authority anticipates a total of **\$8,100,000** for distribution as highlighted below:

- Allowable set aside of ten percent (10%) **(\$440,000)** for the administration of the program. Administrative funds will be used for the planning, administration, allocation of indirect costs and monitoring of the program. Funds will also be used to conduct workshops to assist participants in applying for and implementing HOME funded projects.
- Required CHDO set-aside allocation will be fifteen percent (15%) **(\$660,000)** of the Authority's total HOME allocation. CHDOs wanting to receive funds must comply with the established procedures contained in the application for funding. **This amount is included in the total amount set-aside for the statewide rental competition.**
- Allowable set aside of five percent (5%) **(\$220,000)** for CHDO operating expenses. The use of these funds will enhance the CHDOs ability to operate their organizations to capacity and to purchase items needed to operate their businesses successfully, thereby ensuring the quality of rental units produced.
- Set aside of **\$4,840,000** to be used in conjunction with the Low Income Housing Tax Credit (LIHTC) Program and the Multi-Family Bond Program to finance rental developments in an effort to maximize the state's available resources.
- Set aside of **\$1,100,000** to be used in conjunction with the Authority's Single Family Mortgage Revenue Bond (MRB) Program (homeownership, funded with anticipated HOME program income). The funds will provide assistance with down payment and closing costs to potential homebuyers.
- Set aside of **\$1,500,000** to be used in the statewide Rental competition. This set-aside is designed to address smaller rental housing projects, either new construction or rehabilitation, which do not require Low Income Housing Tax Credits.



## HOME Program Design

The Authority operates a predominantly decentralized system for the administration of the HOME Program. Units of local government, nonprofits, for-profits, and PHAs are eligible recipients of the awards. The Authority will administer the HOME Program in a manner that will address the needs of very low and low-income persons, special needs groups, rural areas, as well as those areas with limited housing that may be referenced in the Consolidated Plan.

Distribution of 2012 HOME funds will be consistent with the priorities identified in the State's Consolidated Plan. The State's five-year housing goals are as follows:

1. Enhance suitable living environments through new accessibility, affordability and sustainability.
2. Create decent housing with new availability, affordability and sustainability.
3. Provide economic opportunity through improved accessibility, affordability and sustainability.

The Authority's plan will encourage the effective use of funds through two (2) HOME eligible program activities; a competitive Rental cycle and the Authority's Single Family Mortgage Revenue Bond Program for homeownership. The Authority will allow participants to determine the housing needs of the State and will ensure that the activities are consistent with the priorities contained in the State's Consolidated Plan.

### **Rental Activity - Competitive:**

HOME's rental activity will impact living conditions for citizens who cannot participate in homeownership opportunities, but nonetheless deserve affordable housing opportunities. Rental options are designed to create a leveraging vehicle to compliment other rental housing programs, such as Housing Trust Fund (HTF), Community Development Block Grant (CDBG), LIHTC, Federal Home Loan Bank etc., in an effort to ensure project feasibility. Forms of financial assistance may include: a) loans - interest bearing and deferred payable; b) grants (for eligible recipients); and c) other forms approved by HUD. A specific outline of how the Authority will encourage the implementation for rental activities is provided as **Attachment A "RENTAL Threshold & Criteria Requirements"**.

In addition to HOME's regular rental cycle, HOME funds are made available in conjunction with the LIHTC program to support rental projects through a separate competitive cycle. The HOME/LIHTC program application is designed to reinforce the competitive application requirements set forth by the Qualified Allocation Plan (QAP) which defines threshold and rating criteria. The QAP is located on the Authority's web site at <http://www.schousing.com/library/tax%20Credit/2012/Final%20QAP.pdf>.

### **Rental Activity – Noncompetitive:**

A portion of the HOME funds will be made available for the Authority's Multi-Family Bond Program. This is a noncompetitive multi-family rental program.

### **Homeownership Activity – Noncompetitive:**

HOME funds are made available directly to eligible beneficiaries through a noncompetitive process. In conjunction with the Authority's Single Family Mortgage Revenue Bond Program, HOME funds are offered for down payment and closing cost assistance in the form of a soft second deferred forgivable loan. The assistance will not exceed \$10,000 per unit.

### **Application Process:**

Competitive applications for Rental activities will be accepted beginning **Thursday, February 16, 2012 through Friday, March 30, 2012**. All applications must be received not later than 5:00 pm, Eastern Standard Time, on **Friday, March 30, 2012**. Applications received after the deadline **will not be considered and will be returned to the applicant.**

A HOME Application Workshop is conducted annually for persons interested in participating in the HOME Program. At this workshop, application requirements and HUD federal requirements are reviewed. The goal is to

familiarize potential applicants with the HOME application, requirements and regulations, as well as provide an opportunity for questions and answers. Attendance at the HOME Application workshop is strongly encouraged but not mandatory. The 2012 HOME Application Workshop will be held on **Wednesday, February 15, 2012.**

Applications must meet the minimum HOME threshold requirements prior to being rated and ranked for competition. Applications not meeting the threshold requirements will be eliminated. The Authority will then evaluate remaining eligible applications to determine which will be recommended for HOME funding.

### **Award Process:**

Once recommendations for funding have been finalized, participants receiving an award are provided a reservation letter which serves as the initial notification of a HOME award. An Environmental Review is conducted on each of the HOME reservation of awards. When the Environmental Review process is completed and approved, HOME Agreements are created which outline and specify HOME regulatory requirements as well as Authority established requirements that must be adhered to. Agreements are established for a twenty-four month period. The requirements and performance standards found in the Agreements are reviewed in detail at the Authority's HOME Implementation Workshop.

### **Implementation Process:**

Participants awarded HOME funds are required to attend a HOME Implementation Workshop which further reviews federal, state and Authority requirements, procedures, and processes. Topics discussed include: the project schedule, how to request HOME funds, the construction inspection process, reporting requirements, applicable federal requirements, and project close-out. The implementation schedule ensures timeframes are met to successfully complete projects within the twenty-four month Agreement period. Throughout the course of construction or rehabilitation, each HOME rental project receives a minimum of three site visits. Rental projects are visited at the start of the project, during construction, and at project completion.

Applicable federal regulations are reviewed and appropriate forms provided to HOME participants which include Davis-Bacon, Section 3, Minority and Women Owned Business, and 504 handicapped assessable requirements. Quarterly reports are required in order to monitor the project's progress during the agreement period. Project completion forms initiate the close out process and are submitted once projects have met all development requirements.

### **Monitoring:**

The Authority will assume the monitoring responsibility for all HOME activities funded with the State allocation. HOME rental projects receive an initial monitoring review during the lease-up period which serves not only as a monitoring review but provides the HOME participant/owner with technical assistance and guidance to ensure that the affordability requirements are adhered to for future monitoring visits. HOME participants/owners are required to annually review rent, utility allowances and tenant incomes. Ongoing project monitoring will be managed by the Authority's Compliance Monitoring Division. Project compliance is based on HOME regulatory requirements found at 24 CFR Part 92.504 d (1).

## Community Housing Development Organizations (CHDOs)

The Authority will ensure that at least fifteen percent (15%) **\$660,000** of the State's HOME funds will be reserved for use by eligible CHDOs. CHDOs participating in eligible HOME program activities will meet the requirements of 24 CFR Part 92.

The Authority has established a specific annual timeframe in which CHDO applications will be accepted to ensure that the requirements are met to become a designated CHDO.

During the application process, the Authority evaluates the applications to ensure that CHDO set-aside funds are only awarded to CHDOs that serve as owners, sponsors or developers.

The following scenario details the CHDO designation, evaluation and funding process:

- a) Identification and evaluation of nonprofit organizations
- b) CHDO Designation
- c) Evaluation of specific program activity and projects involving CHDOs
- d) Technical assistance and training through agency workshops, agency one-on-one training and HUD intermediaries, (if necessary)
- e) CHDO application for funding
- f) Selection and awarding of operating expenses
- g) Execution of written agreements with CHDOs
- h) Monitoring of CHDO activities by the Authority

## Matching Contribution

Due to poor economic conditions statewide, many of the Authority's potential recipients (especially rural localities) could not participate in the HOME program if they were required to provide a matching contribution as a condition of receiving an award. The Authority recognizes this problem, and as a result, will provide matching contributions for all 2012 HOME funds in accordance with the required amounts, recognition, and forms found at 24 CFR 92.218 - 92.221.

The SC Housing Trust Fund (HTF) will serve as the matching contribution for the State. The HTF receives approximately four and one half million (\$4,500,000) annually from a dedicated funding source created by the documentary stamp tax on the sale of real estate (twenty cents per \$500.00 of real estate sold). The Authority will carry over any excess match into the next fiscal year. The HTF program finances affordable rental, owner-occupied, and group homes for South Carolinians with low and very low incomes. The affordability periods, housing standards and income requirements are comparable to the HOME regulations.

Total State PJ Allocation	\$ 4,400,000
Less Administrative Costs (10%)	\$ 440,000
Less CHDO Operating Expenses (5%)	<u>\$ 220,000</u>
 Total State PJ Balance	 \$ 3,740,000
 Total Estimated 2012 Matching Contribution	 <b>\$ 935,000</b>

## **Affirmative Marketing & Outreach to Minority & Women Businesses**

Affirmative marketing procedures for fiscal year 2012 will follow the procedures and regulations as noted in Appendix B. Additionally, the Authority certifies that its HOME Program will conform to the requirements of the following Acts and Executive orders:

- |    |   |                 |
|----|---|-----------------|
| a) | Fair Housing Act  | 24 CFR 100      |
| b) | Executive Order 11063<br>(Equal Opportunity in Housing)                     | 24 CFR 107      |
| c) | Title VI Civil Rights Act - 1964<br>(Nondiscrimination in Federal Programs) | 24 CFR 1        |
| d) | Age Discrimination Act - 1975   | 24 CFR 146      |
| e) | Sect. 504 Rehabilitation Act - 1973   | 24 CFR 8        |
| f) | Executive Order 11246<br>(Equal Employment Opportunity)                     | 41 CFR 60       |
| g) | Section 3 of the Housing and Urban<br>Development Act of 1968               | 24 CFR 35       |
| h) | Executive Order 11625   |                 |
| i) | Executive Order 12432   |                 |
| j) | Executive Order 12138   |                 |
| k) | Site and Neighborhood Standards   | 24 CFR Part 938 |

The Authority further certifies that in accordance with Section 281 of the National Affordable Housing Act procedures have been established to oversee a minority outreach program.

The following guidelines are provided for utilization by recipients of the HOME funds to implement outreach programs to ensure the inclusion, to the maximum extent possible, of entities owned by minorities and women. These are basic outreach activities and are not all inclusive actions the Authority or its recipients may take.

1. Develops a systematic method for identifying and maintaining an inventory of certified minority and women's business enterprises (MBEs and WBEs), their capabilities, services, supplies and/or products;
2. Utilizes the local media to market and promote contract business opportunities for MBEs and WBEs;
3. Develops materials (fact sheet; program guides, procurement forecasts, etc.) on contract/subcontract opportunities for MBEs and WBEs;
4. Develops procurement procedures for MBEs and WBEs to participate as vendors and suppliers of goods and services;
5. Sponsors business opportunities, conferences, seminars, etc., with minority and women business organizations;
6. Maintains centralized records when MBEs and WBEs have been utilized as contractor/subcontractors in HUD-assisted program activities.

## Narrative A Program Income

It is the intention of the Authority to use HOME Program Income in conjunction with the Authority's Mortgage Revenue Bond (MRB) Program, as well as rental activities.

The MRB Program is a first time homeownership program offered by the Authority. The sale of tax-exempt bonds to investors provides the bulk of the funding available to potential qualified homebuyers. Like all of the Authority's homeownership programs, persons purchasing homes under the MRB Program must meet minimum credit standards, as well as income and purchase price restrictions, which vary by county.

HOME Program Income will be used for down payment and closing cost assistance. Homebuyers that qualify at or below 80% of the area median income will receive a deferred five year forgivable loan in an amount not to exceed \$10,000.

If additional homeownership or rental activities are funded with Program Income, all regular processing procedures will be followed to include: application completion, underwriting, subsidy layering, income targeting, utilization of low and high HOME rents, and the appropriate affordability period.

If HOME Program Income is provided to the Authority's Section 8 division, all regular procedures and program requirements will be followed. The funds would be used to provide rental assistance payments, security deposits, and utility deposits to eligible beneficiaries.

In addition, should Program Income be utilized for administrative costs, they will not exceed 10% as allowed by HOME regulations for Program Income. The total HOME Program Income for the period is anticipated to be \$3,700,000.

Principal and interest receipts on Multifamily loans serviced	\$2,135,116
Principal and interest receipts and recaptures on Single Family first mortgage loans and repayable down payment assistance loans serviced	\$1,590,444
Early payoffs of HOME Trust loans serviced	\$0
Early payoffs of forgivable Single Family Down Payment Assistance loans serviced	\$0
Interest earned on Program Income deposits	\$1,722
Total	<b>\$3,727,282</b>

## **APPENDIX A - Affirmative Marketing Procedures**

The Authority's affirmative marketing policy shall consist of the following elements:

### **Informing the Public/Owners/Prospective Tenants**

The Authority will employ several methods for informing the public, owners and potential tenants about the recipient's applicable federal fair housing laws and the HOME Program's affirmative marketing policy. Acceptable methods may include, but are not limited to: providing a copy of this policy to property owners and tenants, including the elements of the policy in all media releases, using the Equal Housing Opportunity logo and slogan in all media releases, and explaining the policy in general to the media, property owners, and tenants involved with the HOME Program.

Each property owner must follow the recipients' affirmative marketing policy. The policy clearly specifies or suggests activities such as the use of commercial media to advertise vacant units, local community contacts for potential tenants, or the use of the Equal Housing Opportunity logo or slogan. The policy also clearly defines the recordkeeping obligations of the property owner.

### **Requirements and Practices for Owners and Special Outreach Efforts**

Owners must use affirmative marketing policies that inform and solicit applications from eligible persons in the housing market area, who are not likely to apply as defined in general as those who are not the race/ethnicity of the residents of the neighborhood in which the unit is located. Such procedures may include, but are not limited to: the use of community organizations, churches, employment centers, fair housing groups, Public Housing Authorities, or housing counseling agencies specifically chosen because they provide services to, or have as members, persons in the group or groups least likely to apply. The policy should clearly specify who is responsible for the various necessary activities.

### **Recordkeeping**

The Authority will require that its state recipients maintain records of efforts taken by the recipient and owners to affirmatively market units, and also utilize those records to assess the results of these actions.

### **Assessment of Affirmative Marketing Efforts**

The recipient will ensure owners compliance with affirmative marketing requirements by use of an agreement that shall be binding for specific periods of time (affordability period) from the date of completion.

Each recipient will be required to comply with the Authority's affirmative marketing procedures described above as well as maintain the required records and reports in accordance with 24 CFR 92.351. The Authority will review and approve the affirmative marketing efforts and monitor each recipient's performance in order to ensure compliance. The affirmative marketing performance of recipients may be used as a factor in approving future HOME awards.

## APPENDIX B – State Participating Jurisdiction Certification

The State Participating Jurisdiction certifies that:

**Eligible Activities and Costs** – It is using and will use HOME funds for eligible activities and costs, as described in 24 CFR 92.205 through 92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in 92.214.

**Appropriate Financial Assistance** – In accordance with 92.250(b) before committing any funds to a project, the State or its recipients will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other governmental assistance than is necessary to provide affordable housing.

\_\_\_\_\_  
Valarie M. Williams, Executive Director

\_\_\_\_\_  
Date



# Attachment A Rental Threshold & Criteria Requirements

## General Program Information

### Purpose

The HOME Investment Partnership Program (**HOME**) is authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act, as amended. The HOME Program regulations are located at 24 CFR Part 92. The South Carolina State Housing Finance and Development Authority's (Authority) HOME Program is designed to promote partnerships among the U.S. Department of Housing and Urban Development (HUD), various federal entities, state and local governments, and those in the non-profit and for-profit sectors. It is designed for those entities who want to create affordable housing for low-income households.

### Eligible Applicants

- Units of Local Government (cities, counties, and towns)
- Public Housing Authorities
- Community Housing Development Organizations (CHDOs), CHDOs must be Authority designated or recertified CHDOs at the time of application in order to be eligible to apply as a CHDO and to receive operating funds
- Nonprofit entities
- For-profit entities (individuals)

### Eligible Activities

The rental activity is available for both **construction** and **rehabilitation** of rental units. Funds for the rental activity can be combined with other subsidy sources such as the South Carolina Housing Trust Fund (HTF), Community Development Block Grant Program (CDBG), Rural Development and the Federal Home Loan Bank.

### Financial Assistance

The maximum HOME rental award amount is **\$400,000** per application. Funds may be awarded as a grant and/or as an amortizing below market rate loan.

For-profit applicants are only eligible to receive a one percent (1%) below market rate loan. The terms and amortization period must not exceed 30 years. All units must be designated as HOME assisted units.

Units of Local Government, Public Housing Authorities, CHDOs and nonprofit entities may request up to **\$300,000** as a grant. In addition, these applicants may blend a one percent (1%) loan with the grant but may not exceed the HOME cap of **\$400,000**. All units must be designated as HOME assisted units.

CHDOs awarded 2012 HOME project funds are eligible and may qualify to receive CHDO operating funds. Funds are awarded based on the amount of available operating funds. CHDOs receiving a HOME award of \$100,000 or less, may receive operating funds of up to 50% of the amount of the project funds awarded. CHDOs awarded more than \$100,000 in project funds may receive up to \$50,000 in operating funds. Please note that CHDOs cannot receive more than \$50,000 in operating funds in any one calendar year. Eligible operating costs include: salaries, wages, and other employee compensation and benefits; employee education, training, travel; rent; utilities; communication costs; taxes; insurance; equipment, materials, and supplies. **CHDOs must be state designated CHDOs at the time of application to be eligible to receive operating funds.**

All projects receiving a HOME below market rate loan will be secured by a Promissory Note and a recorded Mortgage. The HOME affordability period requirements will be enforced by a recorded Restrictive Covenants running with the property.

Terms and conditions of the loan include, but are not limited to, the following:

- In the event the property is to be sold, the HOME Loan becomes due and payable at closing, (per the mortgage and security agreement "Due on Sale" clause).

- Unless cash flow is determined to be sufficient to cover debt service during the underwriting evaluation, a project will not be awarded a HOME loan.
- The project's initial Debt Coverage Ratio (DCR) must **not be less than 1.20**.
- The HOME loan may be in a junior lien position to private lender financing; otherwise, the HOME loan will be in a debt position commensurate with its level of assistance. All loans will automatically be deferred for ninety (90) days following project completion.

HOME funds must be drawn proportionate with other sources of financing. There is no interest charge during the construction phase of the project. All draws are subject to a ten percent (10%) retainage; therefore, ninety percent (90%) of **HOME** funds may be drawn down prior to a private lender construction loan. The ten percent (10%) retainage will be released upon a final approved Authority HOME inspection and 100% completion of the project.

### **Application Submission**

Applications may be obtained from the Authority's web site at [www.schousing.com](http://www.schousing.com) or by writing, emailing or faxing a request to the Authority's address below.

**South Carolina State Housing Finance and Development Authority  
ATTN: HOME Program Application Package  
300-C Outlet Pointe Blvd.  
Columbia, SC 29210  
Fax – (803) 551-4952**

Applications may be submitted to the Authority during regular business hours during the application cycle. Applications may be delivered by hand, by mail, or other shipping services; however, facsimile and/or e-mail transmissions **will not** be accepted.

All applications must be received not later than **5:00 pm**, Eastern Standard Time, on **Friday, March 30, 2012**.  
**Applications received after the deadline will not be considered and will be returned to the Applicant.**

Applicants must submit **one (1) original** and **one (1) copy** of the application package in a **3-ring binder** appropriately separated with the tabs provided. Complete applications must include all pages of the application and all items identified on the Rental Application Tab Checklist along with any supporting documentation. **All applications including copies, must be self-contained and complete. The Authority will not rely on any previously submitted information, written or verbal, to evaluate applications.**

There will be a nonrefundable **\$100** dollar processing fee that must be submitted with the application. Cashier's checks should be made payable to the "South Carolina State Housing Finance and Development Authority." Applications that are submitted without the processing fee will not be processed or reviewed and will be returned to the Applicant.

Any cost incurred by the Applicant in the preparation, transmittal, or presentation of the application package is the responsibility of the Applicant.

### **Other Application Information**

Any revisions that are made by the Authority to the 2012 HOME Application or Manual will be prepared in the form of a bulletin, posted on the Authority's web site and disseminated through email. It is the Applicant's responsibility to check the Authority's web site for any revisions that may occur.

The Authority reserves the right to:

- Award Applicants less than the amount of HOME funds requested
- Reject any and all applications received
- Waive or modify minor irregularities in applications upon notification to the Applicant
- Adjust or correct any arithmetical errors in the application
- Receive clarification from the Applicant to ensure an understanding of the application submitted
- Adopt or utilize all or any part of the application unless covered by legal copyright, patent or property rights in which case the Authority must be notified
- Negotiate with the Applicant to serve the best interest of the Authority

2012 **HOME** Agreements will have deadlines imposed for committing and expending funds and time constraints in which to provide the Authority with required documentation.

**HOME** Agreements may be terminated by the Authority at any time prior to the Agreements end date due to the lack of project productivity.

All **final** financial commitments must be submitted to the Authority within **ninety (90) days** of the reservation letter date.

No member, officer, agent, or employee of the Authority shall be personally liable concerning any matters arising out of or in relation to, the commitment of HOME Program funds with regard to feasibility or viability of the proposed project.

### **Program Suspension/Debarment**

Any of the following actions may result in a one (1) year suspension from participating in **all** Authority administered programs.

- a) Failure to complete a development by the project completion deadline specified in the Award Agreement and Implementation Schedule.
- b) Failure to complete or comply with the environmental review requirements as specified by 24 CFR Parts 50 and 58 as amended.
- c) Failure to provide **Form M36 - Developer/Owner Construction Management Certification** or providing a false or inaccurate certification that a development meets the above standards when, in fact, it does not, will result in the disqualification of the developer and the architect. The Authority will also file a complaint against the architect with the S.C. Department of Labor, Licensing and Regulation.

Any of the following actions will result in the permanent debarment from participating for funding from all Authority administered programs:

- a) Any Applicant who provides false or misleading information to the Authority with regard to a development seeking HOME funds, in any capacity whatsoever, regardless of when such false or misleading information is discovered. Any award received on the basis of such false or misleading information shall be void. Each Applicant shall be given written notice by the Development Director stating the reason for which the sanction of debarment was imposed.
- b) Any partnership and/or developer agreement, written or otherwise, that attempts to circumvent Authority requirements regardless of when the violation is discovered.

The Authority, in its sole discretion, may determine other acts to be infractions of the program that require suspension or debarment. All suspensions and debarments are conducted as outlined in the Authority's Debarment and Program Suspension Policy.

## Review Process

Authority staff will review the rental applications based on the process below:

1. Applications that do not meet the threshold criteria, compliance with federal and state laws, or HOME program requirements will be rejected.
2. Once applications are reviewed for completeness, Applicants will receive written notification of any deficiencies (missing or incomplete information) in their applications. Applicants with **four (4)** or more missing and/or incomplete items will be disqualified. Applicants with less than **four (4)** missing and/or incomplete items will have **seven (7)** business days from the date of notification to provide the information to the Authority. Failure to provide the information to the Authority within the timeframe will result in an automatic disqualification of the application.
3. Rental applications will undergo an underwriting evaluation and will be reviewed for financial feasibility. Applications deemed to be financially feasible, require subsidy and are consistent with HOME policies, will be recommended to the Executive Director for Round One funding starting with the highest scoring application until all available funding is depleted.

**If the entire HOME rental allocation is not exhausted** during the Round One funding selection, there will be an immediate Round Two Funding Selection. Round Two funding will be awarded starting with the highest scoring applications remaining, which adheres to all threshold requirements (except the percentage of HOME funds awarded to any one county in any one given year see **Threshold Requirements #9**). Proposal acceptance or rejection and utilization of unused funds are at the discretion of the Authority staff.

1. It is anticipated that reservations for 2012 HOME awards will be issued within ninety (90) days of the application deadline. A tentative 2012 schedule is provided below:

HOME Application Workshop	February 15, 2012
Final Submission of Applications	March 30, 2012
Complete Initial Reviews for Threshold and Criteria	April 20, 2012
Missing Documentation Notices Sent	April 27, 2012
Missing Documentation Returned	May 8, 2012
Underwriting Review	April 27 – June 1, 2012
Reservations	June 15, 2012

## Threshold Requirements

Applications that do not meet the following minimum threshold requirements will be eliminated from further review.

1. Applicants proposing a project in a local Participating Jurisdiction (PJ) and requesting State HOME funds must provide a **twenty-five percent (25%) match** (See list of PJ's below). A signed **Match Certification (Form M33) and commitment letter(s) must be provided at the time of application.**
  - a. The match must be a permanent executed commitment of funds which can be provided by other federal and/or private funds or a local HOME PJ. Funds eligible to be counted as match are listed on the Match Certification Form M-33.
  - b. Owner cash may be set aside and used for match if those funds are clearly identified on the financial statements submitted, or
  - c. An independent Certified Public Accountant (CPA) licensed by the South Carolina Board of Accountancy must certify to the exact amount of funds being counted as match and attach the certification to the financial statements.
  - d. Excess cash in the entity's operating budget cannot qualify as match funds.
  - e. In-Kind services, Infrastructure, or Authority administered program funds, cannot be used as a funding source for a match commitment.

2. The following is a list of designated PJs which are not eligible to apply for State HOME funds.

City of Charleston	Anderson County Consortium ( <i>Anderson City and County</i> )
City of Columbia	Beaufort County Consortium ( <i>Beaufort, Jasper, Hampton, Colleton</i> )
City of Greenville	Georgetown County Consortium ( <i>Horry, Georgetown and Williamsburg</i> )
City of Spartanburg	Greenwood County Consortium ( <i>Abbeville, McCormick, Edgefield, Saluda, Greenwood and Laurens</i> )
Charleston County	Orangeburg County Consortium ( <i>Aiken, Allendale, Bamberg, Barnwell, Calhoun, Orangeburg</i> )
Greenville County	Sumter County Consortium ( <i>Sumter, Lee, Clarendon, Kershaw</i> )
Lexington County	
Richland County	
Spartanburg County	

3. Before HOME funds may be committed to a project, an underwriting review must be conducted along with an assessment of the Applicant's financial capacity. The Applicant must submit with the application current financial statements compiled, reviewed or audited by an independent CPA licensed by the South Carolina Board of Accountancy. The financial statements must include a balance sheet dated on or after December 31, 2010. An applicant or applicant group must have a minimum net worth of \$100,000 and minimum unrestricted liquid assets of \$100,000 as further described in the HOME Application Manual.
4. **ANY** participating organization, developer(s), general partner(s), or managing members(s) will be automatically disqualified if any of the following issues of non-compliance are demonstrated:
- Uncorrected non-compliance violations with the Authority;
  - Not in good standing with other Authority administered programs (which includes payments due to the Authority such as late fees, late loan payments, etc.);
  - Debarred from participation in other federal programs (i.e. HUD, RHS, CDBG, HOPWA, ESG, FHLB, etc.) as well as any other Authority administered programs (i.e. LIHTC, HTF, NSP, etc.)
- The **Authority has sole discretion in the** determination of non-compliance and it is not subject to interpretation (appeal) or final resolution of the non-compliance violation.
5. Applicants who currently have HOME Program Income or CHDO Program Proceeds are not eligible to apply for additional HOME funds until those funds have been expended.
6. Participants that have 2009 and earlier HOME awards must have the award officially closed out in order to be eligible to participate in the 2012 HOME cycle. **(For the Authority's definition of "project completion", please refer to the definitions section of the HOME Manual).**
7. Participants with current HOME awards must be in compliance with the executed HOME award agreements for percentage complete by **March 9, 2012**, in order to be eligible to participate in the 2012 HOME cycle. **(For the Authority's definition of "project completion", please refer to the definitions section of the HOME Manual)**
8. No County, in any given year, can receive more than 50% of the current year's available Rental set aside in the Round One Funding Selection. It is the Authority's intent to promote fair and objective administration of the HOME Program by ensuring that no single County receives an excessive share of the available program funds in any one application cycle.
9. Applicants that are related entities, principals, and/or individuals and are applying for HOME funds are only eligible to apply for two (2) HOME awards and may only be allocated two (2) HOME awards. **(For the Authority's definition of "Individual", "Principal", and "Related Parties", please refer to the definitions section of the HOME Manual).**

10. HOME Applicants must have a designated **Program Administrator on staff** that will be responsible for the coordination of the project (i.e. project implementation through project completion).
11. A market study prepared by an approved third party market analyst must be submitted with the application to ensure there is adequate demand for the proposed project. The approved market analyst list may be found on the Authority's web site at [www.2012%20Approved%20Market%20Analyst%20List](http://www.2012%20Approved%20Market%20Analyst%20List).
12. Applicants who require HOME funds in combination with a Low-Income Housing Tax Credit (LIHTC) development **may not** apply in this funding round. HOME funds in combination with LIHTC may **only** be obtained during the competitive LIHTC application cycle.
13. Applicants may request Housing Trust Funds (HTF) in combination with the HOME program only during the HOME rental application cycle.
14. For projects involving relocation, Applicants must provide the following:
  - a) A current certified rent role, **AND**
  - b) Completed *Tenant Profile Forms* (**Form M39**) for each occupied household, **AND**
  - c) Acceptable documentation indicating that *General Information Notices* (**Exhibits 4 or 5**) have been completed and successfully delivered to 100% of the existing tenants.

## Point Criteria

### Experience:

Points are awarded based on the Applicant's experience and success in developing HOME projects or for first time Applicants who can demonstrate their experience in developing housing projects similar to the one(s) proposed. Applicants must complete *Applicant Experience Certification* for points (**Form M34**) and place the form behind **Tab 5**.

1. Owners which include individual(s), corporation(s), nonprofit(s), for-profit(s), public housing authorities or units of local government will receive points for previous development of successful HOME properties. The owner may include experience gained as an owner of another firm, not as an employee of another firm. Experience in HOME projects means coordinating the development team from the planning, financing and construction of a project through receipt of Certificates of Occupancy. Applicants must have a current ownership interest in the project. Experience will be awarded as follows:
  - **One point for each HOME project that was successfully completed for up to 5 projects** **5 Points (maximum)**
2. A FIRST TIME Applicant may demonstrate the ability to implement affordable housing projects as follows:
  - document the management of similar grant programs or other public funds. A list of completed projects must be provided along with contact names and phone numbers, **3 Points**

**OR**

  - provide an executed contract with an experienced consultant or development firm whom have successfully managed similar grant programs or other public funds. A list of completed projects must be provided along with contact names and phone numbers. **2 Points**

### Performance:

Performance points are based on the Applicant's previous **three (3) years** of performance in the areas of program schedule, implementation, reporting, and program results with the State's HOME Program.

1. Points will be awarded to Applicants that have successfully completed

100% of their awarded HOME projects within the allotted 24 month HOME agreement period.

**3 Points**

2. Points will be awarded to Applicants that have not had funds de-obligated or rescinded due to lack of performance.

**3 Points**

**Program Design:**

1. Applicants will receive points for project readiness:
  - a. Site Control – A copy of the recorded deed in the Applicants name. **4 Points**
  - b. Existence of Waiting List: **(Form M43)** – *Waiting List Certification* Applicants will receive points for providing evidence of potential tenants based on evidence of marketing outreach efforts (i.e. brochures, letters, radio etc.). **2 Points**
  - c. For new construction - Applicant provides **Final Plans/** Specifications approved by the locality. **4 Points**
  - d. For Rehabilitation - Applicant provides final work-write-up(s). **4 Points**
  - e. Applicant provides documentation that utilities are located **ON** the site and available at the time of application (must provide letters for water, sewer, and electrical). **2 Points**
2. Applicant will be awarded points for Preservation and/or for working within current state or local initiatives:
  - a. Preservation of existing rental units that increase or preserve affordable housing. **3 Points**
  - b. Less than a ten percent (10%) rent increase over previous rent amount following rehabilitation for one year after completion. **(Form M44)** – *Rent Increase Certification*, must be completed and signed. **3 Points**
  - c. Proposed project includes ten percent (10%) of total units designated homeless units for families. **3 Points**
  - d. Proposed project will be located in a highly impacted foreclosure area(s) per HUD's most current statistics **or** the project uses foreclosed and vacant property. (HUD stats can be researched online at the following website: <http://www.huduser.org/NSP/NSP3.html>. Applicant should create free login account, read instructions on how to use the mapping tool, and provide a copy of the emailed data in the HOME Application. The "Neighborhood NSP3 Score" must be between 16 – 20 to earn points.) Provide this information behind Tab 12. **3 Points**
  - e. Provide evidence that the proposed project is located within a current identified master plan, or revitalization plan, or empowerment zone. **3 Points**
3. Applicant will be awarded points for projects that are designed to provide new construction infill only **3 Points**
4. Applicant will be awarded points for proposed projects that are not seeking other Authority funds (i.e. HTF) in conjunction with HOME funds. **5 Points**

## **Financial Structure:**

**Commitment of Other Funding Sources:** Applicant has a written permanent financial commitment at the time of application. Be advised that applicants that are required to provide a match contribution will automatically receive these points. Funds from other Authority administered programs cannot be used as match.

1. Applicant proposes a project not entirely funded with HOME dollars. The financial structure consists of additional sources of funds leveraged from non-Authority administered programs. The calculation is as follows:

***Total HOME + HTF ÷ Total Development Costs = Total Percentage.***

- a. 25% or less of the Total Development Costs will be funded with Authority dollars. **8 Points**
  - b. 50% or less of the Total Development Costs will be funded with Authority dollars. **6 Points**
  - c. 75% or less of the Total Development Costs will be funded with Authority dollars. **4 Points**
2. Financial design proposes repayment of one hundred percent (100%) of the **HOME** award to the Authority. **5 Points**

## **Green or Energy Efficiency Design:**

Applicant will receive points for Energy Efficiency and Green Elements items: (Helpful website [www.energystar.gov](http://www.energystar.gov))

1. Energy Star qualified heat pump (15 SEER/12 EER or greater), furnace, boiler, air conditioning or ventilation equipment all with Energy Star qualified thermostats for equipment that require thermostats. **3 Point**
2. Energy Star rated refrigerator with a minimum size of 18 cubic feet. **1 Point**
3. Energy Star rated dishwashers. **1 Point**
4. All units must have a Range Queen or comparable extinguishing system over the stove. **1 Point**
5. Over the range mounted microwave oven, with re-circulating fan, in all units. **2 Point**
6. Each unit must have an Energy Star ceiling fan with light fixture in the living room. All ceiling fans and overhead lights must connect to wall switches. **2 Point**
7. Energy Star qualified windows in all units. **3 Point**
8. Demolition Plan – Includes recycling, managing waste and hazardous materials. **1 Point**
9. Landscaping – Use of native drought resistance plantings, preserve and protect trees during construction. **1 Point**
10. Green Building Products – Include site design, building materials, renewable energy, water conservation, and healthy home designs. (Helpful websites [www.usbgc.org](http://www.usbgc.org)) **1 Point**
11. Water Conserving Features – Toilets with 1.6 gallons or less per flush, shower heads – 2.0 GPM, bath and kitchen faucets 2.0 GPM or less. **2 Point**



**STATE OF SOUTH CAROLINA**

**EMERGENCY SHELTER GRANTS PROGRAM**

**2012 Annual Action Plan**

**Submitted To:**

**U.S. Department of Housing and Urban Development  
Community Planning and Development Division  
1835-1845 Assembly Street  
Columbia, South Carolina 29201**

**Prepared By:**

**Office of the Governor  
Office of Economic Opportunity  
1205 Pendleton Street, Columbia, South Carolina 29201  
Telephone (803) 734-0662 Fax (803) 734-0356**

**January 2012**

## ESG Certifications

The State, seeking funds under the Emergency Solutions Grants (ESG) Program, certifies that it will ensure that its recipients of ESG funds comply with the following requirements:

- (1) If an emergency shelter's rehabilitation costs exceed 75 percent of the value of the building before rehabilitation, the State will maintain the building as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed rehabilitation;
- (2) If the cost to convert a building into an emergency shelter exceeds 75 percent of the value of the building after conversion, the State will maintain the building as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed conversion;
- (3) In all other cases where ESG funds are used for renovation, the State will maintain the building as a shelter for homeless individuals and families for a minimum of 3 years after the date the building is first occupied by a homeless individual or family after the completed renovation;
- (4) In the case of assistance involving shelter operations or essential services related to street outreach or emergency shelter, the State will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure, so long as the State serves the same type of persons (e.g., families with children, unaccompanied youth, disabled individuals, or victims of domestic violence) or persons in the same geographic area;
- (5) Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary;
- (6) The State will assist homeless individuals in obtaining permanent housing, appropriate supportive services (including medical and mental health treatment, victim services, counseling, supervision, and other services essential for achieving independent living), and other Federal, State, local, and private assistance available for these individuals;
- (7) The State will obtain matching amounts required under 24 CFR 576.201;
- (8) The State has established and is implementing procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project, except with the written authorization of the person responsible for the operation of that shelter;
- (9) To the maximum extent practicable, the State will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under the ESG program, in providing services assisted under the program, and in providing services for occupants of facilities assisted under the program;
- (10) All activities the State undertakes with assistance under ESG are consistent with the State's consolidated plan; and (11) The State will establish and implement, to the maximum extent practicable and where appropriate, policies and protocols for the discharge of persons from publicly funded institutions or systems of care (such as health-care facilities, mental health facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent this discharge from immediately resulting in homelessness for these persons

\_\_\_\_\_  
Signature/Authorized Official

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

**Requirement cross-reference**

**Part I—Program Description**

- Purpose
- Method of Distribution/Available Funding
- Eligible Entities & Application Submission Requirements
- State Goals & Action Steps
- Prohibition of Discharge Planning
- Prohibition Against Involuntary Family Separation
- Matching Requirement
- Means of Carrying Out Grant Activities
- Definitions
- Obligation, Expenditure, and Payment Requirements
- Reallocation

**Part II—Eligible Activities**

1. Street Outreach
  - Essential Services
    - Engagement
    - Case Management
    - Emergency Health Services
    - Emergency Mental Health Services
    - Transportation
    - Services for special populations
  - Minimum period of use
  - Maintenance of effort
2. Emergency Shelter
  - Essential Services
    - Case Management
    - Child Care
    - Education Services
    - Employment Assistance and Job Training
    - Outpatient Health Services
    - Legal Services
    - Life Skills Training
    - Mental Health Services
    - Substance Abuse Treatment Services
    - Transportation
  - Renovation
  - Shelter Operations
    - Maintenance, Rent, Security, Fuel, Equipment, Insurance, Utilities, Food, Furnishing, Supplies, and limited Hotel/Motel vouchers
  - Uniform Relocation Assistance
  - Minimum period of use
  - Maintenance of effort
3. Homelessness Prevention Component
4. Rapid Re-Housing Component

**Both Include:**

- Housing Relocation and Stabilization Services**
  - Financial Assistance Costs**
    - Rental Application Fees**
    - Security Deposits**
    - Last Month's Rent**
    - Utility Deposits**
    - Utility Payments**
    - Moving Costs**
  - Services Costs**
    - Housing Search and Placement**
    - Housing Stability Case Management**
    - Mediation**
  - Maximum Amounts and Periods of Assistance**
  - Use with Other Subsidies (Cost Type Rule)**
- Short-Term and Medium-Term Rental Assistance**
  - General Provisions**
    - Short=up to 3 months**
    - Medium=more than 3 months but not exceeding the grant period**
    - One-time payment for up to 6 months of arrears**
  - Discretion to Set Caps and Conditions**
  - Use with Other Subsidies (Cost Type Rule)**
  - Rent Restrictions (FMR and Rent Reasonableness)**
  - Rental Assistance Agreement**
  - Late Payments**
  - Lease**
  - Tenant-based Rental Assistance**
  - Project-based Rental Assistance**
  - Changes in Household Composition Limitation**

## **5. HMIS Component**

### **Part III—Program Requirements & Grant Administration**

576.400 Area-wide systems coordination requirements.  
 576.401 Evaluation of program participant eligibility and needs.  
 576.402 Terminating assistance.  
 576.403 Shelter and housing standards.  
 576.404 Conflicts of interest.  
 576.405 Homeless participation.  
 576.406 Faith-based activities.  
 576.407 Other Federal requirements.  
 576.408 Displacement, relocation, and acquisition.  
 576.500 Recordkeeping and reporting requirements.  
 576.501 Enforcement.

### **Part IV—Request for Application Requirements**

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## Part I—Program Description

### Purpose

The Emergency Solutions Grants (ESG) program is authorized by subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11371–11378) as amended by the HEART Act. The program authorizes the Department of Housing and Urban Development (HUD) to make grants to States, units of general purpose local government, and territories for the rehabilitation or conversion of buildings for use as emergency shelter for the homeless, for the payment of certain expenses related to operating emergency shelters, for essential services related to emergency shelters and street outreach for the homeless, and for homelessness prevention and rapid re-housing assistance.

### Method of Distribution/Available Funding

Funds will be awarded by the SC Governor's Office of Economic Opportunity (OEO) on a competitive basis. The total amount of the State's PY 2012 grant that may be used for street outreach and emergency shelter activities will not exceed the amount of Fiscal Year 2010 grant funds committed for homeless assistance activities totaling **\$1,279,884**. The PY 2012 funding that will be available for homelessness prevention and rapid rehousing is **\$896,048**. Pending US Department of Housing and Urban Development (HUD) approval of a substantial amendment to the PY 2011 Consolidated Plan, the State will also be making available an additional **\$745,698** for homelessness prevention and rapid rehousing activities that may be applied for within the guidelines of this Annual Action Plan and the PY 2012 ESG Requests for Applications.

An applicant may apply for a maximum of \$100,000 for street outreach and emergency shelter activities.

An applicant may apply for a maximum of \$250,000 for homelessness prevention and rapid rehousing.

Homeless Management Information Systems (HMIS) activities may be applied for within the above mentioned funding constraints.

### Eligible Entities & Application Submission Requirements

All units of local government and public & private non-profit organizations (**with certification from the unit of local government in their area**) that provide services to the homeless and those at-risk of becoming homeless are eligible to apply for ESG funds. One application per agency/organization should be submitted to the OEO for consideration. Private non-profit organizations must have a 501(c)3 certification and be registered in the State of South Carolina as a charitable organization.

Applications for ESG Program funds must be prepared in accordance with the instructions provided in this Request for Applications (RFA). The contents of the application should be concise and objective. When statistics are cited, the source of the data is to be completely referenced.

**The OEO must receive an original unbound application and three (3) bound copies no later than 5:00 p.m., on Friday, April 13, 2012. Only completed applications received on or before the due date will be considered for funding. Faxes are not allowed.**

## State Goals & Action Steps

**Goal 1:** Provide preventive and rapid re-housing services to approximately 900 low-income individuals and families during PY 2012 to assist them in avoiding or shortening an incidence of homelessness.

**Action Step #1:** The State will encourage the participation of organizations that demonstrated successful implementation of the Homelessness Prevention and Rapid Re-Housing Program.

**Action Step #2:** The State will provide technical assistance to organizations awarded funds for these activities in order to ensure their success.

**Action Step #3:** The State will prioritize funding for applicant organizations that demonstrate the successful provision of programs and services to chronically homeless individuals and families as defined by HUD to ensure that they make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

**Goal 2:** Provide street outreach and/or shelter services to approximately 30,000 homeless and/or chronically homeless individuals during PY 2012.

**Action Step #1:** The State will address the emergency shelter and transitional housing needs of homeless persons by funding shelters with documented success in providing services, substantial community support and active community participation in the provision of programs and services, and outcomes and objectives that will assist the State in meeting Goal 2. All awarded shelters will provide adequate essential services to ensure ESG participants eventually obtain sustainable housing.

**Action Step #2:** To increase the numbers of homeless individuals served by ESG the State will encourage the new street outreach activity by awarding an automatic five (5) points to applications that include the provision of this service.

**Action Step #3:** The State will prioritize funding for applicant organizations that demonstrate the successful provision of programs and services to chronically homeless individuals and families as defined by HUD to ensure that they make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

**Action Step #4:** To assist individuals avoid becoming homeless, the State will continue its prohibition of discharge planning so as to ensure that individuals being discharged from publicly funded institutions and systems of care, such as health-care facilities, mental health facilities, foster care and youth facilities, and corrections programs and institutions are not placed into homelessness.

### Prohibition of Discharge Planning

Pursuant to the McKinney-Vento Act, to the maximum extent practicable, persons discharged from publicly funded institutions or systems of care should not be discharged into homelessness, including the streets, shelter, or to HUD McKinney-Vento funded homeless projects. ESG-funded shelters are prohibited from assisting with the discharge of a person(s) from any system of care (i.e. prisons, jails,

hospitals, substance abuse treatment centers, foster care) that will immediately result in homelessness—residing in the shelter facility.

### **Prohibition Against Involuntary Family Separation**

The age of a child under age 18 must not be used as a basis for denying any family's admission to an emergency shelter that uses Emergency Solutions Grant (ESG) funding or services and provides shelter to families with children under age 18. All ESG-funded shelters that either provides shelter to families or women and their children must do so regardless of the age of the child. The family unit must be accepted all inclusive of children under the age of 18.

### **Prohibition Against Program Income**

ESG subrecipients will be prohibited from collecting program income from any eligible activity. HUD has determined that the act of requiring the security deposits paid by ESG funds on the behalf of eligible clients be returned to the subgrantee in the event that the client vacates the property is earning program income. As such, subgrantees are prohibited from requiring that vendors return security deposit payments to the subgrantee if the client ceases to remain in a dwelling for known or unknown reasons. In the event that clients that have had a security deposit returned to them and are still active or are returning clients, the subgrantee will retain the right to either instruct clients on its use or in the case of a returning client, evaluate how the deposit was utilized in determining continued ESG service

### **Matching Requirement**

#### **(a) *Required amount of matching contributions.***

The applicant must make matching contributions to supplement its ESG program in an amount that equals the amount of ESG funds awarded by OEO.

#### **(b) *Eligible sources of matching contributions.***

- (1) OEO may also require its subrecipients to make matching contributions consistent with this section to help meet its matching requirement as well.
- (2) Matching contributions may be obtained from any source, including any Federal source other than the ESG program, as well as state, local, and private sources. However, the following requirements apply to matching contributions from a Federal source of funds:
  - (i) The subrecipient must ensure the laws governing any funds to be used as matching contributions do not prohibit those funds from being used to match Emergency Solutions Grant (ESG) funds.
  - (ii) If ESG funds are used to satisfy the matching requirements of another Federal program, then funding from that program may not be used to satisfy the matching requirements under this section.

#### **(c) *Recognition of matching contributions.***

- (1) In order to meet the matching requirement, the matching contributions must meet all requirements that apply to the ESG funds provided by HUD, except for the expenditure limits in § 576.100.
- (2) The matching contributions must be provided after the date that HUD signs the grant agreement.
- (3) To count toward the required match for the subrecipient's fiscal year grant, cash contributions must be expended within the grant period, and noncash contributions must be made within the grant period.
- (4) Contributions used to match a previous ESG grant may not be used to match a subsequent ESG grant.

- (5) Contributions that have been or will be counted as satisfying a matching requirement of another Federal grant or award may not count as satisfying the matching requirement of this section.
- (d) **Eligible types of matching contributions.** The matching requirement may be met by one or both of the following:
- (1) Cash contributions. Cash expended for allowable costs, as defined in OMB Circulars A-87 (2 CFR part 225) and A-122 (2 CFR part 230), of the subrecipient.
  - (2) Noncash contributions. The value of any real property, equipment, goods, or services contributed to the subrecipient's ESG program, provided that if the subrecipient had to pay for them with grant funds, the costs would have been allowable. Noncash contributions may also include the purchase value of any donated building.
- (e) **Calculating the amount of non-cash contributions.**
- (1) To determine the value of any donated material or building, or of any lease, the subrecipient must use a method reasonably calculated to establish the fair market value.
  - (2) Services provided by individuals must be valued at rates consistent with those ordinarily paid for similar work in the subrecipient's organization. If the subrecipient does not have employees performing similar work, the rates must be consistent with those ordinarily paid by other employers for similar work in the same labor market.
  - (3) Some noncash contributions are real property, equipment, goods, or services that, if the subrecipient had to pay for them with grant funds, the payments would have been indirect costs. Matching credit for these contributions must be given only if the subrecipient has established, along with its regular indirect cost rate, a special rate for allocating to individual projects or programs the value of those contributions.

#### **Means of carrying out grant activities.**

Subrecipients can only carry out all eligible activities through their employees, procurement contracts, or sub grants to private nonprofit organizations. State ESG funds cannot be sub-subgranted.

#### **§ 576.2 Definitions**

##### ***At risk of homelessness means:***

- (1) An individual or family who:
  - (i) Has an annual income below 30 percent of median family income for the area, as determined by HUD;
  - (ii) Does not have sufficient resources or support networks, e.g., family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the 'homeless' definition in this section; and (iii) Meets one of the following conditions:
    - (A) Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;
    - (B) Is living in the home of another because of economic hardship;
    - (C) Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;
    - (D) Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by Federal, State, or local government programs for low-income individuals;
    - (E) Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 persons reside per room, as defined by the U.S. Census Bureau;



- (F) Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or
  - (G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the subrecipient's approved consolidated plan;
- (2) A child or youth who does not qualify as "homeless" under this section, but qualifies as "homeless" under section 387(3) of the Runaway and Homeless Youth Act (42 U.S.C.5732a(3)), section 637(11) of the Head Start Act (42 U.S.C. 9832(11)), section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2(6)), section 330(h)(5)(A) of the Public Health Service Act (42 U.S.C.254b(h)(5)(A)), section 3(m) of the Food and Nutrition Act of 2008 (7 U.S.C.2012(m)), or section 17(b)(15) of the Child Nutrition Act of 1966 (42 U.S.C.1786(b)(15)); or
- (3) A child or youth who does not qualify as "homeless" under this section, but qualifies as "homeless" under section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)), and the parent(s) or guardian(s) of that child or youth if living with her or him.

**Consolidated plan** means a plan prepared in accordance with 24 CFR part 91. An approved consolidated plan means a consolidated plan that has been approved by HUD in accordance with 24 CFR part 91.

**Continuum of Care** means the group composed of representatives of relevant organizations, which generally includes nonprofit homeless providers; victim service providers; faith-based organizations; governments; businesses; advocates; public housing agencies; school districts; social service providers; mental health agencies; hospitals; universities; affordable housing developers; law enforcement; organizations that serve homeless and formerly homeless veterans, and homeless and formerly homeless persons that are organized to plan for and provide, as necessary, a system of outreach, engagement, and assessment; emergency shelter; rapid re-housing; transitional housing; permanent housing; and prevention strategies to address the various needs of homeless persons and persons at risk of homelessness for a specific geographic area.

**Emergency shelter** means any facility, the primary purpose of which is to provide a temporary shelter for the homeless in general or for specific populations of the homeless and which does not require occupants to sign leases or occupancy agreements. Any project funded as an emergency shelter under a Fiscal Year 2010 Emergency Solutions grant may continue to be funded under ESG.

**Homeless means:**

- (1) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
  - (i) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
  - (ii) An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low income individuals); or
  - (iii) An individual who is exiting an institution where he or she 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;
- (2) An individual or family who will imminently lose their primary nighttime residence, provided that:
  - (i) The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;

- (ii) No subsequent residence has been identified; and
- (iii) The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, needed to obtain other permanent housing;
- (3) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:
  - (i) Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e–2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)) or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);
  - (ii) Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;
  - (iii) Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and
  - (iv) Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; or
- (4) Any individual or family who:
  - (i) Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
  - (ii) Has no other residence; and
  - (iii) Lacks the resources or support networks, e.g., family, friends, faith based or other social networks, to obtain other permanent housing.

***Chronically homeless means:***

- (1) An individual who:
  - (i) Is homeless and lives in a place not meant for human habitation, a safe haven, or in an emergency shelter; and
  - (ii) Has been homeless and living or residing in a place not meant for human habitation, a safe haven, or in an emergency shelter continuously for at least one year or on at least four separate occasions in the last 3 years, where each homeless occasion was at least 15 days; and
  - (iii) Can be diagnosed with one or more of the following conditions: substance use disorder, serious mental illness, developmental disability (as defined in section 102 of the Developmental Disabilities Assistance Bill of Rights Act of 2000 (42 U.S.C. 15002)), posttraumatic stress disorder, cognitive impairments resulting from brain injury, or chronic physical illness or disability;
- (2) An individual who has been residing in an institutional care facility, including a jail, substance abuse or mental health treatment facility, hospital, or other similar facility, for fewer than 90 days and met all of the criteria in paragraph (1) before entering that facility; or

- (3) A family with an adult head of household (or if there is no adult in the family, a minor head of household) who meets all of the criteria in paragraph (1), including a family whose composition has fluctuated while the head of household has been homeless.

**Homeless Management Information System (HMIS)** means the information system designated by the Continuum of Care to comply with the HUD's data collection, management, and reporting standards and used to collect client level data and data on the provision of housing and services to homeless individuals and families and persons at risk of homelessness.

**Metropolitan city** means a city that was classified as a metropolitan city under 42 U.S.C. 5302(a) for the fiscal year immediately preceding the fiscal year for which ESG funds are made available. This term includes the District of Columbia.

**Private nonprofit organization** means a private nonprofit organization that is a secular or religious organization described in section 501(c) of the Internal Revenue Code of 1986 and which is exempt from taxation under subtitle A of the Code, has an accounting system and a voluntary board, and practices nondiscrimination in the provision of assistance. A private nonprofit organization does not include a governmental organization, such as a public housing agency or housing finance agency.

**Program income** shall have the meaning provided in 24 CFR 85.25. Program income includes any amount of a security or utility deposit returned to the subrecipient .

**Program participant** means an individual or family who is assisted under ESG program.

**Program year** means the consolidated program year established by the subrecipient under 24 CFR part 91.

**Subrecipient** means any State, territory, metropolitan city, or urban county, or in the case of reallocation, any unit of general purpose local government that is approved by HUD to assume financial responsibility and enters into a grant agreement with HUD to administer assistance under this part.

**State** means each of the several States and the Commonwealth of Puerto Rico.

**Subsubrecipient** means a unit of general purpose local government or private nonprofit organization to which a subrecipient makes available ESG funds.

**Territory** means each of the following: the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands.

**Unit of general purpose local government** means any city, county, town, township, parish, village, or other general purpose political subdivision of a State.

**Urban County** means a county that was classified as an urban county under 42 U.S.C. 5302(a) for the fiscal year immediately preceding the fiscal year for which ESG funds are made available.

**Victim service provider** means a private nonprofit organization whose primary mission is to provide services to victims of domestic violence, dating violence, sexual assault, or stalking. This term includes rape crisis centers, battered women's shelters, domestic violence transitional housing programs, and other programs.

## **Obligation, expenditure, and payment requirements.**

### **(a) Obligation of funds.**

All projects must begin within three (3) months of the date the state made the funds available to the applicant. If the program has not started within three (3) months of the award date, without written and justifiable cause, the state reserves the right to rescind the grant award. Start-up is defined as significant expenditure of funds. In addition, agencies must provide the OEO with written notification of closure within fifteen (15) days prior to actual closure.

The state reserves the right to recapture ESG funds under the following circumstances:

1. Those who do not meet the performance requirements outlined in the approved project;
2. Those who are unable to comply with the regulatory deadlines on obligation and disbursement as outlined at 24 CFR Part 576.55(a) (2); and,
3. Those who otherwise, without appropriate justification, have failed to implement the project as set forth in their approved ESG Grant Application.

**Applicants are required to submit a timetable outlining the tasks required for accomplishment of project goals. The timetable submitted will be used to monitor project performance.**

### **(b) Expenditures.**

The grant period for ESG projects is one year; effective on the date the state makes funds available to the subgrantee. In general, projects requesting funds for rehabilitation may encounter a delay in obtaining results for the environmental review from the various agencies involved.

Environmental reviews generally take 60-90 days to complete. Applicants may want to consider this factor in determining where to use local match.

ESG funds must be obligated within 180 days after the date the state makes the funds available to the ESG subgrantee and must be expended within one year of the date the state makes the funds available.

The subrecipient should draw down and expend funds from the grant on a monthly basis. All of the subrecipient's grant must be expended for eligible activity costs by June 30, 2013. For the purposes of this paragraph, expenditure means either an actual cash disbursement for a direct charge for a good or service or an indirect cost or the accrual of a direct charge for a good or service or an indirect cost.

### **(c) Payments to subrecipients.**

**Disbursement of funds will follow a cost reimbursement procedure and will be for actual funds expended.** Subgrantees shall only be reimbursed for costs that have been incurred within the current grant year and corroborated with paid invoices or other evidence of subgrantee expenditure or outlays where a data quality report is submitted with the request for reimbursement. Requests for reimbursement should be submitted on a monthly basis.

Subgrantees must also submit the final request for reimbursement to the OEO within 15 days after the expiration of the grant period (by July 15, 2013).

Applicants are reminded that any costs incurred or paid prior to the beginning of the start-up date or after the ending date cannot be reimbursed by the grant.

## Reallocations

The State reserves the right to reallocate Emergency Solutions Grants Program funds as provided for in the federal regulations governing the program in order to ensure that the funds provide the maximum benefit to South Carolina's homeless population. Funding (grant award) reallocations will be made on the basis of the State's determination of the best use of available funds. The State will consider the amount of available funds, subgrantee programmatic performance, subgrantee expenditure levels, and strategic programmatic needs in reallocating available funds.

## Eligible Activities

Subrecipients may use ESG funds for five program components: street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, and HMIS. The five program components and the eligible activities that may be funded under each are set forth in § 576.101 through § 576.107.

Subject to the cost principles in OMB Circulars A-87 (2 CFR 225) and A-122 (2 CFR 230) and other requirements in this part, employee compensation and other overhead costs directly related to carrying out street outreach, emergency shelter, homelessness prevention, rapid rehousing, and HMIS are eligible costs of those program components. These costs are not administrative costs.

### 1. Street Outreach Component

#### (a) Eligible Activities.

Subject to the expenditure limit in § 576.100(b), ESG funds may be used for costs of providing essential services necessary to reach out to unsheltered homeless people; connect them with emergency shelter, housing, or critical services; and provide urgent, non facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility. For the purposes of this section, the term "unsheltered homeless people" means individuals and families who qualify as homeless under paragraph (1)(i) of the "homeless" definition under § 576.2. The eligible costs and requirements for essential services consist of:

- (1) **Engagement.** The costs of activities to locate, identify, and build relationships with unsheltered homeless people and engage them for the purpose of providing immediate support, intervention, and connections with homeless assistance programs and/or mainstream social services and housing programs. These activities consist of making an initial assessment of needs and eligibility; providing crisis counseling; addressing urgent physical needs, such as providing meals, blankets, clothes, or toiletries; and actively connecting and providing information and referrals to programs targeted to homeless people and mainstream social services and housing programs, including emergency shelter, transitional housing, community-based services, permanent supportive housing, and rapid re-housing programs. Eligible costs include the cell phone costs of outreach workers during the performance of these activities.
- (2) **Case management.** The cost of assessing housing and service needs, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant. Eligible services and activities are as follows: using the centralized or coordinated assessment system as required under § 576.400(d); conducting the initial evaluation required

under § 576.401(a), including verifying and documenting eligibility; counseling; developing, securing and coordinating services; obtaining Federal, State, and local benefits; monitoring and evaluating program participant progress; providing information and referrals to other providers; and developing an individualized housing and service plan, including planning a path to permanent housing stability.

**(3) *Emergency health services.***

- (i) Eligible costs are for the direct outpatient treatment of medical conditions and are provided by licensed medical professionals operating in community-based settings, including streets, parks, and other places where unsheltered homeless people are living.
- (ii) ESG funds may be used only for these services to the extent that other appropriate health services are inaccessible or unavailable within the area.
- (iii) Eligible treatment consists of assessing a program participant's health problems and developing a treatment plan; assisting program participants to understand their health needs; providing directly or assisting program participants to obtain appropriate emergency medical treatment; and providing medication and follow-up services.

**(4) *Emergency mental health services.***

- (i) Eligible costs are the direct outpatient treatment by licensed professionals of mental health conditions operating in community-based settings, including streets, parks, and other places where unsheltered people are living.
- (ii) ESG funds may be used only for these services to the extent that other appropriate mental health services are inaccessible or unavailable within the community.
- (iii) Mental health services are the application of therapeutic processes to personal, family, situational, or occupational problems in order to bring about positive resolution of the problem or improved individual or family functioning or circumstances.
- (iv) Eligible treatment consists of crisis interventions, the prescription of psychotropic medications, explanation about the use and management of medications, and combinations of therapeutic approaches to address multiple problems.

**(5) *Transportation.***

The transportation costs of travel by outreach workers, social workers, medical professionals, or other service providers are eligible, provided that this travel takes place during the provision of services eligible under this section. The costs of transporting unsheltered people to emergency shelters or other service facilities are also eligible. These costs include the following:

- (i) The cost of a program participant's travel on public transportation;
- (ii) If service workers use their own vehicles, mileage allowance for service workers to visit program participants;
- (iii) The cost of purchasing or leasing a vehicle for the subrecipient in which staff transports program participants and/or staff serving program participants, and the cost of gas, insurance, taxes and maintenance for the vehicle; and
- (iv) The travel costs of subrecipient staff to accompany or assist program participants to use public transportation.

**(6) *Services for special populations.***

ESG funds may be used to provide services for homeless youth, victim services, and services for people living with HIV/AIDS, so long as the costs of providing these services are eligible under paragraphs (a)(1) through (a)(5) of this section. The term victim services means services that assist program participants who are victims of domestic violence, dating violence, sexual assault, or stalking, including services offered by rape crisis centers and domestic violence shelters, and other organizations with a documented history of effective work concerning domestic violence, dating violence, sexual assault, or stalking.

**(b) Minimum period of use.**

The subrecipient must provide services to homeless individuals and families for at least the period during which ESG funds are provided.

**(c) Maintenance of effort.**

- (1) If the subrecipient is a unit of general purpose local government, its ESG funds cannot be used to replace funds the local government provided for street outreach and emergency shelter services during the immediately preceding 12-month period, unless HUD determines that the unit of general purpose local government is in a severe financial deficit.
- (2) Upon the subrecipient's request, HUD will determine whether the unit of general purpose local government is in a severe financial deficit, based on the subrecipient's demonstration of each of the following:
  - (i) The average poverty rate in the unit of general purpose local government's State was equal to or greater than 125 percent of the average national poverty rate, during the calendar year for which the most recent data are available, as determined according to information from the U.S. Census Bureau.
  - (ii) The average per-capita income in the unit of general purpose local government's State was less than 75 percent of the average national per capita income, during the calendar year for which the most recent data are available, as determined according to information from the Census Bureau.
  - (iii) The unit of general purpose local government has a current annual budget deficit that requires a reduction in funding for services for homeless people.
  - (iv) The unit of general purpose local government has taken all reasonable steps to prevent a reduction in funding of services for homeless people. Reasonable steps may include steps to increase revenue generation, steps to maximize cost savings, or steps to reduce expenditures in areas other than services for homeless people.

**2. Emergency Shelter Component**

**(a) General.**

Subject to the expenditure limit in § 576.100(b), ESG funds may be used for costs of providing essential services to homeless families and individuals in emergency shelters, renovating buildings to be used as emergency shelter for homeless families and individuals, and operating emergency shelters.

- (1) **Essential services.** ESG funds may be used to provide essential services to individuals and families who are in an emergency shelter, as follows:
  - (i) **Case management.** The cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant is eligible. Component services and activities consist of:
    - (A) Using the centralized or coordinated assessment system as required under § 576.400(d);
    - (B) Conducting the initial evaluation required under § 576.401(a), including verifying and documenting eligibility;
    - (C) Counseling;
    - (D) Developing, securing, and coordinating services and obtaining Federal, State, and local benefits;
    - (E) Monitoring and evaluating program participant progress;
    - (F) Providing information and referrals to other providers;
    - (G) Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking; and
    - (H) Developing an individualized housing and service plan, including planning a path to permanent housing stability.



- (ii) **Child care.** The costs of child care for program participants, including providing meals and snacks, and comprehensive and coordinated sets of appropriate developmental activities, are eligible. The children must be under the age of 13, unless they are disabled. Disabled children must be under the age of 18. The child-care center must be licensed by the State in which it operates in order for its costs to be eligible.
- (iii) **Education services.** When necessary for the program participant to obtain and maintain housing, the costs of improving knowledge and basic educational skills are eligible. Services include instruction or training in consumer education, health education, substance abuse prevention, literacy, English as a Second Language, and General Educational Development (GED). Component services or activities are screening, assessment and testing; individual or group instruction; tutoring; provision of books, supplies and instructional material; counseling; and referral to community resources.
- (iv) **Employment assistance and job training.** The costs of employment assistance and job training programs are eligible, including classroom, online, and/or computer instruction; on-the-job instruction; and services that assist individuals in securing employment, acquiring learning skills, and/or increasing earning potential. The cost of providing reasonable stipends to program participants in employment assistance and job training programs is an eligible cost. Learning skills include those skills that can be used to secure and retain a job, including the acquisition of vocational licenses and/or certificates. Services that assist individuals in securing employment consist of employment screening, assessment, or testing; structured job skills and job-seeking skills; special training and tutoring, including literacy training and prevocational training; books and instructional material; counseling or job coaching; and referral to community resources.
- (v) **Outpatient health services.** Eligible costs are for the direct outpatient treatment of medical conditions and are provided by licensed medical professionals. Emergency Solutions Grant (ESG) funds may be used only for these services to the extent that other appropriate health services are unavailable within the community. Eligible treatment consists of assessing a program participant's health problems and developing a treatment plan; assisting program participants to understand their health needs; providing directly or assisting program participants to obtain appropriate medical treatment, preventive medical care, and health maintenance services, including emergency medical services; providing medication and follow-up services; and providing preventive and non-cosmetic dental care.
- (vi) **Legal services.**
  - (A) Eligible costs are the hourly fees for legal advice and representation by attorneys licensed and in good standing with the bar association of the State in which the services are provided, and by person(s) under the supervision of the licensed attorney, regarding matters that interfere with the program participant's ability to obtain and retain housing.
  - (B) Emergency Solutions Grant (ESG) funds may be used only for these services to the extent that other appropriate legal services are unavailable or inaccessible within the community.
  - (C) Eligible subject matters are child support, guardianship, paternity, emancipation, and legal separation, orders of protection and other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking, appeal of veterans and public benefit claim denials, and the resolution of outstanding criminal warrants.
  - (D) Component services or activities may include client intake, preparation of cases for trial, provision of legal advice, representation at hearings, and counseling.



- (E) Fees based on the actual service performed (i.e., fee for service) are also eligible, but only if the cost would be less than the cost of hourly fees. Filing fees and other necessary court costs are also eligible. If the subrecipient is a legal services provider and performs the services itself, the eligible costs are the subrecipient's employees' salaries and other costs necessary to perform the services.
- (F) Legal services for immigration and citizenship matters and issues relating to mortgages are ineligible costs. Retainer fee arrangements and contingency fee arrangements are ineligible costs.
- (vii) **Life skills training.** The costs of teaching critical life management skills that may never have been learned or have been lost during the course of physical or mental illness, domestic violence, substance use, and homelessness are eligible costs. These services must be necessary to assist the program participant to function independently in the community. Component life skills training are budgeting resources, managing money, managing a household, resolving conflict, shopping for food and needed items, improving nutrition, using public transportation, and parenting.
- (viii) **Mental health services.**
  - (A) Eligible costs are the direct outpatient treatment by licensed professionals of mental health conditions.
  - (B) ESG funds may only be used for these services to the extent that other appropriate mental health services are unavailable or inaccessible within the community.
  - (C) Mental health services are the application of therapeutic processes to personal, family, situational, or occupational problems in order to bring about positive resolution of the problem or improved individual or family functioning or circumstances. Problem areas may include family and marital relationships, parent-child problems, or symptom management.
  - (D) Eligible treatment consists of crisis interventions; individual, family, or group therapy sessions; the prescription of psychotropic medications or explanations about the use and management of medications; and combinations of therapeutic approaches to address multiple problems.
- (ix) **Substance abuse treatment services.**
  - (A) Eligible substance abuse treatment services are designed to prevent, reduce, eliminate, or deter relapse of substance abuse or addictive behaviors and are provided by licensed or certified professionals.
  - (B) ESG funds may only be used for these services to the extent that other appropriate substance abuse treatment services are unavailable or inaccessible within the community.
  - (C) Eligible treatment consists of client intake and assessment, and outpatient treatment for up to 30 days. Group and individual counseling and drug testing are eligible costs. Inpatient detoxification and other inpatient drug or alcohol treatment are not eligible costs.
- (x) **Transportation.**

Eligible costs consist of the transportation costs of a program participant's travel to and from medical care, employment, child care, or other eligible essential services facilities. These costs include the following:

  - (A) The cost of a program participant's travel on public transportation;
  - (B) If service workers use their own vehicles, mileage allowance for service workers to visit program participants;
  - (C) The cost of purchasing or leasing a vehicle for the subrecipient in which staff transports program participants and/or staff serving program participants, and the cost of gas, insurance, taxes, and maintenance for the vehicle; and

- (D) The travel costs of subrecipient staff to accompany or assist program participants to use public transportation.
- (xi) **Services for special populations.** ESG funds may be used to provide services for homeless youth, victim services, and services for people living with HIV/AIDS, so long as the costs of providing these services are eligible under paragraphs (a)(1)(i) through (a)(1)(x) of this section. The term victim services means services that assist program participants who are victims of domestic violence, dating violence, sexual assault, or stalking, including services offered by rape crisis centers and domestic violence shelters, and other organizations with a documented history of effective work concerning domestic violence, dating violence, sexual assault, or stalking.
- (2) **Renovation.** Eligible costs include labor, materials, tools, and other costs for renovation (including major rehabilitation of an emergency shelter or conversion of a building into an emergency shelter). The emergency shelter must be owned by a government entity or private nonprofit organization.
- (3) **Shelter operations.** Eligible costs are the costs of maintenance (including minor or routine repairs), rent, security, fuel, equipment, insurance, utilities, food, furnishings, and supplies necessary for the operation of the emergency shelter. Where no appropriate emergency shelter is available for a homeless family or individual, eligible costs may also include a hotel or motel voucher for that family or individual.
- (4) **Assistance required under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA).** Eligible costs are the costs of providing URA assistance under § 576.408, including relocation payments and other assistance to persons displaced by a project assisted with ESG funds. Persons that receive URA assistance are not considered “program participants” for the purposes of this part, and relocation payments and other URA assistance are not considered “rental assistance” or “housing relocation and stabilization services” for the purposes of this part.

**(b) Minimum period of use.**

- (1) **Renovated buildings.** Each building renovated with ESG funds must be maintained as a shelter for homeless individuals and families for not less than a period of 3 or 10 years, depending on the type of renovation and the value of the building. The “value of the building” is the reasonable monetary value assigned to the building, such as the value assigned by an independent real estate appraiser. The minimum use period must begin on the date the building is first occupied by a homeless individual or family after the completed renovation. A minimum period of use of 10 years, required for major rehabilitation and conversion, must be enforced by a recorded deed or use restriction.
- (i) *Major rehabilitation.* If the rehabilitation cost of an emergency shelter exceeds 75 percent of the value of the building before rehabilitation, the minimum period of use is 10 years.
- (ii) *Conversion.* If the cost to convert a building into an emergency shelter exceeds 75 percent of the value of the building after conversion, the minimum period of use is 10 years.
- (iii) *Renovation other than major rehabilitation or conversion.* In all other cases where ESG funds are used for renovation, the minimum period of use is 3 years.
- (2) **Essential services and shelter operations.** Where the subrecipient uses ESG funds solely for essential services or shelter operations, the subrecipient must provide services or shelter to homeless individuals and families at least for the period during which the ESG funds are provided. The subrecipient does not need to limit these services or shelter to a particular site or structure, so long as the site or structure serves the same type of persons originally served with the assistance (e.g., families with children, unaccompanied youth, disabled

individuals, or victims of domestic violence) or serves homeless persons in the same area where the subrecipient originally provided the services or shelter.

**(c) Maintenance of effort**

The maintenance of effort requirements under § 576.101(c), which apply to the use of ESG funds for essential services related to street outreach, also apply for the use of such funds for essential services related to emergency shelter.

**3. Homelessness Prevention Component**

ESG funds may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance necessary to prevent an individual or family from moving into an emergency shelter or another place described in paragraph (1) of the “homeless” definition in § 576.2. This assistance, referred to as homelessness prevention, may be provided to individuals and families who meet the criteria under the “at risk of homelessness” definition, or who meet the criteria in paragraph (2), (3), or (4) of the “homeless” definition in § 576.2 and have an annual income below 30 percent of median family income for the area, as determined by HUD. The costs of homelessness prevention are only eligible to the extent that the assistance is necessary to help the program participant regain stability in the program participant’s current permanent housing or move into other permanent housing and achieve stability in that housing. Homelessness prevention must be provided in accordance with the housing relocation and stabilization services requirements in § 576.105, the short-term and medium-term rental assistance requirements in § 576.106, and the written standards and procedures established under § 576.400.

**4. Rapid Re-Housing Assistance Component**

ESG funds may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance as necessary to help a homeless individual or family move as quickly as possible into permanent housing and achieve stability in that housing. This assistance, referred to as rapid re-housing assistance, may be provided to program participants who meet the criteria under paragraph (1) of the “homeless” definition in § 576.2 or who meet the criteria under paragraph (4) of the “homeless” definition and live in an emergency shelter or other place described in paragraph (1) of the “homeless” definition. The rapid rehousing assistance must be provided in accordance with the housing relocation and stabilization services requirements in § 576.105, the short- and medium-term rental assistance requirements in § 576.106, and the written standards and procedures established under § 576.400.

**§ 576.105 Housing relocation and stabilization services.**

- (a) **Financial assistance costs.** Subject to the general conditions under § 576.103 and § 576.104, ESG funds may be used to pay housing owners, utility companies, and other third parties for the following costs:
- (1) **Rental application fees.** ESG funds may pay for the rental housing application fee that is charged by the owner to all applicants.
  - (2) **Security deposits.** ESG funds may pay for a security deposit that is equal to no more than 2 months’ rent.
  - (3) **Last month’s rent.** If necessary to obtain housing for a program participant, the last month’s rent may be paid from ESG funds to the owner of that housing at the time the owner is paid the security deposit and the first month’s rent. This assistance must not exceed one month’s rent and must be included in calculating the program participant’s total rental assistance, which cannot exceed 24 months during any 3-year period.

- (4) **Utility deposits.** ESG funds may pay for a standard utility deposit required by the utility company for all customers for the utilities listed in paragraph (5) of this section.
  - (5) **Utility payments.** ESG funds may pay for up to 24 months of utility payments per program participant, per service, including up to 6 months of utility payments in arrears, per service. A partial payment of a utility bill counts as one month. This assistance may only be provided if the program participant or a member of the same household has an account in his or her name with a utility company or proof of responsibility to make utility payments. Eligible utility services are gas, electric, water, and sewage. No program participant shall receive more than 24 months of utility assistance within any 3-year period.
  - (6) **Moving costs.** ESG funds may pay for moving costs, such as truck rental or hiring a moving company. This assistance may include payment of temporary storage fees for up to 3 months, provided that the fees are accrued after the date the program participant begins receiving assistance under paragraph (b) of this section and before the program participant moves into permanent housing. Payment of temporary storage fees in arrears is not eligible.
- (b) **Services costs.** Subject to the general restrictions under § 576.103 and § 576.104, ESG funds may be used to pay the costs of providing the following services:
- (1) **Housing search and placement.** Services or activities necessary to assist program participants in locating, obtaining, and retaining suitable permanent housing, include the following:
    - (i) Assessment of housing barriers, needs, and preferences;
    - (ii) Development of an action plan for locating housing;
    - (iii) Housing search;
    - (iv) Outreach to and negotiation with owners;
    - (v) Assistance with submitting rental applications and understanding leases;
    - (vi) Assessment of housing for compliance with Emergency Solutions Grant (ESG) requirements for habitability, lead-based paint, and rent reasonableness;
    - (vii) Assistance with obtaining utilities and making moving arrangements; and
    - (viii) Tenant counseling.
  - (2) **Housing stability case management.** ESG funds may be used to pay cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing. This assistance cannot exceed 30 days during the period the program participant is seeking permanent housing and cannot exceed 24 months during the period the program participant is living in permanent housing. Component services and activities consist of:
    - (A) Using the centralized or coordinated assessment system as required under § 576.400(d), to evaluate individuals and families applying for or receiving homelessness prevention or rapid re-housing assistance;
    - (B) Conducting the initial evaluation required under § 576.401(a), including verifying and documenting eligibility, for individuals and families applying for homelessness prevention or rapid rehousing assistance;
    - (C) Counseling;
    - (D) Developing, securing, and coordinating services and obtaining Federal, State, and local benefits;
    - (E) Monitoring and evaluating program participant progress;
    - (F) Providing information and referrals to other providers;
    - (G) Developing an individualized housing and service plan, including planning a path to permanent housing stability; and
    - (H) Conducting re-evaluations required under § 576.401(b).

- (3) **Mediation.** ESG funds may pay for mediation between the program participant and the owner or person(s) with whom the program participant is living, provided that the mediation is necessary to prevent the program participant from losing permanent housing in which the program participant currently resides.
  - (4) **Legal services.** ESG funds may pay for legal services, as set forth in § 576.102(a)(1)(vi), except that the eligible subject matters also include landlord/tenant matters, and the services must be necessary to resolve a legal problem that prohibits the program participant from obtaining permanent housing or will likely result in the program participant losing the permanent housing in which the program participant currently resides.
  - (5) **Credit repair.** ESG funds may pay for credit counseling and other services necessary to assist program participants with critical skills related to household budgeting, managing money, accessing a free personal credit report, and resolving personal credit problems. This assistance does not include the payment or modification of a debt.
- (c) **Maximum amounts and periods of assistance.** The subrecipient may set a maximum dollar amount that a program participant may receive for each type of financial assistance under paragraph (a) of this section. The subrecipient may also set a maximum period for which a program participant may receive any of the types of assistance or services under this section. However, except for housing stability case management, the total period for which any program participant may receive the services under paragraph (b) of this section must not exceed 24 months during any 3-year period. The limits on the assistance under this section apply to the total assistance an individual receives, either as an individual or as part of a family.
- (d) **Use with other subsidies.** Financial assistance under paragraph (a) of this section cannot be provided to a program participant who is receiving the same type of assistance through other public sources or to a program participant who has been provided with replacement housing payments under the URA, during the period of time covered by the URA payments.

#### **§ 576.106 Short-term and medium-term rental assistance.**

- (a) **General provisions.** Subject to the general conditions under § 576.103 and § 576.104, the subrecipient may provide a program participant with up to 24 months of rental assistance during any 3-year period. This assistance may be short-term rental assistance, medium-term rental assistance, payment of rental arrears, or any combination of this assistance.
- (1) Short-term rental assistance is assistance for up to 3 months of rent.
  - (2) Medium-term rental assistance is assistance for more than 3 months but not more than 24 months of rent.
  - (3) Payment of rental arrears consists of a one-time payment for up to 6 months of rent in arrears, including any late fees on those arrears.
  - (4) Rental assistance may be tenant-based or project-based, as set forth in paragraphs (h) and (i) of this section.
- (b) **Discretion to set caps and conditions.** Subject to the requirements of this section, the subrecipient may set a maximum amount or percentage of rental assistance that a program participant may receive, a maximum number of months that a program participant may receive rental assistance, or a maximum number of times that a program participant may receive rental assistance. The subrecipient may also require program participants to share in the costs of rent.
- (c) **Use with other subsidies.** Except for a one-time payment of rental arrears on the tenant's portion of the rental payment, rental assistance cannot be provided to a program participant who is receiving tenant-based rental assistance, or living in a housing unit receiving project-based rental

assistance or operating assistance, through other public sources. Rental assistance may not be provided to a program participant who has been provided with replacement housing payments under the URA during the period of time covered by the URA payments.

(d) **Rent restrictions.**

- (1) Rental assistance cannot be provided unless the rent does not exceed the Fair Market Rent established by HUD, as provided under 24 CFR part 888, and complies with HUD's standard of rent reasonableness, as established under 24CFR 982.507.
- (2) For purposes of calculating rent under this section, the rent shall equal the sum of the total monthly rent for the unit, any fees required for occupancy under the lease (other than late fees and pet fees) and, if the tenant pays separately for utilities, the monthly allowance for utilities (excluding telephone) established by the public housing authority for the area in which the housing is located.

(e) **Rental assistance agreement.** The subrecipient may make rental assistance payments only to an owner with whom the subrecipient has entered into a rental assistance agreement. The rental assistance agreement must set forth the terms under which rental assistance will be provided, including the requirements that apply under this section. The rental assistance agreement must provide that, during the term of the agreement, the owner must give the subrecipient a copy of any notice to the program participant to vacate the housing unit, or any complaint used under state or local law to commence an eviction action against the program participant.

(f) **Late payments.** The subrecipient must make timely payments to each owner in accordance with the rental assistance agreement. The rental assistance agreement must contain the same payment due date, grace period, and late payment penalty requirements as the program participant's lease. The subrecipient is solely responsible for paying late payment penalties that it incurs with non-ESG funds.

(g) **Lease.** Each program participant receiving rental assistance must have a legally binding, written lease for the rental unit, unless the assistance is solely for rental arrears. The lease must be between the owner and the program participant. Where the assistance is solely for rental arrears, an oral agreement may be accepted in place of a written lease, if the agreement gives the program participant an enforceable leasehold interest under state law and the agreement and rent owed are sufficiently documented by the owner's financial records, rent ledgers, or canceled checks. For program participants living in housing with project-based rental assistance under paragraph (i) of this section, the lease must have an initial term of one year.

(h) **Tenant-based rental assistance.**

- (1) A program participant who receives tenant-based rental assistance may select a housing unit in which to live and may move to another unit or building and continue to receive rental assistance, as long as the program participant continues to meet the program requirements.
- (2) The subrecipient may require that all program participants live within a particular area for the period in which the rental assistance is provided.
- (3) The rental assistance agreement with the owner must terminate and no further rental assistance payments under that agreement may be made if:
  - (i) The program participant moves out of the housing unit for which the program participant has a lease;
  - (ii) The lease terminates and is not renewed; or
  - (iii) The program participant becomes ineligible to receive ESG rental assistance.



- (i) **Project-based rental assistance.** If the subrecipient identifies a permanent housing unit that meets ESG requirements and becomes available before a program participant is identified to lease the unit, the subrecipient may enter into a rental assistance agreement with the owner to reserve the unit and subsidize its rent in accordance with the following requirements:
- (1) The rental assistance agreement may cover one or more permanent housing units in the same building. Each unit covered by the rental assistance agreement (“assisted unit”) may only be occupied by program participants, except as provided under paragraph (i)(4) of this section.
  - (2) The subrecipient may pay up to 100 percent of the first month’s rent, provided that a program participant signs a lease and moves into the unit before the end of the month for which the first month’s rent is paid. The rent paid before a program participant moves into the unit must not exceed the rent to be charged under the program participant’s lease and must be included when determining that program participant’s total rental assistance.
  - (3) The subrecipient may make monthly rental assistance payments only for each whole or partial month an assisted unit is leased to a program participant. When a program participant moves out of an assisted unit, the subrecipient may pay the next month’s rent, i.e., the first month’s rent for a new program participant, as provided in paragraph (i) (2) of this section.
  - (4) The program participant’s lease must not condition the term of occupancy to the provision of rental assistance payments. If the program participant is determined ineligible or reaches the maximum number of months over which rental assistance can be provided, the subrecipient or sub-subrecipient must suspend or terminate the rental assistance payments for the unit. If the payments are suspended, the individual or family may remain in the assisted unit as permitted under the lease, and the subrecipient may resume payments if the individual or family again becomes eligible and needs further rental assistance. If the payments are terminated, the rental assistance may be transferred to another available unit in the same building, provided that the other unit meets all ESG requirements.
  - (5) The rental assistance agreement must have an initial term of one year. When a new program participant moves into an assisted unit, the term of the rental assistance agreement may be extended to cover the initial term of the program participant’s lease. If the program participant’s lease is renewed, the rental assistance agreement may be renewed or extended, as needed, up to the maximum number of months for which the program participant remains eligible. However, under no circumstances may the subrecipient commit ESG funds to be expended beyond the expenditure deadline in § 576.203 or commit funds for a future ESG grant before the grant is awarded.
- (j) **Changes in household composition.** The limits on the assistance under this section apply to the total assistance an individual receives, either as an individual or as part of a family.

## **5. HMIS component.**

### **(a) Eligible costs.**

- (1) The subrecipient may use ESG funds to pay the costs of contributing data to the HMIS designated by the Continuum of Care for the area, including the costs of:
  - (i) Purchasing or leasing computer hardware;
  - (ii) Purchasing software or software licenses;
  - (iii) Purchasing or leasing equipment, including telephones, fax machines, and furniture;
  - (iv) Obtaining technical support;
  - (v) Leasing office space;
  - (vi) Paying charges for electricity, gas, water, phone service, and high-speed data transmission necessary to operate or contribute data to the HMIS;
  - (vii) Paying salaries for operating HMIS, including:
    - (A) Completing data entry;

- (B) Monitoring and reviewing data quality;
  - (C) Completing data analysis;
  - (D) Reporting to the HMIS Lead;
  - (E) Training staff on using the HMIS or comparable database; and
  - (F) Implementing and complying with HMIS requirements;
  - (viii) Paying costs of staff to travel to and attend HUD-sponsored and HUD approved training on HMIS and programs authorized by Title IV of the McKinney-Vento Homeless Assistance Act;
  - (ix) Paying staff travel costs to conduct intake; and
  - (x) Paying participation fees charged by the HMIS Lead, if the subrecipient is not the HMIS Lead. The HMIS Lead is the entity designated by the Continuum of Care to operate the area's HMIS.
- (2) If the subrecipient is the HMIS lead agency, as designated by the Continuum of Care in the most recent fiscal year Continuum of Care Homeless Assistance Grants Competition, it may also use ESG funds to pay the costs of:
- (i) Hosting and maintaining HMIS software or data;
  - (ii) Backing up, recovering, or repairing HMIS software or data;
  - (iii) Upgrading, customizing, and enhancing the HMIS;
  - (iv) Integrating and warehousing data, including development of a data warehouse for use in aggregating data from subrecipients using multiple software systems;
  - (v) Administering the system;
  - (vi) Reporting to providers, the Continuum of Care, and HUD; and
  - (vii) Conducting training on using the system or a comparable database, including traveling to the training.
- (3) If the subrecipient is a victim services provider or a legal services provider, it may use ESG funds to establish and operate a comparable database that collects client-level data over time (i.e., longitudinal data) and generates unduplicated aggregate reports based on the data. Information entered into a comparable database must not be entered directly into or provided to an HMIS.

(b) **General restrictions.** Activities funded under this section must comply with HUD's standards on participation, data collection, and reporting under a local HMIS.

#### **§ 576.109 Indirect costs.**

- (a) **In general.** ESG grant funds may be used to pay indirect costs in accordance with OMB Circular A-87 (2 CFR part 225), or A-122 (2 CFR part 230), as applicable.
- (b) **Allocation.** Indirect costs may be allocated to each eligible activity under § 576.101 through § 576.108, so long as that allocation is consistent with an indirect cost rate proposal developed in accordance with OMB Circular A-87 (2 CFR part 225), or A-122 (2 CFR part 230), as applicable.
- (c) **Expenditure limits.** The indirect costs charged to an activity subject to an expenditure limit under § 576.100 must be added to the direct costs charged for that activity when determining the total costs subject to the expenditure limit.

### **Part III—Program Requirements & Grant Administration**

#### **§ 576.400 Area-wide systems coordination requirements.**



- (a) **Consultation with Continuums of Care.** The subrecipient must consult with each Continuum of Care that serves the subrecipient's State in determining how to allocate ESG funds each program year; developing the performance standards for, and evaluating the outcomes of, projects and activities assisted by ESG funds; and developing funding, policies, and procedures for the administration and operation of the HMIS.
- (b) **Coordination with other targeted homeless services.** The subrecipient must coordinate and integrate, to the maximum extent practicable, ESG-funded activities with other programs targeted to homeless people in the area covered by the Continuum of Care or area over which the services are coordinated to provide a strategic, community-wide system to prevent and end homelessness for that area. These programs include:
- (1) Shelter Plus Care Program (24 CFR part 582);
  - (2) Supportive Housing Program (24 CFR part 583);
  - (3) Section 8 Moderate Rehabilitation Program for Single Room Occupancy Program for Homeless Individuals (24 CFR part 882);
  - (4) HUD—Veterans Affairs Supportive Housing (HUD—VASH) (division K, title II, Consolidated Appropriations Act, 2008, Pub. L. 110–161 (2007), 73 FR 25026 (May 6, 2008));
  - (5) Education for Homeless Children and Youth Grants for State and Local Activities (title VII–B of the McKinney Vento Homeless Assistance Act (42 U.S.C. 11431 *et seq.*));
  - (6) Grants for the Benefit of Homeless Individuals (section 506 of the Public Health Services Act (42 U.S.C. 290aa–5));
  - (7) Healthcare for the Homeless (42 CFR part 51c);
  - (8) Programs for Runaway and Homeless Youth (Runaway and Homeless Youth Act (42 U.S.C. 5701 *et seq.*));
  - (9) Projects for Assistance in Transition from Homelessness (part C of title V of the Public Health Service Act (42 U.S.C. 290cc–21 *et seq.*));
  - (10) Services in Supportive Housing Grants (section 520A of the Public Health Service Act); Emergency Food and Shelter Program (title III of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11331 *et seq.*));
  - (11) Transitional Housing Assistance Grants for Victims of Sexual Assault, Domestic Violence, Dating Violence, and Stalking Program (section 40299 of the Violent Crime Control and Law Enforcement Act (42 U.S.C. 13975));
  - (12) (13) Homeless Veterans Reintegration Program (section 5(a)(1)) of the Homeless Veterans Comprehensive Assistance Act (38 U.S.C. 2031);
  - (13) Domiciliary Care for Homeless Veterans Program (38 U.S.C. 2043);
  - (14) VA Homeless Providers Grant and Per Diem Program (38 CFR part 61);
  - (15) Health Care for Homeless Veterans Program (38 U.S.C. 2031);
  - (16) Homeless Veterans Dental Program (38 U.S.C. 2062);
  - (17) Supportive Services for Veteran Families Program (38 CFR part 62); and
  - (18) Veteran Justice Outreach Initiative (38 U.S.C. 2031).
- (c) **System and program coordination with mainstream resources.** The subrecipient must coordinate and integrate, to the maximum extent practicable, ESG funded activities with mainstream housing, health, social services, employment, education, and youth programs for which families and individuals at risk of homelessness and homeless individuals and families may be eligible. Examples of these programs include:
- (1) Public housing programs assisted under section 9 of the U.S. Housing Act of 1937 (42 U.S.C. 1437g) (24 CFR parts 905, 968, and 990);
  - (2) Housing programs receiving tenant-based or project-based assistance under section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f) (respectively 24 CFR parts 982 and 983);
  - (3) Supportive Housing for Persons with Disabilities (Section 811) (24 CFR part 891);

- (4) HOME Investment Partnerships Program (24 CFR part 92);
- (5) Temporary Assistance for Needy Families (TANF) (45 CFR parts 260–265);
- (6) Health Center Program (42 CFR part 51c);
- (7) State Children’s Health Insurance Program (42 CFR part 457);
- (8) Head Start (45 CFR chapter XIII, subchapter B);
- (9) Mental Health and Substance Abuse Block Grants (45 CFR part 96); and
- (10) Services funded under the Workforce Investment Act (29 U.S.C. 2801 *et seq.*).

(d) **Centralized or coordinated assessment.** Once the Continuum of Care has developed a centralized assessment system or a coordinated assessment system in accordance with requirements to be established by HUD, each ESG-funded program or project within the Continuum of Care’s area must use that assessment system. The subrecipient must work with the Continuum of Care to ensure the screening, assessment and referral of program participants are consistent with the written standards required by paragraph (e) of this section. A victim service provider may choose not to use the Continuum of Care’s centralized or coordinated assessment system.

(e) **Written standards for providing ESG assistance.**

The subrecipient must establish and consistently apply written standards for providing ESG assistance. At a minimum these written standards must include:

- (i) Standard policies and procedures for evaluating individuals’ and families’ eligibility for assistance under Emergency Solutions Grant (ESG);
- (ii) Standards for targeting and providing essential services related to street outreach;
- (iii) Policies and procedures for admission, diversion, referral, and discharge by emergency shelters assisted under ESG, including standards regarding length of stay, if any, and safeguards to meet the safety and shelter needs of special populations, *e.g.*, victims of domestic violence, dating violence, sexual assault, and stalking; and individuals and families who have the highest barriers to housing and are likely to be homeless the longest;
- (iv) Policies and procedures for assessing, prioritizing, and reassessing individuals’ and families’ needs for essential services related to emergency shelter;
- (v) Policies and procedures for coordination among emergency shelter providers, essential services providers, homelessness prevention, and rapid rehousing assistance providers; other homeless assistance providers; and mainstream service and housing providers (see § 576.400(b) and (c) for a list of programs with which ESG-funded activities must be coordinated and integrated to the maximum extent practicable);
- (vi) Policies and procedures for determining and prioritizing which eligible families and individuals will receive homelessness prevention assistance and which eligible families and individuals will receive rapid rehousing assistance;
- (vii) 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;
- (viii) Standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time; and
- (ix) Standards 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 rehousing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the program participant receive assistance; or the maximum number of times the program participant may receive assistance.

- (f) **Participation in HMIS.** The subrecipient must ensure that data on all persons served and all activities assisted under ESG are entered into the applicable community-wide HMIS in the area in which those persons and activities are located, or a comparable database, in accordance with HUD's standards on participation, data collection, and reporting under a local HMIS. If the subrecipient is a victim service provider or a legal services provider, it must use a comparable database that collects client-level data over time (i.e., longitudinal data) and generates unduplicated aggregate reports based on the data. Information entered into a comparable database must not be entered directly into or provided to an HMIS. Subgrantee organizations will be required to submit monthly data quality reports to ensure compliance with this provision.

**§ 576.401 Evaluation of program participant eligibility and needs.**

- (a) **Evaluations.** The subrecipient must conduct an initial evaluation to determine the eligibility of each individual or family's eligibility for ESG assistance and the amount and types of assistance the individual or family needs to regain stability in permanent housing. These evaluations must be conducted in accordance with the centralized or coordinated assessment requirements set forth under § 576.400(d) and the written standards established under § 576.400(e).
- (b) **Re-evaluations for homelessness prevention and rapid re-housing assistance.**
- (1) The subrecipient must re-evaluate the program participant's eligibility and the types and amounts of assistance the program participant needs 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. At a minimum, each re-evaluation of eligibility must establish that:
    - (i) The program participant does not have an annual income that exceeds 30 percent of median family income for the area, as determined by HUD; and
    - (ii) The program participant lacks sufficient resources and support networks necessary to retain housing without ESG assistance.
  - (2) The subrecipient may require each program participant receiving homelessness prevention or rapid re-housing assistance to notify the subrecipient regarding changes in the program participant's income or other circumstances (e.g., changes in household composition) that affect the program participant's need for assistance under ESG. When notified of a relevant change, the subrecipient must re-evaluate the program participant's eligibility and the amount and types of assistance the program participant needs.
- (c) **Annual income.** When determining the annual income of an individual or family, the must use the standard for calculating annual income under 24 CFR 5.609 as follows:
- a. Annual income means all amounts, monetary or not, which:
    - (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
    - (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
    - (3) Which are not specifically excluded in paragraph (c) of this section.
    - (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.
  - b. Annual income includes, but is not limited to:
    - (1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
    - (2) The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in

- determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;
- (3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (b)(2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;
- (4) The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in paragraph (c)(14) of this section);
- (5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (c)(3) of this section);
- (6) Welfare assistance payments.
- (i) Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments:
    - (A) Qualify as assistance under the TANF program definition at 45 CFR 260.31; and
    - (B) Are not otherwise excluded under paragraph (c) of this section.
  - (ii) If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:
    - (A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
    - (B) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.
- (7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;
- (8) All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (c)(7) of this section).
- (9) For section 8 programs only and as provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph, financial assistance does not include loan proceeds for the purpose of determining income.

- c. Annual income does not include the following:
- (1) Income from employment of children (including foster children) under the age of 18 years;
  - (2) Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
  - (3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in paragraph (b)(5) of this section);
  - (4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
  - (5) Income of a live-in aide, as defined in ? 5.403;
  - (6) Subject to paragraph (b)(9) of this section, the full amount of student financial assistance paid directly to the student or to the educational institution;
  - (7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
  - (8) (i-v)
    - i. Amounts received under training programs funded by HUD;
    - ii. Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
    - iii. Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
    - iv. Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time;
    - v. Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program;
  - (9) Temporary, nonrecurring or sporadic income (including gifts);
  - (10) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
  - (11) Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
  - (12) Adoption assistance payments in excess of \$480 per adopted child;
  - (13) [Reserved]
  - (14) Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.
  - (15) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;

- (16) Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or
  - (17) Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to PHAs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary.
- d. Annualization of income. If it is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income), or the subrecipient believes that past income is the best available indicator of expected future income, the subrecipient may annualize the income anticipated for a shorter period, subject to a redetermination at the end of the shorter period.
- (d) **Connecting program participants to mainstream and other resources.** The subrecipient and its must assist each program participant, as needed, to obtain:
- (1) Appropriate supportive services, including assistance in obtaining permanent housing, medical health treatment, mental health treatment, counseling, supervision, and other services essential for achieving independent living; and
  - (2) Other Federal, State, local, and private assistance available to assist the program participant in obtaining housing stability, including:
    - (iii) Medicaid (42 CFR chapter IV, subchapter C);
    - (iv) Supplemental Nutrition Assistance Program (7 CFR parts 271–283);
    - (v) Women, Infants and Children (WIC) (7 CFR part 246);
    - (vi) Federal-State Unemployment Insurance Program (20 CFR parts 601–603, 606, 609, 614–617, 625, 640, 650);
    - (vii) Social Security Disability Insurance (SSDI) (20 CFR part 404);
    - (viii) Supplemental Security Income (SSI) (20 CFR part 416);
    - (ix) Child and Adult Care Food Program (42 U.S.C. 1766(t) (7 CFR part 226));
    - (x) Other assistance available under the programs listed in § 576.400(c).
- (e) **Housing stability case management.**
- (1) While providing homelessness prevention or rapid rehousing assistance to a program participant, the subrecipient must:
    - (i) Require the program participant to meet with a case manager not less than once per month to assist the program participant in ensuring long-term housing stability; and
    - (ii) Develop a 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 which the program participant will be eligible and likely to receive; and the relative affordability of available housing in the area.
  - (2) The subrecipient is exempt from the requirement under paragraph (e)(1)(i) of this section if the Violence Against Women Act of 1994 (42 U.S.C. 13701 *et seq.*) or the Family Violence Prevention and Services Act (42 U.S.C. 10401 *et seq.*) prohibits that subrecipient from making its shelter or housing conditional on the participant’s acceptance of services.

#### **§ 576.402 Terminating assistance.**

- (a) *In general.* If a program participant violates program requirements, the subrecipient may terminate the assistance in accordance with a formal process established by the subrecipient that recognizes the rights of individuals affected. The subrecipient 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.

- (b) *Program participants receiving rental assistance or housing relocation and stabilization services.* To terminate rental assistance or housing relocation and stabilization services to a program participant, the required formal process, at a minimum, must consist of:
- (1) Written notice to the program participant containing a clear statement of the reasons for termination;
  - (2) A review of the decision, in which the program participant is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision; and
  - (3) Prompt written notice of the final decision to the program participant.
- (c) *Ability to provide further assistance.* Termination under this section does not bar the subrecipient from providing further assistance at a later date to the same family or individual.

#### **§ 576.403 Shelter and housing standards.**

- (a) *Lead-based paint remediation and disclosure.* The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821–4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851–4856), and implementing regulations in 24 CFR part 35, subparts A, B, H, J, K, M, and R apply to all shelters assisted under ESG program and all housing occupied by program participants.
- (b) *Minimum standards for emergency shelters.* Any building for which Emergency Solutions Grant (ESG) funds are used for conversion, major rehabilitation, or other renovation, must meet state or local government safety and sanitation standards, as applicable, and the following minimum safety, sanitation, and privacy standards. Any emergency shelter that receives assistance for shelter operations must also meet the following minimum safety, sanitation, and privacy standards. The subrecipient may also establish standards that exceed or add to these minimum standards.
- (1) *Structure and materials.* The shelter building must be structurally sound to protect residents from the elements and not pose any threat to health and safety of the residents. Any renovation (including major rehabilitation and conversion) carried out with ESG assistance must use Energy Star and Water Sense products and appliances.
  - (2) *Access.* The shelter must be accessible in accordance with Section 504 of the Rehabilitation Act (29 U.S.C. 794) and implementing regulations at 24 CFR part 8; the Fair Housing Act (42 U.S.C. 3601 *et seq.*) and implementing regulations at 24 CFR part 100; and Title II of the Americans with Disabilities Act (42 U.S.C. 12131 *et seq.*) and 28 CFR part 35; where applicable.
  - (3) *Space and security.* Except where the shelter is intended for day use only, the shelter must provide each program participant in the shelter with an acceptable place to sleep and adequate space and security for themselves and their belongings.
  - (4) *Interior air quality.* Each room or space within the shelter must have a natural or mechanical means of ventilation. The interior air must be free of pollutants at a level that might threaten or harm the health of residents.
  - (5) *Water supply.* The shelter's water supply must be free of contamination.
  - (6) *Sanitary facilities.* Each program participant in the shelter must have access to sanitary facilities that are in proper operating condition, are private, and are adequate for personal cleanliness and the disposal of human waste.
  - (7) *Thermal environment.* The shelter must have any necessary heating/cooling facilities in proper operating condition.

- (8) *Illumination and electricity.* The shelter must have adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There must be sufficient electrical sources to permit the safe use of electrical appliances in the shelter.
  - (9) *Food preparation.* Food preparation areas, if any, must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner.
  - (10) *Sanitary conditions.* The shelter must be maintained in a sanitary condition.
  - (11) *Fire safety.* There must be at least one working smoke detector in each occupied unit of the shelter. Where possible, smoke detectors must be located near sleeping areas. The fire alarm system must be designed for hearing-impaired residents. All public areas of the shelter must have at least one working smoke detector. There must also be a second means of exiting the building in the event of fire or other emergency.
- (c) *Minimum standards for permanent housing.* The subrecipient cannot use ESG funds to help a program participant remain or move into housing that does not meet the minimum habitability standards provided in this paragraph (c). The subrecipient may also establish standards that exceed or add to these minimum standards.
- (1) *Structure and materials.* The structures must be structurally sound to protect residents from the elements and not pose any threat to the health and safety of the residents.
  - (2) *Space and security.* Each resident must be provided adequate space and security for themselves and their belongings. Each resident must be provided an acceptable place to sleep.
  - (3) *Interior air quality.* Each room or space must have a natural or mechanical means of ventilation. The interior air must be free of pollutants at a level that might threaten or harm the health of residents.
  - (4) *Water supply.* The water supply must be free from contamination.
  - (5) *Sanitary facilities.* Residents must have access to sufficient sanitary facilities that are in proper operating condition, are private, and are adequate for personal cleanliness and the disposal of human waste.
  - (6) *Thermal environment.* The housing must have any necessary heating/cooling facilities in proper operating condition.
  - (7) *Illumination and electricity.* The structure must have adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There must be sufficient electrical sources to permit the safe use of electrical appliances in the structure.
  - (8) *Food preparation.* All food preparation areas must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner.
  - (9) *Sanitary conditions.* The housing must be maintained in a sanitary condition.
  - (10) *Fire safety*
    - (i) There must be a second means of exiting the building in the event of fire or other emergency.
    - (ii) Each unit must include at least one battery-operated or hard-wired smoke detector, in proper working condition, on each occupied level of the unit. Smoke detectors must be located, to the extent practicable, in a hallway adjacent to a bedroom. If the unit is occupied by hearing impaired persons, smoke detectors must have an alarm system designed for hearing-impaired persons in each bedroom occupied by a hearing-impaired person.
    - (iii) The public areas of all housing must be equipped with a sufficient number, but not less than one for each area, of battery-operated or hard-wired smoke detectors. Public areas include, but are not limited to, laundry rooms, community rooms, day care centers, hallways, stairwells, and other common areas.

**§ 576.404 Conflicts of interest.**



- (a) *Organizational conflicts of interest.* The provision of any type or amount of ESG assistance may not be conditioned on an individual's or family's acceptance or occupancy of emergency shelter or housing owned by the subrecipient, or a parent or subsidiary of the subrecipient. No subrecipient may, with respect to individuals or families occupying housing owned by the subrecipient, or any parent or subsidiary of the subrecipient, carry out the initial evaluation required under § 576.401 or administer homelessness prevention assistance under § 576.103.
- (b) *Individual conflicts of interest.* For the procurement of goods and services, the subrecipient and must comply with the codes of conduct and conflict of interest requirements under 24 CFR 85.36 (for governments) and 24 CFR 84.42 (for private nonprofit organizations). For all other transactions and activities, the following restrictions apply:
- (1) *Conflicts prohibited.* No person described in paragraph (b)(2) of this section who exercises or has exercised any functions or responsibilities with respect to activities assisted under the ESG program, or who is in a position to participate in a decision-making process or gain inside information with regard to activities assisted under the program, may obtain a financial interest or benefit from an assisted activity; have a financial interest in any contract, subcontract, or agreement with respect to an assisted activity; or have a financial interest in the proceeds derived from an assisted activity, either for him or herself or for those with whom he or she has family or business ties, during his or her tenure or during the one-year period following his or her tenure.
  - (2) *Persons covered.* The conflict-of-interest provisions of paragraph (b)(1) of this section apply to any person who is an employee, agent, consultant, officer, or elected or appointed official of the subrecipient.
  - (3) *Exceptions.* Upon the written request of the subrecipient, HUD may grant an exception to the provisions of this subsection on a case-by-case basis, taking into account the cumulative effects of the criteria in paragraph (b)(3)(ii) of this section, provided that the subrecipient has satisfactorily met the threshold requirements of paragraph (b)(3)(i) of this section.
    - i. *Threshold requirements.* HUD will consider an exception only after the subrecipient has provided the following documentation:
      - (A) If the subrecipient is a government, disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and
      - (B) An opinion of the subrecipient's attorney that the interest for which the exception is sought would not violate state or local law.
    - ii. *Factors to be considered for exceptions.* In determining whether to grant a requested exception after the subrecipient has satisfactorily met the threshold requirements under paragraph (b)(3)(i) of this section, HUD must conclude that the exception will serve to further the purposes of the ESG program and the effective and efficient administration of the subrecipient's program or project, taking into account the cumulative effect of the following factors, as applicable:
      - (A) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available;
      - (B) Whether an opportunity was provided for open competitive bidding or negotiation;
      - (C) Whether the affected person has withdrawn from his or her functions, responsibilities or the decision-making process with respect to the specific activity in question;
      - (D) Whether the interest or benefit was present before the affected person was in the position described in paragraph (b)(1) of this section;

- (E) Whether undue hardship results to the subrecipient, or the person affected, when weighed against the public interest served by avoiding the prohibited conflict; and
  - (F) Any other relevant considerations.
- (c) *Contractors.* All contractors of the subrecipient must comply with the same requirements that apply to subrecipients under this section.

#### **§ 576.405 Homeless participation.**

- (a) The subrecipient must provide for the participation of not less than one homeless individual or formerly homeless individual on the board of directors or other equivalent policymaking entity of the subrecipient, to the extent that the entity considers and makes policies and decisions regarding any facilities, services, or other assistance that receive funding under Emergency Solutions Grant (ESG).
- (b) If the subrecipient is unable to meet requirement under paragraph (a), it must instead develop and implement a plan to consult with homeless or formerly homeless individuals in considering and making policies and decisions regarding any facilities, services, or other assistance that receive funding under Emergency Solutions Grant (ESG). The plan must be included in the request for applications.
- (c) To the maximum extent practicable, the subrecipient must involve homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under ESG, in providing services assisted under ESG, and in providing services for occupants of facilities assisted under ESG. This involvement may include employment or volunteer services.

#### **§ 576.406 Faith-based activities.**

- (a) Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to receive ESG funds. Neither the Federal Government nor a State or local government receiving funds under ESG shall discriminate against an organization on the basis of the organization's religious character or affiliation.
- (b) Organizations that are directly funded under the ESG program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization as part of the programs or services funded under ESG. If an organization conducts these activities, the activities must be offered separately, in time or location, from the programs or services funded under ESG, and participation must be voluntary for program participants.
- (c) Any religious organization that receives ESG funds retains its independence from Federal, State, and local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that the religious organization does not use direct ESG funds to support any inherently religious activities, such as worship, religious instruction, or proselytization. Among other things, faith-based organizations may use space in their facilities to provide ESG-funded services, without removing religious art, icons, scriptures, or other religious symbols. In addition, an ESG-funded religious organization retains its authority over its internal governance, and the organization may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.

(d) An organization that receives ESG funds shall not, in providing ESG assistance, discriminate against a program participant or prospective program participant on the basis of religion or religious belief.

(e) ESG funds may not be used for the rehabilitation of structures to the extent that those structures are used for inherently religious activities. Solutions ESG funds may be used for the rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under the ESG program. Where a structure is used for both eligible and inherently religious activities, ESG funds may not exceed the cost of those portions of the rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to ESG funds. Sanctuaries, chapels, or other rooms that an ESG-funded religious congregation uses as its principal place of worship, however, are ineligible for funded improvements under the program. Disposition of real property after the term of the grant, or any change in use of the property during the term of the grant, is subject to government-wide regulations governing real property disposition (see 24 CFR parts 84 and 85).

(f) If the subrecipient that is a local government voluntarily contributes its own funds to supplement federally funded activities, the subrecipient has the option to segregate the Federal funds or commingle them. However, if the funds are commingled, this section applies to all of the commingled funds.

#### **§ 576.407 Other Federal requirements.**

(a) *General.* The requirements in 24 CFR part 5, subpart A are applicable, including the nondiscrimination and equal opportunity requirements at 24 CFR 5.105(a). Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1701u, and implementing regulations at 24 CFR part 135 apply, except that homeless individuals have priority over other Section 3 residents in accordance with § 576.405(c).

(b) *Affirmative outreach.* The subrecipient must make known that use of the facilities, assistance, and services are available to all on a nondiscriminatory basis. If it is unlikely that the procedures that the subrecipient intends to use to make known the availability of the facilities, assistance, and services will reach persons of any particular race, color, religion, sex, age, national origin, familial status, or disability who may qualify for those facilities and services, the subrecipient must establish additional procedures that ensure that those persons are made aware of the facilities, assistance, and services. The subrecipient must take appropriate steps to ensure effective communication with persons with disabilities including, but not limited to, adopting procedures that will make available to interested persons information concerning the location of assistance, services, and facilities that are accessible to persons with disabilities. Consistent with Title VI and Executive Order 13166, subrecipients are also required to take reasonable steps to ensure meaningful access to programs and activities for limited English proficiency (LEP) persons.

(c) *Uniform Administrative Requirements.* The requirements of 24 CFR part 85 apply to the subrecipient that are units of general purpose local government, except that 24 CFR 85.24 and 85.42 do not apply, and program income is to be used as match under 24 CFR 85.25(g). The requirements of 24 CFR part 84 apply to subsubrecipients that are private nonprofit organizations, except that 24 CFR 84.23 and 84.53 do not apply, and program income is to be used as the nonfederal share under 24 CFR 84.24(b). These regulations include allowable costs and non-Federal audit requirements.

(d) *Environmental review responsibilities*

- (1) Activities under this part are subject to environmental review by HUD under 24 CFR part 50. The subrecipient shall supply all available, relevant information necessary for HUD to perform for each property any environmental review required by 24 CFR part 50. The subrecipient also shall carry out mitigating measures required by HUD or select alternate eligible property. HUD may eliminate from consideration any application that would require an Environmental Impact Statement (EIS).
- (2) The subrecipient, or any contractor of the subrecipient, may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct property for a project under this part, or commit or expend HUD or local funds for eligible activities under this part, until HUD has performed an environmental review under 24 CFR part 50 and the subrecipient has received HUD approval of the property.

(e) *Davis-Bacon Act*. The provisions of the Davis-Bacon Act (40 U.S.C. 276a to 276a–5) do not apply to the ESG program.

(f) *Procurement of Recovered Materials*. The subrecipient and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired by the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

**§ 576.408 Displacement, relocation, and acquisition.**

(a) *Minimizing displacement*. Consistent with the other goals and objectives of Emergency Solutions Grant (ESG), the subrecipient must assure that they have taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms) as a result of a project assisted under Emergency Solutions Grant (ESG).

(b) *Temporary relocation not permitted*. No tenant-occupant of housing (a dwelling unit) that is converted into an emergency shelter may be required to relocate temporarily for a project assisted with ESG funds, or be required to move to another unit in the same building/complex. When a tenant moves for a project assisted with ESG funds under conditions that trigger the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), 42 U.S.C. 4601–4655, as described in paragraph (c) of this section, the tenant should be treated as permanently displaced and offered relocation assistance and payments consistent with that paragraph.

(c) *Relocation assistance for displaced persons*.

- (1) *In general*. A displaced person (defined in paragraph (c)(2) of this section) must be provided relocation assistance at the levels described in, and in accordance with, the URA and 49 CFR part 24. A displaced person must be advised of his or her rights under the Fair Housing Act (42 U.S.C. 3601 *et seq.*). Whenever possible, minority persons shall be given reasonable opportunities to relocate to comparable and suitable decent, safe, and sanitary replacement dwellings, not located in an area of minority

concentration, that are within their financial means. This policy, however, does not require providing a person a larger payment than is necessary to enable a person to relocate to a comparable replacement dwelling. (See 49 CFR 24.205(c)(2)(ii)(D).) As required by Section 504 of the Rehabilitation Act (29 U.S.C. 794) and 49 CFR part 24, replacement dwellings must also contain the accessibility features needed by displaced persons with disabilities.

(2) *Displaced Person.*

- (i) For purposes of paragraph (c) of this section, the term “displaced person” means any person (family, individual, business, nonprofit organization, or farm, including any corporation, partnership, or association) that moves from real property, or moves personal property from real property, permanently, as a direct result of acquisition, rehabilitation, or demolition for a project assisted under the ESG program. This includes any permanent, involuntary move for an assisted project, including any permanent move from the real property that is made:
  - (A) After the owner (or person in control of the site) issues a notice to move permanently from the property or refuses to renew an expiring lease, if the move occurs on or after:
    - I. The date of the submission by the subrecipient (, as applicable) of an application for assistance to HUD (or the subrecipient, as applicable) that is later approved and funded if the subrecipient (, as applicable) has site control as evidenced by a deed, sales contract, or option contract to acquire the property; or
    - II. The date on which the subrecipient (, as applicable) selects the applicable site, if the subrecipient (, as applicable) does not have site control at the time of the application, provided that the subrecipient (, as applicable) eventually obtains control over the site;
  - (B) Before the date described in paragraph (c)(2)(i)(A) of this section, if the subrecipient or HUD determines that the displacement resulted directly from acquisition, rehabilitation, or demolition for the project; or
  - (C) By a tenant-occupant of a dwelling unit and the tenant moves after execution of the agreement covering the acquisition, rehabilitation, or demolition of the property for the project.
- (ii) Notwithstanding paragraph (c)(2)(i) of this section, a person does not qualify as a displaced person if:
  - (A) The person has been evicted for cause based upon a serious or repeated violation of the terms and conditions of the lease or occupancy agreement; violation of applicable Federal, State or local law, or other good cause; and the subrecipient determines that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance.
  - (B) The person moved into the property after the submission of the application but, before signing a lease and commencing occupancy, was provided written notice of the project, its possible impact on the person (*e.g.*, the person may be displaced), and the fact that the person would not qualify as a “displaced person” (or for any assistance under this section) as a result of the project;
  - (C) The person is ineligible under 49 CFR 24.2(a)(9)(ii); or
  - (D) HUD determines that the person was not displaced as a direct result of acquisition, rehabilitation, or demolition for the project.
- (iii) The subrecipient may, at any time, request that HUD to determine whether a displacement is or would be covered by this rule.

- (3) *Initiation of negotiations.* For purposes of determining the type of replacement housing payment assistance to be provided to a displaced person pursuant to this section:
- (i) If the displacement is the direct result of privately undertaken rehabilitation, demolition, or acquisition of the real property, “initiation of negotiations” means the execution of the agreement between the subrecipient and the person owning or controlling the property;
  - (ii) If site control is only evidenced by an option contract to acquire the property, the “initiation of negotiations” does not become effective until the execution of a written agreement that creates a legally enforceable commitment to proceed with the purchase, such as a sales contract.

(d) *Real property acquisition requirements.* The acquisition of real property, whether funded privately or publicly, for a project assisted with Emergency Solutions Grant (ESG) funds is subject to the URA and Federal government wide regulations at 49 CFR part 24, subpart B.

(e) *Appeals.* A person who disagrees with the subrecipient’s (’s, if applicable) determination concerning whether the person qualifies as a displaced person, or the amount of relocation assistance for which the person may be eligible, may file a written appeal of that determination with the subrecipient under 49 CFR 24.10. A low-income person who disagrees with the subrecipient’s determination may submit a written request for review of that determination by the appropriate HUD field office.

## **Subpart F—Grant Administration**

### **§ 576.500 Recordkeeping and reporting requirements.**

- (a) *In general.* The subrecipient must have policies and procedures to ensure the requirements of this part are met. The policies and procedures must be established in writing and implemented by the subrecipient to ensure that ESG funds are used in accordance with the requirements. In addition, sufficient records must be established and maintained to enable the subrecipient and HUD to determine whether ESG requirements are being met.
- (b) *Homeless status.* The subrecipient must maintain and follow written intake procedures to ensure compliance with the homeless definition in § 576.2. The procedures must require documentation at intake of the evidence relied upon to establish and verify homeless status. The procedures must establish the order of priority for obtaining evidence as third-party documentation first, intake worker observations second, and certification from the person seeking assistance third. However, lack of third-party documentation must not prevent an individual or family from being immediately admitted to emergency shelter, receiving street outreach services, or being immediately admitted to shelter or receiving services provided by a victim service provider. Records contained in an HMIS or comparable database used by victim service or legal service providers are acceptable evidence of third-party documentation and intake worker observations if the HMIS retains an auditable history of all entries, including the person who entered the data, the date of entry, and the change made; and if the HMIS prevents overrides or changes of the dates on which entries are made.
- (1) If the individual or family qualifies as homeless under paragraph (1)(i) or (ii) of the homeless definition in § 576.2, acceptable evidence includes a written observation by an outreach worker of the conditions where the individual or family was living, a written referral by another housing or service provider, or a certification by the individual or head of household seeking assistance.



- (2) If the individual qualifies as homeless under paragraph (1)(iii) of the homeless definition in § 576.2, because he or she resided in an emergency shelter or place not meant for human habitation and is exiting an institution where he or she resided for 90 days or less, acceptable evidence includes the evidence described in paragraph (b)(1) of this section and one of the following:
- (i) Discharge paperwork or a written or oral referral from a social worker, case manager, or other appropriate official of the institution, stating the beginning and end dates of the time residing in the institution. All oral statements must be recorded by the intake worker; or
  - (ii) Where the evidence in paragraph (b)(2)(i) of this section is not obtainable, a written record of the intake worker's due diligence in attempting to obtain the evidence described in paragraph (b)(2)(i) and a certification by the individual seeking assistance that states he or she is exiting or has just exited an institution where he or she resided for 90 days or less.
- (3) If the individual or family qualifies as homeless under paragraph (2) of the homeless definition in § 576.2, because the individual or family will imminently lose their housing, the evidence must include:
- (i)
    - (A) A court order resulting from an eviction action that requires the individual or family to leave their residence within 14 days after the date of their application for homeless assistance; or the equivalent notice under applicable state law, a Notice to Quit, or a Notice to Terminate issued under state law;
    - (B) For individuals and families whose primary nighttime residence is a hotel or motel room not paid for by charitable organizations or federal, state, or local government programs for low-income individuals, evidence that the individual or family lacks the resources necessary to reside there for more than 14 days after the date of application for homeless assistance; or
    - (C) An oral statement by the individual or head of household that the owner or renter of the housing in which they currently reside will not allow them to stay for more than 14 days after the date of application for homeless assistance. The intake worker must record the statement and certify that it was found credible. To be found credible, the oral statement must either:
      - I. be verified by the owner or renter of the housing in which the individual or family resides at the time of application for homeless assistance and documented by a written certification by the owner or renter or by the intake worker's recording of the owner or renter's oral statement; or
      - II. if the intake worker is unable to contact the owner or renter, be documented by a written certification by the intake worker of his or her due diligence in attempting to obtain the owner or renter's verification and the written certification by the individual or head of household seeking assistance that his or her statement was true and complete;
  - (ii) Certification by the individual or head of household that no subsequent residence has been identified; and
  - (iii) Certification or other written documentation that the individual or family lacks the resources and support networks needed to obtain other permanent housing.
- (4) If the individual or family qualifies as homeless under paragraph (3) of the homeless definition in § 576.2, because the individual or family does not otherwise qualify as homeless under the homeless definition but is an unaccompanied youth under 25 years of age, or homeless family with one or more children or youth, and is defined as homeless under another Federal statute or section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)), the evidence must include:

- (i) For paragraph (3)(i) of the homeless definition in § 576.2, certification of homeless status by the local private nonprofit organization or state or local governmental entity responsible for administering assistance under the Runaway and Homeless Youth Act (42 U.S.C. 5701 *et seq.*), the Head Start Act (42 U.S.C. 9831 *et seq.*), subtitle N of the Violence Against Women Act of 1994 (42 U.S.C. 14043e *et seq.*), section 330 of the Public Health Service Act (42 U.S.C. 254b), the Food and Nutrition Act of 2008 (7 U.S.C. 2011 *et seq.*), section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), or subtitle B of title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 *et seq.*), as applicable;
  - (ii) For paragraph (3)(ii) of the homeless definition in § 576.2, referral by a housing or service provider, written observation by an outreach worker, or certification by the homeless individual or head of household seeking assistance;
  - (iii) For paragraph (3)(iii) of the homeless definition in § 576.2, certification by the individual or head of household and any available supporting documentation that the individual or family moved two or more times during the 60-day period immediately preceding the date of application for homeless assistance, including: recorded statements or records obtained from each owner or renter of housing, provider of shelter or housing, or social worker, case worker, or other appropriate official of a hospital or institution in which the individual or family resided; or, where these statements or records are unobtainable, a written record of the intake worker's due diligence in attempting to obtain these statements or records. Where a move was due to the individual or family fleeing domestic violence, dating violence, sexual assault, or stalking, then the intake worker may alternatively obtain a written certification from the individual or head of household seeking assistance that they were fleeing that situation and that they resided at that address; and
  - (iv) For paragraph (3)(iv) of the homeless definition in § 576.2, written diagnosis from a professional who is licensed by the state to diagnose and treat that condition (or intake staff recorded observation of disability that within 45 days of date of the application for assistance is confirmed by a professional who is licensed by the state to diagnose and treat that condition); employment records; department of corrections records; literacy, English proficiency tests; or other reasonable documentation of the conditions required under paragraph (3)(iv) of the homeless definition.
- (5) If the individual or family qualifies under paragraph (4) of the homeless definition in § 576.2, because the individual or family is fleeing domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions related to violence, then acceptable evidence includes an oral statement by the individual or head of household seeking assistance that they are fleeing that situation, that no subsequent residence has been identified and that they lack the resources or support networks, e.g. family, friends, faith-based or other social networks, needed to obtain other housing. If the individual or family is receiving shelter or services provided by a victim service provider, the oral statement must be documented by either a certification by the individual or head of household; or a certification by the intake worker. Otherwise, the oral statement that the individual or head of household seeking assistance has not identified a subsequent residence and lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, needed to obtain housing must be documented by a certification by the individual or head of household that the oral statement is true and complete, and, where the safety of the individual or family would not be jeopardized, the domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening condition must be verified by a written observation by the intake worker or a written referral by a housing or service provider, social worker, legal assistance provider, health-



care provider, law enforcement agency, legal assistance provider, pastoral counselor, or any other organization from whom the individual or head of household has sought assistance for domestic violence, dating violence, sexual assault, or stalking. The written referral or observation need only include the minimum amount of information necessary to document that the individual or family is fleeing, or attempting to flee domestic violence, dating violence, sexual assault, and stalking.

(c) *At risk of homelessness status.* For each individual or family who receives Emergency Solutions Grant (ESG) homelessness prevention assistance, the records must include the evidence relied upon to establish and verify the individual or family's "at risk of homelessness" status. This evidence must include an intake and certification form that meets HUD specifications and is completed by the subrecipient. The evidence must also include:

- (1) If the program participant meets the criteria under paragraph (1) of the "at risk of homelessness" definition in § 576.2:
  - (i) The documentation specified under this section for determining annual income;
  - (ii) The program participant's certification on a form specified by HUD that the program participant has insufficient financial resources and support networks; *e.g.*, family, friends, faith-based or other social networks, immediately available to attain housing stability and meets one or more of the conditions under paragraph (1)(iii) of the definition of "at risk of homelessness" in § 576.2;
  - (iii) The most reliable evidence available to show that the program participant does not have sufficient resources or support networks; *e.g.*, family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the "homeless" definition. Acceptable evidence includes:
    - (A) Source documents (*e.g.*, notice of termination from employment, unemployment compensation statement, bank statement, health-care bill showing arrears, utility bill showing arrears);
    - (B) To the extent that source documents are unobtainable, a written statement by the relevant third party (*e.g.*, former employer, public administrator, relative) or the written certification by the subrecipient's intake staff of the oral verification by the relevant third party that the applicant meets one or both of the criteria under paragraph (1)(ii) of the definition of "at risk of homelessness" in § 576.2; or
    - (C) To the extent that source documents and third-party verification are unobtainable, a written statement by the subrecipient's intake staff describing the efforts taken to obtain the required evidence; and
  - (iv) The most reliable evidence available to show that the program participant meets one or more of the conditions under paragraph (1)(iii) of the definition of "at risk of homelessness" in § 576.2. Acceptable evidence includes:
    - (A) Source documents that evidence one or more of the conditions under paragraph (1)(iii) of the definition (*e.g.*, eviction notice, notice of termination from employment, bank statement);
    - (B) To the extent that source documents are unobtainable, a written statement by the relevant third party (*e.g.*, former employer, owner, primary leaseholder, public administrator, hotel or motel manager) or the written certification by the subrecipient's intake staff of the oral verification by the relevant third party that the applicant meets one or more of the criteria under paragraph (1)(iii) of the definition of "at risk of homelessness"; or
    - (C) To the extent that source documents and third-party verification are unobtainable, a written statement by the subrecipient's intake staff that

the staff person has visited the applicant's residence and determined that the applicant meets one or more of the criteria under paragraph (1)(iii) of the definition or, if a visit is not practicable or relevant to the determination, a written statement by the subrecipient's intake staff describing the efforts taken to obtain the required evidence; or (2) If the program participant meets the criteria under paragraph (2) or (3) of the "at risk of homelessness" definition in § 576.2, certification of the child or youth's homeless status by the agency or organization responsible for administering assistance under the Runaway and Homeless Youth Act (42 U.S.C. 5701 *et seq.*), the Head Start Act (42 U.S.C. 9831 *et seq.*), subtitle N of the Violence Against Women Act of 1994 (42 U.S.C. 14043e *et seq.*), section 330 of the Public Health Service Act (42 U.S.C. 254b), the Food and Nutrition Act of 2008 (7 U.S.C. 2011 *et seq.*), section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) or subtitle B of title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 *et seq.*), as applicable.

- (D) *Determinations of ineligibility.* For each individual and family determined ineligible to receive Emergency Solutions Grant (ESG) assistance, the record must include documentation of the reason for that determination.
- (E) Annual income. For each program participant who receives homelessness prevention assistance, or who receives rapid re-housing assistance longer than one year, the following documentation of annual income must be maintained:
  - (1) Income evaluation form containing the minimum requirements specified by HUD and completed by the subrecipient ; and
  - (2) Source documents for the assets held by the program participant and income received over the most recent period for which representative data is available before the date of the evaluation (*e.g.*, wage statement, unemployment compensation statement, public benefits statement, bank statement);
  - (3) To the extent that source documents are unobtainable, a written statement by the relevant third party (*e.g.*, employer, government benefits administrator) or the written certification by the subrecipient's intake staff of the oral verification by the relevant third party of the income the program participant received over the most recent period for which representative data is available; or
  - (4) To the extent that source documents and third party verification are unobtainable, the written certification by the program participant of the amount of income the program participant received for the most recent period representative of the income that the program participant is reasonably expected to receive over the 3-month period following the evaluation.
- (F) Program participant records. In addition to evidence of homeless status or "at risk of homelessness" status, as applicable, records must be kept for each program participant that document:
  - (1) The services and assistance provided to that program participant, including, as applicable, the security deposit, rental assistance, and utility payments made on behalf of the program participant;
  - (2) Compliance with the applicable requirements for providing services and assistance to that program participant under the program components and eligible activities provisions at § 576.101 through § 576.106, the provision on determining eligibility and amount and type

- of assistance at § 576.401(a) and (b), and the provision on using appropriate assistance and services at § 576.401(d) and (e); and
- (3) Where applicable, compliance with the termination of assistance requirement in § 576.402.
- (G) *Centralized or coordinated assessment systems and procedures.* The subrecipient must keep documentation evidencing the use of, and written intake procedures for, the centralized or coordinated assessment system(s) developed by the Continuum of Care(s) in accordance with the requirements established by HUD.
- (H) *Rental assistance agreements and payments.* The records must include copies of all leases and rental assistance agreements for the provision of rental assistance, documentation of payments made to owners for the provision of rental assistance, and supporting documentation for these payments, including dates of occupancy by program participants.
- (I) *Utility allowance.* The records must document the monthly allowance for utilities (excluding telephone) used to determine compliance with the rent restriction.
- (J) *Shelter and housing standards.* The records must include documentation of compliance with the shelter and housing standards in § 576.403, including inspection reports.
- (K) *Emergency shelter facilities.* The subrecipient must keep records of the emergency shelters assisted under the ESG program, including the amount and type of assistance provided to each emergency shelter. As applicable, the subrecipient's records must also include documentation of the value of the building before the rehabilitation of an existing emergency shelter or after the conversion of a building into an emergency shelter and copies of the recorded deed or use restrictions.
- (L) *Services and assistance provided.* The subrecipient must keep records of the types of essential services, rental assistance, and housing stabilization and relocation services provided under the subrecipient's program and the amounts spent on these services and assistance. The subrecipient that are units of general purpose local government must keep records to demonstrate compliance with the maintenance of effort requirement, including records of the unit of the general purpose local government's annual budgets and sources of funding for street outreach and emergency shelter services.
- (M) *Coordination with Continuum(s) of Care and other programs.* The subrecipient must document their compliance with the requirements of § 576.400 for consulting with the Continuum(s) of Care and coordinating and integrating ESG assistance with programs targeted toward homeless people and mainstream service and assistance programs.
- (N) *HMIS.* The subrecipient must keep records of the participation in HMIS or a comparable database by all projects of the subrecipient.
- (O) *Matching.* The subrecipient must keep records of the source and use of contributions made to satisfy the matching requirement in § 576.201. The records must indicate the particular fiscal year grant for which each matching contribution is counted. The records must show how the value placed on third-party, noncash contributions was derived. To the extent feasible, volunteer services must be supported by the same methods that the organization uses to support the allocation of regular personnel costs.

- (P) *Conflicts of interest.* The subrecipient must keep records to show compliance with the organizational conflicts-of-interest requirements in § 576.404(a), a copy of the personal conflicts of interest policy or codes of conduct developed and implemented to comply with the requirements in § 576.404(b), and records supporting exceptions to the personal conflicts of interest prohibitions.
- (Q) *Homeless participation.* The subrecipient must document its compliance with the homeless participation requirements under § 576.405.
- (R) *Faith-based activities.* The subrecipient must document their compliance with the faith-based activities requirements under § 576.406.
- (S) *Other Federal requirements.* The subrecipient must document their compliance with the Federal requirements in § 576.407, as applicable, including:
  - (1) Records demonstrating compliance with the nondiscrimination and equal opportunity requirements under § 576.407(a), including data concerning race, ethnicity, disability status, sex, and family characteristics of persons and households who are applicants for, or program participants in, any program or activity funded in whole or in part with ESG funds and the affirmative outreach requirements in § 576.407(b).
  - (2) Records demonstrating compliance with the uniform administrative requirements in 24 CFR part 85 (for governments) and 24 CFR part 84 (for nonprofit organizations).
  - (3) Records demonstrating compliance with the environmental review requirements, including flood insurance requirements.
  - (4) Certifications and disclosure forms required under the lobbying and disclosure requirements in 24 CFR part 87.
- (T) *Relocation.* The records must include documentation of compliance with the displacement, relocation, and acquisition requirements in § 576.408.
- (U) *Financial records.*
  - (1) The subrecipient must retain supporting documentation for all costs charged to the ESG grant.
  - (2) The subrecipient must keep documentation showing that ESG grant funds were spent on allowable costs in accordance with the requirements for eligible activities under § 576.101–§ 576.109 and the cost principles in OMB Circulars A–87 (2 CFR part 225) and A–122 (2 CFR part 230).
  - (3) The subrecipient must retain records of the receipt and use of program income.
  - (4) The subrecipient must keep documentation of compliance with the expenditure limits in § 576.100 and the expenditure deadline in § 576.203.
- (V) *Contractors*
  - (1) The subrecipient must retain copies of all solicitations of and agreements with contractors, records of all payment requests by and dates of payments made to contractors, and documentation of all monitoring and sanctions of contractors, as applicable.
  - (2) The subrecipient must retain copies of all procurement contracts and documentation of compliance with the procurement requirements in 24 CFR 85.36 and 24 CFR 84.40–84.48.

- (3) The subrecipient must ensure that its contractors comply with the recordkeeping requirements specified by the subrecipient and HUD notice or regulations.
- (W) *Other records specified by HUD.* The subrecipient must keep other records specified by HUD.
- (X) *Confidentiality*
  - (1) The subrecipient must develop and implement written procedures to ensure:
    - (i) 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;
    - (ii) The address or location of any domestic violence, dating violence, sexual assault, or stalking shelter project assisted under the ESG will not be made public, except with written authorization of the person responsible for the operation of the shelter; and
    - (iii) The address or location of any housing of a program participant will not be made public, except as provided under a preexisting privacy policy of the subrecipient and consistent with state and local laws regarding privacy and obligations of confidentiality.
  - (2) The confidentiality procedures of the subrecipient must be in writing and must be maintained in accordance with this section.
- (Y) *Period of record retention.* All records pertaining to each fiscal year of ESG funds must be retained for the greater of 5 years or the period specified below. Copies made by microfilming, photocopying, or similar methods may be substituted for the original records.
  - (1) Documentation of each program participant's qualification as a family or individual at risk of homelessness or as a homeless family or individual and other program participant records must be retained for 5 years after the expenditure of all funds from the grant under which the program participant was served;
  - (2) Where ESG funds are used for the renovation of an emergency shelter involves costs charged to the ESG grant that exceed 75 percent of the value of the building before renovation, records must be retained until 10 years after the date that ESG funds are first obligated for the renovation; and
  - (3) Where ESG funds are used to convert a building into an emergency shelter and the costs charged to the ESG grant for the conversion exceed 75 percent of the value of the building after conversion, records must be retained until 10 years after the date that ESG funds are first obligated for the conversion.
- (Z) *Access to records.*
  - (1) *Federal government rights.* Notwithstanding the confidentiality procedures established under paragraph (w) of this section, HUD, the HUD Office of the Inspector General, and the Comptroller General of the United States, or any of their authorized representatives, must have the right of access to all books, documents, papers, or other records of the subrecipient that are pertinent to the ESG grant, in order to make audits, examinations, excerpts, and transcripts. These

rights of access are not limited to the required retention period but last as long as the records are retained.

- (2) *Public rights.* The subrecipient must provide citizens, public agencies, and other interested parties with reasonable access (consistent with state and local laws regarding privacy and obligations of confidentiality and the confidentiality requirements in this part) to records regarding any uses of ESG funds the subrecipient received during the preceding 5 years.

(AA) *Reports.* The subrecipient must collect and report data on its use of ESG funds in the Integrated Disbursement and Information System (IDIS) and other reporting systems, as specified by HUD. The subrecipient must also comply with the reporting requirements in 24 CFR parts 85 and 91 and the reporting requirements under the Federal Funding Accountability and Transparency Act of 2006, (31 U.S.C. 6101 note), which are set forth in Appendix A to 2 CFR part 170.

#### **§ 576.501 Enforcement.**

(a) *Performance reviews.*

- (1) HUD will review the performance of each subrecipient in carrying out its responsibilities under this part whenever determined necessary by HUD, but at least annually. In conducting performance reviews, HUD will rely primarily on information obtained from the records and reports from the subrecipient and as well as information from onsite monitoring, audit reports, and information from IDIS and HMIS. Where applicable, HUD may also consider reliant information pertaining to the subrecipient's performance gained from other sources, including citizen comments, complaint determinations, and litigation. Reviews to determine compliance with specific requirements of this part will be conducted as necessary, with or without prior notice to the subrecipient.
- (2) If HUD determines preliminarily that the subrecipient or one of its subsubrecipients has not complied with an ESG program requirement, HUD will give the subrecipient notice of this determination and an opportunity to demonstrate, within the time prescribed by HUD and on the basis of substantial facts and data, that the subrecipient has complied with Emergency Solutions Grant (ESG) requirements. HUD may change the method of payment to require the subrecipient to obtain HUD's prior approval each time the subrecipient draws down Emergency Solutions Grant (ESG) funds. To obtain prior approval, the subrecipient may be required to manually submit its payment requests and supporting documentation to HUD in order to show that the funds to be drawn down will be expended on eligible activities in accordance with all ESG program requirements.
- (3) If the subrecipient fails to demonstrate to HUD's satisfaction that the activities were carried out in compliance with ESG program requirements, HUD will take one or more of the remedial actions or sanctions specified in paragraph of this section.

(b) *Remedial actions and sanctions.* Remedial actions and sanctions for a failure to meet an ESG program requirement will be designed to prevent a continuation of the deficiency; mitigate, to the extent possible, its adverse effects or consequences; and prevent its recurrence.

- (1) HUD may instruct the subrecipient to submit and comply with proposals for action to correct, mitigate, and prevent noncompliance with ESG requirements, including:
  - (i) Preparing and following a schedule of actions for carrying out activities affected by the noncompliance, including schedules, timetables, and milestones necessary to implement the affected activities;



- (ii) Establishing and following a management plan that assigns responsibilities for carrying out the remedial actions;
  - (iii) Canceling or revising activities likely to be affected by the noncompliance, before expending ESG funds for the activities;
  - (iv) Reprogramming ESG funds that have not yet been expended from affected activities to other eligible activities;
  - (v) Suspending disbursement of ESG funds for some or all activities;
  - (vi) Reducing or terminating the remaining grant of a subrecipient and reallocating those funds to other subrecipients; and
  - (vii) Making matching contributions before or as draws are made from the subrecipient's ESG grant.
- (2) HUD may change the method of payment to a reimbursement basis.
  - (3) HUD may suspend payments to the extent HUD deems it necessary to preclude the further expenditure of funds for affected activities.
  - (4) HUD may remove the subrecipient from participation in reallocations of funds under subpart D of this part.
  - (5) HUD may deny matching credit for all or part of the cost of the affected activities and require the subrecipient to make further matching contributions to make up for the contribution determined to be ineligible.
  - (6) HUD may require the subrecipient to reimburse its line of credit in an amount equal to the funds used for the affected activities.
  - (7) HUD may reduce or terminate the remaining grant of a subrecipient and reallocate those funds to other subrecipients in accordance with subpart D of this part.
  - (8) HUD may condition a future grant.
  - (9) HUD may take other remedies that are legally available.

(c) *Subrecipient sanctions.* If the subrecipient determines that a subrecipient is not complying with an ESG program requirement or its subgrant agreement, the subrecipient must take appropriate actions, as prescribed for HUD in paragraphs (a) and (b) of this section. If the subrecipient is a State and funds become available as a result of an action under this section, the subrecipient must reallocate those funds to other subrecipients as soon as practicable. If the subrecipient is a unit of general purpose local government of territory, it must either reallocate those funds to other subrecipients or reprogram the funds for other activities to be carried out by the subrecipient as soon as practicable. The subrecipient must amend its Consolidated Plan in accordance with its citizenship participation plan if funds become available and are reallocated or reprogrammed under this section. The reallocated or reprogrammed funds must be used by the expenditure deadline in § 576.203. Dated: November 9, 2011.

## **PART II:APPLICATION COMPONENTS**

**OEO forms must be used. Do not alter OEO forms unless the form indicates that it can be modified. Applications must be organized in the following order:**

- 1. Applicant Overview
- 2. Identification of Funding Sources & Past Performance
- 3. Statement of Need
- 4. Agency Outcome Measures / Planned Accomplishments & National Objectives and Outcomes (Planned Accomplishments Form and Accomplishments Analysis Form, as applicable)
- 5. Local Capacity and Timetable
- 6. Project Activity Detail/Justification

7. Project Budget/Match
8. Current Fidelity Bond
9. Most Recent Certified Independent Audit, if required
10. Assurances, Certifications, Current Board Roster, and Supporting Documentation

**Please include forms and attachments in the application sections specified by the RFA.**

**Each section must begin on a separate page and be appropriately labeled.**

**An original unbound and three (3) bound copies of the application must be submitted to the OEO by the application due date. The original and copies should have tabs to mark each requirement in "A" above.**

**At the discretion of the OEO, a grant may not be awarded to an emergency shelter which has a serious, outstanding audit or monitoring finding involving the potential for significant monetary restitution, non-responsiveness, or non-responsible performance on any previously funded ESG grant.**



**PY 2012 Emergency Solutions Grant  
Application Cover Page**

<b>DATE:</b>	
<b>Organization Name:</b>	
<b>Organization Street Address:</b>	
<b>Street City/State/ZIP:</b>	
<b>Organization Mailing Address</b>	
<b>Mailing City/State/ZIP</b>	
<b>Executive Director/Title</b>	
<b>Contact Person/Title:</b>	
<b>Telephone Number:</b>	
<b>Fax Number:</b>	
<b>Email Address:</b>	
<b>Federal Employer I.D. #:</b>	
<b>DUNS # (required):</b>	
<b>CCR Cage #</b>	
<b>Applicant's Fiscal Year:</b>	
<b>Board Chair Name</b>	
<b>Board Chair Mailing Address City/State/ZIP</b>	
<b>AMOUNT OF FUNDS REQUESTED:</b>	

# APPLICATION & AUTHORIZED SIGNATURE FORM

## BLOCK I. APPLICANT NAME AND MAILING ADDRESS

Name: \_\_\_\_\_ 2012 ESG Funding Requested \_\_\_\_\_  
 Address: \_\_\_\_\_ 2012 Matching Funds \_\_\_\_\_  
 \_\_\_\_\_ 2012 Total Application Budget \_\_\_\_\_  
 \_\_\_\_\_ 2011 ESG Funding Granted \_\_\_\_\_

## BLOCK II. Signatures of Individuals Authorized to draw on the Request for Reimbursement and Sign Checks

### A. Please Type or Print

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

Signature: \_\_\_\_\_

### B. Please Type or Print

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

Signature: \_\_\_\_\_

### C. Please Type or Print

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

Signature: \_\_\_\_\_

### D. Please Type or Print

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

Signature: \_\_\_\_\_

## BLOCK III. Administering Agency Contact

☐ Local Government ☐ Non-Profit ☐ Faith-based Non-Profit

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Agency: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Signature: \_\_\_\_\_

## BLOCK IV. Mail Checks To:

Agency Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

## BLOCK V. Other Contacts (If the person to complete Requests for Reimbursement is not otherwise listed on this form, please provide their contact information here.)

Name: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

## BLOCK VI. Executive Director Form Approval

I certify that the signatures in Block II, A, B, C, and D are of the individuals authorized to draw payment vouchers for the Grant and sign checks.

Name: \_\_\_\_\_

Title: \_\_\_\_\_ Executive Director

Signature: \_\_\_\_\_

## BLOCK VII. Board Form Approval

Name: \_\_\_\_\_

Title: \_\_\_\_\_ Board Chairperson

Mailing Address: \_\_\_\_\_

Signature: \_\_\_\_\_

<b>Section 1:      Applicant Overview (All Applicants)</b>
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The overview should be clear and concise and include the following:

A.	Identification of the applicant organization, the exact location (physical address) of the administrative office and each funded shelter and not more than one paragraph summarizing the applicant's capability.
Admin. Office Address:	
Shelter 1 Address:	
Shelter 2 Address:	
Shelter 3 Address:	
B.	Reason(s) for the grant request.
C.	The target population, service area, the agency's/shelter's days /hours of operation, and the agency's bed capacity (as appropriate).
D.	Provide a brief narrative description of the applicant's programs and services, proposed ESG activities, and how the two relate.
E.	Applicants with projects involving rehabilitation are required to complete Section 106 Project Review Form and the Preliminary Environmental Review Checklist included in the appendices, in addition to the project narrative.

***Please be very concise. The narrative should not exceed one page.***

<b>Section 2: Identification of Funding (All previously funded applicants)</b>
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## OEO Identification of Funding Form (11/06)

(This form is intended to capture all agency funds to include State, local, private, Federal, and non-Federal)

**Subgrantee Name:** \_\_\_\_\_

**Street Address:** \_\_\_\_\_

**City, State, Zip Code:** \_\_\_\_\_

**Counties of Agency Service Area:** \_\_\_\_\_

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[illegible]

<b>Section 2: Past Performance (All previously funded applicants)</b>
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Past Performance must reflect historical expenditure data, reporting and/or monitoring issues, and outcome tracking. Use the Identification of Funding Form and Past Performance Form to complete this section.

Complete forms in their entirety.

Grant Amount:	
Grant Period:	
Use of Funds	
Rehab/Conv.	
Essential Services	
Preventive	
Operations	
Total Grant Expenditures	
Discuss Reporting Issues	
Discuss Monitoring Issues	
Discuss Performance	

Grant Amount:	
Grant Period:	
Use of Funds	
Rehab/Conv.	
Essential Services	
Preventive	
Operations	
Total Grant Expenditures	
Discuss Reporting Issues	
Discuss Monitoring Issues	
Discuss Performance	

Grant Amount:	
Grant Period:	
Use of Funds	
Rehab/Conv.	
Essential Services	
Preventive	
Operations	
Total Grant Expenditures	
Discuss Reporting Issues	
Discuss Monitoring Issues	
Discuss Performance	

Grant Amount:	
Grant Period:	
Use of Funds	
Rehab/Conv.	
Essential Services	
Preventive	
Operations	
Total Grant Expenditures	
Discuss Reporting Issues	
Discuss Monitoring Issues	
Discuss Performance	

<b>Section 3: Statement of Need (All Street Outreach/Shelter/HMIS applicants)</b>
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In the statement of need, the applicant must describe, as accurately as possible, the homeless and at-risk situations as they exist in its service area. The following components must be addressed:

A. (1) Identify the target population (homeless or at-risk persons) and subpopulation if planning to serve homeless persons (for example "chronically homeless," homeless children, homeless families, homeless veterans, victims of domestic violence) that you are seeking to serve. Define your service area and include specific data on the estimated number of homeless and at-risk persons in your service area, with reference to the data sources. Describe any unique characteristics of your target population that may impact the type, manner, and scope of the services that are provided and/or needed.

(2) Describe any substantially unmet needs of homeless and at-risk persons in your service area in terms of housing and support services, particularly among your target population.

(3) Describe any other special conditions that make the homeless and at-risk problems especially difficult in your service area.

B. Describe the problems affecting your target population and/or the needs that you are seeking to address through your proposed project. Please list problems/needs in order of priority, starting with the most important need. Discuss the fit between the housing needs you have identified in your community and the specific services you propose to provide with Emergency Solutions funds.

D. Describe the organization’s plan to outreach and connect with the unsheltered homeless population and persons at-risk of becoming homeless.
C. List other shelters and resources available to assist the homeless in your service area, and for each, briefly describing the following: (Complete using the Inventory of Facilities/Services Form)



**Inventory of Facilities/Services Form**  
(Use to list facilities as required in Section 3)

[illegible]

**Section 4: Agency Outcome Measures / Planned Accomplishments & National Objectives and Outcomes**

I. **Accomplishments Form** (planned outcomes)

**Subgrantees must report accomplishments for each Homeless Prevention and Homeless Assistance activity instead of a single lead activity for each project.**

**Agency Outcome Measures:** In accordance with new Federal requirements, applicants must submit detailed documentation concerning outcome measures. Explain the types of services offered to the agency's clients beyond those specifically intended to meet the emergency needs. Outcome measures demonstrate the applicant's ability to move their clients toward self-sufficiency. For example, an outcome measure for an applicant might be the number of shelter clients placed into a transitional housing program. **Agency objectives and outcome measures to be achieved should be indicated in the narrative section of the OEO Accomplishments Form.**

- A. **Planned Accomplishments & National Objectives and Outcomes:** Applicants must complete and provide the OEO Accomplishments Form in order to indicate targets for the 2011 ESG year.
- a. Identify the National Performance Measurement Objective that most accurately describes what the agency intends to accomplish by performing the activity.
    1. Suitable Living Environments: (Emergency shelters and transitional shelters for homeless persons including rehabilitation, operations and services) Activities that benefit communities, families, or individuals by addressing issues in their living environment.
    2. Decent Affordable Housing: (Homeless prevention activities) Housing activities that meet individual, family or community needs.
    3. Creating Economic Opportunities: Activities related to economic development, commercial revitalization, and job creation. (This does not include job training or educational services.)
  - b. Identify the National Performance Measurement Outcome that most accurately describes what the agency intends to accomplish by performing the activity.
    1. Availability/Accessibility: (Emergency shelters and transitional shelters for homeless persons including rehabilitation, operations and services) Activities that make shelter and services available and accessible. Note that accessibility does not refer only to physical barriers.
    2. Affordability: (Homeless prevention activities) Activities that provide affordability through rent/mortgage assistance, utility assistance, and 1st month rent/security deposit assistance and landlord/tenant mediation/legal services.
    3. Sustainability: Activities that promote livable or viable communities and neighborhoods by removing slums or blighted areas.

**Note: ESG Guidance: Objective / Outcome**

For ESG homeless assistance activities (Emergency shelters and transitional shelters for homeless persons including rehabilitation, conversion, operations and essential services), the preferred OBJECTIVE is:

(1) "Suitable Living Environment".

The preferred OUTCOME for ESG homeless assistance activities is:

(1) "Availability/Accessibility".

For ESG homeless prevention activities, the preferred OBJECTIVE is:

(2) "Decent, Affordable Housing".

The preferred OUTCOME for ESG homeless prevention activities is:

(2) "Affordability".

ESG Activity	Performance Objective		Performance Outcome	
	Create Suitable Living Environments	Provide Decent Affordable Housing	Availability/ Accessibility	Affordability
Shelter	X		X	
Street Outreach	X		X	
Homeless Prevention		X		X
Rapid Re-Housing		X		X

II. Self-Assessment of Outcomes

If an applicant has been previously funded, the current application for funding must include an assessment of its previously planned versus actual accomplishments submitted during the prior grant cycle. Utilize OEO's Accomplishments Analysis Form to complete this section.

**HOMELESS ASSISTANCE (Rehabilitation, Essential, & Operations)**

Please indicate the appropriate report submission with an "x"

<input type="checkbox"/>	Planned (Application) Accomplishments April 15, 2011
<input type="checkbox"/>	Actual Cumulative Unduplicative April 6, 2012
<input type="checkbox"/>	Actual Cumulative Unduplicative Final by July 16, 2012

Agency Name and Physical Address:

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Accomplishment Narrative:

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Indicate program(s) and service(s) with an "x"

<input type="checkbox"/>	emergency shelter facilities	<input type="checkbox"/>	transitional housing
<input type="checkbox"/>	vouchers for shelters	<input type="checkbox"/>	outreach
<input type="checkbox"/>	drop-in-center	<input type="checkbox"/>	soup kitchen/meal distribution
<input type="checkbox"/>	food pantry	<input type="checkbox"/>	health care
<input type="checkbox"/>	mental health	<input type="checkbox"/>	HIV/AIDS services
<input type="checkbox"/>	alcohol/drug program	<input type="checkbox"/>	employment
<input type="checkbox"/>	child care	<input type="checkbox"/>	homeless prevention
<input type="checkbox"/>	other _____		

Organization Type:

<input type="checkbox"/> Public Agency	<input type="checkbox"/> Faith Based Non-Profit	<input type="checkbox"/> Other Non-Profit
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ESGP Objective and Outcome (Choose one objective and one outcome)

Objective

<input type="checkbox"/>	Create suitable living environment	Emergency Shelter Bed Capacity: <input type="text"/>
<input type="checkbox"/>	Provide decent affordable housing	Transitional Shelter Bed Capacity: <input type="text"/>
<input type="checkbox"/>	Create economic opportunities	

Outcome

<input type="checkbox"/>	Availability/accessibility
<input type="checkbox"/>	Affordability
<input type="checkbox"/>	Sustainability

SPECIAL CHARACTERISTICS—Activity Location (select all that apply):

<input type="checkbox"/>	CDBG target area: A HUD approved Neighborhood Revitalization Strategy Area
<input type="checkbox"/>	Local target area: locally designated non-CDBG strategy area targeted for assistance
<input type="checkbox"/>	Disaster area: A Presidentially declared major disaster area
<input type="checkbox"/>	Historic preservation: An area designated for historic preservation by local, state, or federal officials
<input type="checkbox"/>	Brownfield redevelopment: An abandoned, idled, or underused property where expansion or redevelopment is complicated by real or potential environmental contamination

Persons Served with Financial Assistance

	Total
Annual Number Adults Served	
Annual Number Children Served	
Total	

Persons Served with Non-financial Services

	Total
Annual Number Adults and Children Served	

\* This number should also match annual number served by race.

#### Number Served with Financial Assistance by Housing Type

	Total
Barracks:	
Group/Large House:	
Scattered Site Apartment:	
Single Family Detached House:	
Single Room Occupancy:	
Mobile Home/Trailer:	
Hotel/Motel:	
Other:	
Total:	0

#### Annual Number Served

Race	Total	Hispanic
White:		
Black/African American:		
Asian:		
American Indian/Alaskan Native:		
Native Hawaiian/Other Pacific Islander:		
American Indian/Alaskan Native & White:		
Asian & White:		
Black/African American & White:		
Am.Indian/Alaskan Native & Black African:		
Other Multi-Racial:		
TOTAL:	0	0

#### Subpopulations Served

	Total
Chronically Homeless (Emergency Shelter Only)	
Severely Mentally Ill	
Chronic Substance Abuse	
Other Disability	
Veterans	
Persons with HIV/AIDS	
Victims of Domestic Violence	
Elderly	
Total	0

#### Activity Costs (ESG + Other Funds)

	Amount
Total	0

#### Total Number of Persons

	Male	Female	Total
Unaccompanied 18 and Over			0
Unaccompanied Under 18			0

#### Annual Number of Family Households with Children Headed By Single Parents

	Male	Female	Total
Single Parent 18 and Over			0
Single Parent Under 18			0

#### Annual Number of Family Households

	Total
Two Parents 18 and Over with Children	
Two Parents Under 18 with Children	
Family Households with No Children	

#### Total Number Served

	Total
Total Number of Persons	
Total Number of Households	

#### ESG Funds

Homeless Assistance	Amount
Conversion	
Major Rehabilitation	
Renovation	
Operations	
Essential Services	
Total	0
ESG Disbursed Amount	

#### Other Funds

	Amount
Other HUD Funds	
Other Federal Funds	
State Government	
Local Government	
Private Funds	
Other	
Fees	
Total	0

**HOMELESS PREVENTION**

Please indicate the appropriate report submission with an "x"

<input type="checkbox"/>	Planned (Application) Accomplishments April 15, 2011
<input type="checkbox"/>	Actual Cumulative Unduplicative April 8, 2012
<input type="checkbox"/>	Actual Cumulative Unduplicative Final by July 18, 2012

Agency Name and Physical Address:

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Accomplishment Narrative:

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Indicate program(s) and service(s) with an "x"

<input type="checkbox"/>	emergency shelter facilities	<input type="checkbox"/>	transitional housing
<input type="checkbox"/>	vouchers for shelters	<input type="checkbox"/>	outreach
<input type="checkbox"/>	drop-in-center	<input type="checkbox"/>	soup kitchen/meal distribution
<input type="checkbox"/>	food pantry	<input type="checkbox"/>	health care
<input type="checkbox"/>	mental health	<input type="checkbox"/>	HIV/AIDS services
<input type="checkbox"/>	alcohol/drug program	<input type="checkbox"/>	employment
<input type="checkbox"/>	child care	<input type="checkbox"/>	homeless prevention
<input type="checkbox"/>	other _____		

Organization Type:

<input type="checkbox"/>	Public Agency	<input type="checkbox"/>	Faith Based Non-Profit	<input type="checkbox"/>	Other Non-Profit
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ESGP Objective and Outcome (Choose one objective and one outcome)

Objective

<input type="checkbox"/>	Create suitable living environment	Emergency Shelter Bed Capacity: <input type="text"/>
<input type="checkbox"/>	Provide decent affordable housing	Transitional Shelter Bed Capacity: <input type="text"/>
<input type="checkbox"/>	Create economic opportunities	

Outcome

<input type="checkbox"/>	Availability/accessibility
<input type="checkbox"/>	Affordability
<input type="checkbox"/>	Sustainability

SPECIAL CHARACTERISTICS—Activity Location (select all that apply):

<input type="checkbox"/>	CDBG target area: A HUD approved Neighborhood Revitalization Strategy Area
<input type="checkbox"/>	Local target area: locally designated non-CDBG strategy area targeted for assistance
<input type="checkbox"/>	Disaster area: A Presidentially declared major disaster area
<input type="checkbox"/>	Historic preservation: An area designated for historic preservation by local, state, or federal officials
<input type="checkbox"/>	Brownfield redevelopment: An abandoned, idled, or underused property where expansion or redevelopment is complicated by real or potential environmental contamination

Persons Served with Financial Assistance

	Total
Annual Number Adults Served	
Annual Number Children Served	
Total	

Persons Served with Non-financial Services

	Total
Annual Number Adults and Children Served	

\* This number should also match annual number served by race.

#### Number Served with Financial Assistance by Housing Type

	Total
Barracks:	
Group/Large House:	
Scattered Site Apartment:	
Single Family Detached House:	
Single Room Occupancy:	
Mobile Home/Trailer:	
Hotel/Motel:	
Other:	
Total:	0

#### Annual Number Served

Race	Total	Hispanic
White:		
Black/African American:		
Asian:		
American Indian/Alaskan Native:		
Native Hawaiian/Other Pacific Islander:		
American Indian/Alaskan Native & White:		
Asian & White:		
Black/African American & White:		
Am.Indian/Alaskan Native & Black African:		
Other Multi-Racial:		
TOTAL:	0	0

#### Subpopulations Served

	Total
Chronically Homeless (Emergency Shelter Only)	
Severely Mentally Ill	
Chronic Substance Abuse	
Other Disability	
Veterans	
Persons with HIV/AIDS	
Victims of Domestic Violence	
Elderly	
Total	0

#### Activity Costs (ESG + Other Funds)

	Amount
Total	0

#### Total Number of Persons

	Male	Female	Total
Unaccompanied 18 and Over			0
Unaccompanied Under 18			0

#### Annual Number of Family Households with Children Headed By Single Parents

	Male	Female	Total
Single Parent 18 and Over			0
Single Parent Under 18			0

#### Annual Number of Family Households

	Total
Two Parents 18 and Over with Children	
Two Parents Under 18 with Children	
Family Households with No Children	

#### Total Number Served

	Total
Total Number of Persons	
Total Number of Households	

#### ESG Funds

	Amount
Homeless Prevention	
Homeless Prevention Services	
Homeless Prevention Fin. Asst.	
Total	0
ESG Disbursed Amount	

#### Other Funds

	Amount
Other HUD Funds	
Other Federal Funds	
State Government	
Local Government	
Private Funds	
Other	
Fees	
Total	0

## RAPID REHOUSING

Please indicate the appropriate report submission with an "x"

<input type="checkbox"/>	Planned (Application) Accomplishments April 15, 2011
<input type="checkbox"/>	Actual Cumulative Unduplicative April 8, 2012
<input type="checkbox"/>	Actual Cumulative Unduplicative Final by July 18, 2012

Agency Name and Physical Address:

Accomplishment Narrative:

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Indicate program(s) and service(s) with an "x"

<input type="checkbox"/>	emergency shelter facilities	<input type="checkbox"/>	transitional housing
<input type="checkbox"/>	vouchers for shelters	<input type="checkbox"/>	outreach
<input type="checkbox"/>	drop-in-center	<input type="checkbox"/>	soup kitchen/meal distribution
<input type="checkbox"/>	food pantry	<input type="checkbox"/>	health care
<input type="checkbox"/>	mental health	<input type="checkbox"/>	HIV/AIDS services
<input type="checkbox"/>	alcohol/drug program	<input type="checkbox"/>	employment
<input type="checkbox"/>	child care	<input type="checkbox"/>	homeless prevention
<input type="checkbox"/>	other _____		

Organization Type:

<input type="checkbox"/>	Public Agency	<input type="checkbox"/>	Faith Based Non-Profit	<input type="checkbox"/>	Other Non-Profit
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ESGP Objective and Outcome (Choose one objective and one outcome)

Objective

<input type="checkbox"/>	Create suitable living environment	Emergency Shelter Bed Capacity:	<input type="text"/>
<input type="checkbox"/>	Provide decent affordable housing	Transitional Shelter Bed Capacity:	<input type="text"/>
<input type="checkbox"/>	Create economic opportunities		

Outcome

<input type="checkbox"/>	Availability/accessibility
<input type="checkbox"/>	Affordability
<input type="checkbox"/>	Sustainability

SPECIAL CHARACTERISTICS—Activity Location (select all that apply):

<input type="checkbox"/>	CDBG target area: A HUD approved Neighborhood Revitalization Strategy Area
<input type="checkbox"/>	Local target area: locally designated non-CDBG strategy area targeted for assistance
<input type="checkbox"/>	Disaster area: A Presidentially declared major disaster area
<input type="checkbox"/>	Historic preservation: An area designated for historic preservation by local, state, or federal officials
<input type="checkbox"/>	Brownfield redevelopment: An abandoned, idled, or underused property where expansion or redevelopment is complicated by real or potential environmental contamination

Persons Served with Financial Assistance

	Total
Annual Number Adults Served	
Annual Number Children Served	
Total	

Persons Served with Non-financial Services

	Total
Annual Number Adults and Children Served	

\* This number should also match annual number served by race.



#### Number Served with Financial Assistance by Housing Type

	Total
Barracks:	
Group/Large House:	
Scattered Site Apartment:	
Single Family Detached House:	
Single Room Occupancy:	
Mobile Home/Trailer:	
Hotel/Motel:	
Other:	
Total:	0

#### Annual Number Served

Race	Total	Hispanic
White:		
Black/African American:		
Asian:		
American Indian/Alaskan Native:		
Native Hawaiian/Other Pacific Islander:		
American Indian/Alaskan Native & White:		
Asian & White:		
Black/African American & White:		
Am. Indian/Alaskan Native & Black African:		
Other Multi-Racial:		
TOTAL:	0	0

#### Subpopulations Served

	Total
Chronically Homeless (Emergency Shelter Only)	
Severely Mentally Ill	
Chronic Substance Abuse	
Other Disability	
Veterans	
Persons with HIV/AIDS	
Victims of Domestic Violence	
Elderly	
Total	0

#### Total Number of Persons

	Male	Female	Total
Unaccompanied 18 and Over			0
Unaccompanied Under 18			0

#### Annual Number of Family Households with Children Headed By Single Parents

	Male	Female	Total
Single Parent 18 and Over			0
Single Parent Under 18			0

#### Annual Number of Family Households

	Total
Two Parents 18 and Over with Children	
Two Parents Under 18 with Children	
Family Households with No Children	

#### Total Number Served

	Total
Total Number of Persons	
Total Number of Households	

#### ESG Funds

Homeless Prevention	Amount
Homeless Prevention Services	
Homeless Prevention Fin. Asst.	
Total	0
ESG Disbursed Amount	

#### Other Funds

	Amount
Other HUD Funds	
Other Federal Funds	
State Government	
Local Government	
Private Funds	
Other	
Fees	
Total	0

#### Activity Costs (ESG + Other Funds)

	Amount
Total	0

**Preventive Outcomes**

Annual Number of Households Served:   
 # of Households that Maintained Permanent Housing for 3 Months   
 # of Individuals that Maintained Permanent Housing for 3 Months   
 # of Households that Maintained Permanent Housing for 6 Months   
 # of Individuals that Maintained Permanent Housing for 6 Months   
 Average Cost per Client Receiving One-time only FA

**Rapid Rehousing Outcomes**

Annual Number of Households Served:   
 # of Households that Maintained Permanent Housing for 3 Months   
 # of Individuals that Maintained Permanent Housing for 3 Months   
 # of Households that Maintained Permanent Housing for 6 Months   
 # of Individuals that Maintained Permanent Housing for 6 Months   
 Average Cost per Client Receiving One-time only FA

**Homeless Number Served and Demographics:**

**RESIDENTIAL (EMERGENCY OR TRANSITIONAL SHELTERS)**

Annual Number of Adults Served:   
 Annual Number of Children Served:   
 Sub-Total:

	#Total	#Hispanic
White:	<input type="text"/>	<input type="text"/>
Black/African American:	<input type="text"/>	<input type="text"/>
Asian:	<input type="text"/>	<input type="text"/>
American Indian/Alaskan Native:	<input type="text"/>	<input type="text"/>
Native Hawaiian/Other Pacific Islander:	<input type="text"/>	<input type="text"/>
American Indian/Alaskan Native & White:	<input type="text"/>	<input type="text"/>
Asian & White:	<input type="text"/>	<input type="text"/>
Black/African American & White:	<input type="text"/>	<input type="text"/>
American Indian/Alaskan Native & Black African Am.:	<input type="text"/>	<input type="text"/>
Other Multi-Racial:	<input type="text"/>	<input type="text"/>
<b>TOTAL:</b>	<input type="text"/>	<input type="text"/>

# of emergency shelter residents:   
 # of emergency shelter residents exiting to transitional shelter:   
 # of emergency shelter residents exiting to permanent housing:   
 # of transitional shelter residents:   
 # of transitional shelter residents exiting to permanent housing:

**Unsheltered Homeless**

Annual Number of Adults Served:   
 Annual Number of Children Served:   
 Sub-Total:

	#Total	#Hispanic
White:	<input type="text"/>	<input type="text"/>
Black/African American:	<input type="text"/>	<input type="text"/>
Asian:	<input type="text"/>	<input type="text"/>
American Indian/Alaskan Native:	<input type="text"/>	<input type="text"/>
Native Hawaiian/Other Pacific Islander:	<input type="text"/>	<input type="text"/>
American Indian/Alaskan Native & White:	<input type="text"/>	<input type="text"/>
Asian & White:	<input type="text"/>	<input type="text"/>
Black/African American & White:	<input type="text"/>	<input type="text"/>
American Indian/Alaskan Native & Black African Am.:	<input type="text"/>	<input type="text"/>
Other Multi-Racial:	<input type="text"/>	<input type="text"/>
<b>TOTAL:</b>	<input type="text"/>	<input type="text"/>

# of unsheltered entering emergency shelter:   
 # of unsheltered entering transitional shelter:   
 # of unsheltered entering permanent housing:

## Section 5: Local Capacity and Timetable

### Applicants must:

- A. Identify the person(s) in their organization(s) who will be responsible for the administration of the ESG award and identify their experience and responsibilities with respect to this project. Describe the specific types of programs/services/activities/project the applicant provides that are relevant to ESG. (Add space as necessary.)

- B. Each applicant must submit a timetable outlining how and when the various facets of the project will be executed. The timetable should detail the expected expenditure of funds as compared with the elapsed time within the program year at least on a quarterly basis. Additionally, the timetable should also indicate guidelines for achieving the national objectives and outcomes, as well as the local goals provided in Section 4 of the application. (Add space as necessary.)

- C. Applicants are required to describe their financial management capacity and procedures. (Add space as necessary.)

D. Considering the requirements listed under “Area-Wide Systems Coordination,” the provision of comprehensive assistance to the homeless individuals either through direct services or referrals to other human services providers is a requirement of the ESG. State how you propose to provide the homeless with supportive services or state the agency(s) that you will coordinate with to provide those services. Be as specific as possible, listing the agency, nature and amount of service or assistance provided.

E. Applicants must submit documentation or a plan on how the shelter will be maintained in subsequent years.

F. Describe the extent to which the homeless and at-risk clients’ needs could be adequately addressed by other resources in your community without the requested ESG services.

G. Applicants must complete and include in this section the **OEO COC/HMIS Form** and an endorsement letter from the HMIS that will provide information on the applicant’s participation in both its local continuum of care and the Homeless Management Information System. **Insert the OEO COC/HMIS Form (Appendix D) and endorsement letter directly behind this section.**

## Section 5: Local Capacity and Timetable (continued)

H. If the applicant is a non-profit organization, explain if debarred by HUD or restricted from entering into contracts with any federal agency.

I. Describe any potential conflicts of interest, if applicable

<b>Section 6: Written Standards/Policies of ESG Service Delivery</b>
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The subrecipient must establish and consistently apply written standards for providing ESG assistance. Applicant must develop and submit the following policies and standards as applicable for the activities for which funding is sought:

- A. Standard policies and procedures for evaluating individuals' and families' eligibility for assistance under Emergency Solutions Grant (ESG);
- B. Standards for targeting and providing essential services related to street outreach;
- C. Policies and procedures for admission, diversion, referral, and discharge by emergency shelters assisted under ESG, including standards regarding length of stay, if any, and safeguards to meet the safety and shelter needs of special populations, *e.g.*, victims of domestic violence, dating violence, sexual assault, and stalking; and individuals and families who have the highest barriers to housing and are likely to be homeless the longest;
- D. Policies and procedures for assessing, prioritizing, and reassessing individuals' and families' needs for essential services related to emergency shelter;
- E. Policies and procedures for coordination among emergency shelter providers, essential services providers, homelessness prevention, and rapid rehousing assistance providers; other homeless assistance providers; and mainstream service and housing providers (see § 576.400(b) and (c) for a list of programs with which ESG-funded activities must be coordinated and integrated to the maximum extent practicable);
- F. Policies and procedures for determining and prioritizing which eligible families and individuals will receive homelessness prevention assistance and which eligible families and individuals will receive rapid rehousing assistance;
- G. Standards for determining what percentage or amount of rent and utilities costs each program participant must pay while receiving homelessness prevention or rapid rehousing assistance;
- H. Standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time;
- I. Standards 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 rehousing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the program participant receive assistance; or the maximum number of times the program participant may receive assistance;
- J. Standards for use of the HMIS to complete data entry and a description of the process the applicant will utilize to ensure that the data is of high quality and adheres to HUD's guidelines and expectations;
- K. Standard policies and procedures for completing re-evaluations;
- L. Standard policies and procedures for determining and ensuring the correctness of AMI calculation;
- M. Standard policies and procedures for delivering case management as well as any forms developed;
- N. Standard/Policy for terminating assistance that recognizes and sets forth the process for a participant's right to grieve a termination to independent parties;
- O. Standard procedures for conducting lead and habitability inspections
- P. Conflict of Interest policy and disclosures of potential conflicts that exist
- Q. Homeless participation policy that complies with 576.405
- R. Standard policies and procedures to ensure that requirements of 576.406 Faith-based activities are adhered to

## Section 7: Project Activity Detail/Justification

Applicants should describe, in detail, based on the major program categories described under Eligible Activities on pages 13 through 24 of this document, the work to be performed or activities to be undertaken. For example, if an applicant plans to perform Street Outreach, the applicant must explain what particular subcategories will be performed and how it will be implemented. *Applicants are advised to carefully design this section. The Grantee will not approve any project revision during the grant period, except under extra-ordinary circumstances.*

All procurements of goods and services must comply with both the State and the Federal government procurement guidelines. **Furthermore, all bids submitted with the application will be used for evaluation purposes only. Approval of the application shall therefore not constitute approval of the bids. Subgrantees will be required to submit new bids for the purposes of the program.**

## Section 8: Project Budget/Match

### Budget

- A. Each applicant must submit a budget for all funds requested and applicant's contribution. If awarded, funds cannot be expended until the budget is approved by OEO and the grant agreement has been executed.
- B. Applicants must make sure they do not exceed the budget caps associated with the various service elements. As previously stated, salary expense must be accompanied by staff names and position descriptions and regulatory guidelines concerning eligible and ineligible activities must be adhered to.
- C. Applicants must include a detailed Budget Narrative, including estimated costs for services to be procured, salary expenses, and/or equipment to be purchased. All budget documentation must exhibit adherence to the ESG guidance provided throughout this RFA.
- D. If an application includes costs for any item classified as repair according to the HUD Maintenance memo previously referenced in this RFA, the application will be considered incomplete if it does not include the required environmental documentation.

### Match

ESG requires a dollar-for-dollar match. The match can be either in cash contribution, donated resources, or volunteer services. Please refer to 24 CFR part 576.71 and/or Part I, Section D of this RFA to determine allowable sources for match and other related information. Applicants must:

- A. Identify the sources(s), amount(s) and specific use of all local matching funds and resources. **Special Note: You will be expected to produce and use any funds/resources listed here. Please ensure that any funds/resources listed here are available for your use.** Applicants are reminded that resources used in

previous ESG cycles as subgrantee contribution cannot be utilized. Additionally, resources used to fulfill the match requirement of another grant within the same program year as the ESG grant received cannot be utilized. Finally, if staff salaries are to be included as a match expense, names and position descriptions must also be submitted.

- B. Include commitment letters for every component of local funds. The commitment letter must include, but is not limited to, the following information:
1. Language which indicates that funds or in-kind contributions have been committed by individuals or organizations authorized to award the funds.
  2. The specific dollar amount/resource and time period.
  3. An itemization of any in-kind contributions and a description of how the value was determined.
  4. Signature of authorized official.

**Use the Budget, Match, and Narrative Forms to complete this section. Please include names and position descriptions for all staff indicated in the budget.**

#### **Section 9: Current Fidelity Bond**

The purchase of a fidelity bond is an allowable cost for ESG, in accordance with OMB Circular A-122. The agency's Board of Directors must deem the purchase of a fidelity bond to be a necessary cost. The agency will be required to submit Board minutes approving the purchase of a fidelity bond. The OEO will only approve a reimbursement not to exceed the grant's actual pro rata share of the bond.

#### **Section 10: Most Recent Certified Independent Audit Report**

Applicants must submit a copy of the most recent certified independent audit report if required by Federal law (within nine months of the grant award). New shelter applicants will have nine (9) months after the first fiscal year to submit their audit report. **In accordance with OMB Circular A-133, the cost of audits are allowable charges provided the agency has federal award expenditures of greater than \$500,000 and the audit costs are allocated proportionately across audited programs such that the percentage of costs charged shall not exceed the percentage derived by ESG funding in relationship to the total federal expenditures.**

#### **Section 11: Assurances, Certifications, Current Board Roster and Supporting Documents**

- A. Attach to your application an endorsement from the unit of local government that authorizes the submission of the application and identifies and commits the local match funds, if appropriate. If, due to scheduling, the governing body cannot provide an endorsement, a letter signed by the chief elected or duly authorized representative (i.e., City or County Manager) may be substituted for the endorsement. If the shelter is within an incorporated area, then the local government endorsement must be from that representative body.



- B. Attach to your application a letter of commitment from the chairperson of the agency's Board of Directors. The letter must state the commitment of the Board and the shelter toward this project.
- C. Please attach a map showing the location of the proposed project(s). In the case of renovations, identify the current space and the area to be renovated.
- D. **The following certifications must be executed and returned as a part of this application.** Each certification must be signed by the Executive Director, Board Chairperson or the Chief Elected Official of the unit of local government, in cases where the unit of local government is the subgrantee.
  - 1. Federal Certifications.
  - 2. Certification (Endorsement) of Local Government Commitment. This is not required where the unit of local government is the applicant.
  - 3. Certification of Matching Funds.
  - 4. Certification of Safe Environs.
- E. A copy of the most recent review and rating documentation conducted at the facility to meet license and code requirements must be submitted—to include both DHEC and Fire Inspection reports stating whether or not the facility is in compliance with all applicable health & safety requirements (as well as all other pertinent documents indicating compliance with applicable codes). **Additionally, for all facilities that provide shelter to children for more than 100 days and were constructed prior to 1978, the applicant must provide evidence of a lead-based paint inspection, as well as any corrective measures that have been performed.**
- F. **All applicants must submit documentation to demonstrate their non-profit status. Private non-profit organizations must have a 501(c) 3 certification and be registered in the State of South Carolina.**
- G. **Attach to your application the agency's confidentiality policy.**
- H. **Current Board Roster**
- I. **Attach any operational licenses your organization or facility has been granted by the either State or local government**

### **PART III: SELECTION PROCESS**

- A. Evaluation: The evaluation process will ensure that funds are awarded to units of local government and/or non-profit applicants that successfully demonstrate: (1) the nature and extent of the unmet homeless and at-risk need within its service area, (2) proposed activities that directly address those needs, and (3) the ability to utilize awarded funds promptly.

Each complete application will be evaluated by a review panel. The evaluation instrument is included. Each major application section will be rated according to the total points that have been allotted to the section. The state will endeavor to ensure grant awards are made to shelters within each region of the state to ensure a

continuum of care. In addition, priority consideration will be given to applications that demonstrate the following:

1. History of satisfactory performance in implementing ESG- and HPRP-type activities and grant requirements.
2. Adequate agency capacity to carry-out grant objectives and meet grant requirements.
3. The agency's ability to assist in meeting the State's objectives and outcomes.
4. ESG funds are needed to address concerns creating minor health and safety issues for applicants that exhibit exceptional client services.
5. Maximum support services will be provided by the shelter in coordination with other human services agencies.
6. The applicant has substantial community/public support for the project.
7. Homeless individuals will be extensively involved in the operation of the shelter, or in other related activities. (for example, client mentoring programs).

B. Pre-Award Site Visit:

The OEO staff may conduct a pre-award visit to shelters to make an on-site appraisal of the program.

C. Notification:

The OEO will notify all applicants in writing and host a post-award workshop with the selected applicants.

### EVALUATION PROCESS

#### Emergency Shelter Grants Program

**Performance.** Up to 15 points will be awarded based on the applicant's past performance with ESG. New applicants that have never received ESG or have not received it within the span of OEO record keeping will receive these points automatically. For applicants that have received ESG within the span of OEO record keeping the following criteria will apply:

1. Whether the applicant has complied with start-up guidelines.
2. Whether applicant has achieved Accomplishments as planned.
3. Timely and accurate submission of reports, monitoring responses, and other requested information.
4. Whether the applicant has maintained expenditure rates consistent with the elapsed time within the program year.
5. Whether the applicant has unresolved programmatic or audit monitoring concerns or findings.
6. Whether all grant funds were expended.
7. Whether the requested reimbursement contained excessive unallowable costs and/or requests for reimbursement required numerous corrections.

**Applicant capacity.** Up to 15 points will be awarded based on the extent to which the application demonstrates the capacity of the applicant agency. The application must demonstrate that the agency staff has adequate credentials and experience to carry out the proposed project. This means that in addition to knowledge of and experience in serving the homeless in general, the organization carrying out the project, its employees, or its partners, must have the necessary experience and qualifications to carry out the specific activities proposed. Factors to be considered will include: prior agency experience and results in the type of work being proposed; suitable agency fiscal capacity and

organizational infrastructure to implement the project immediately; and employee experience and credentials in the area to be implemented. OEO's monitoring records of previously funded projects will also be included in determining applicant capacity.

**Project quality.** Up to 20 points will be awarded based on the extent to which the application demonstrates the quality of the project. The housing and services proposed must be appropriate to the needs of the target population. The application must demonstrate a clear understanding of the grant guidelines presented in the RFA, the needs of the clients, the services to be offered, and the effectiveness of the services in meeting those client's needs. Special consideration will be given to applications that demonstrate service to "at-risk" households, "chronically homeless" individuals (i.e. substance abuse programs, vocational rehabilitation, psychological counseling, and employment training), and that exemplify the agency's ability to assist the State in meeting its goals as outlined throughout the RFA. **Note: For applicants who propose preventive funds in their budget, if awarded, the agency must keep at least 75% of the proposed preventive funds in that line item.**

**Need for Project.** Up to 25 points may be awarded based on the extent to which the application demonstrates the need for the project. It must describe the need for the specific project compared against existing local services. The project may be judged to adequately describe the need for the project if it addresses the following points:

1. The need for the project is documented by use of waiting lists, references to similar programs, etc.
2. The project is consistent with the priorities described in the State's Consolidated Plan;
3. The project does not duplicate existing programs and services.

**Operational Feasibility.** Up to 15 points may be awarded based on the extent to which the application demonstrates the feasibility of the project. The application must include:

1. Clear and complete plans for implementing the project;
2. Adequate committed funding to implement the project;
3. An adequate strategy for securing additional support and commitment;
4. Adequate number of well-trained staff to carry out the proposed project;
5. Indicators that demonstrate that the project is ready to be implemented immediately (approximately 25% expenditure of funds within the first quarter);

**Leveraging and Local Support.** Up to 10 points may be awarded based on the extent to which the application demonstrates the organization's overall leveraging and maximum local support. The following will be considered:

1. All applications must provide a demonstration that a local match of cash and/or in-kind resources has been fully committed for the project in compliance with ESG regulations.
2. Applicants demonstrate substantial local support with movement towards a continuum of care strategy, which could include nonprofit organizations, governmental agencies, other providers, private foundations, neighborhood groups and others. This can be accomplished with letters of support and other commitments and should reflect broad-based community support and not be restricted to agencies affiliated with the formal human services delivery system.
3. The extent to which volunteers have been associated with the operation of the shelter and how they defray the costs of other professionals who otherwise would be required to perform their functions.

The scores for each factor will be added in order to obtain a total score for each application. The applications will then be ranked from highest to lowest according to the combined scores. Funding will be awarded to applications according to ranking, beginning with the highest score.

## Inventory of Facilities to

### Region

### Capacity

#### **The Upstate - (Anderson, Cherokee, Greenville, Greenwood, Laurens, Pickens, Oconee, Spartanburg, Union, York counties)**

1. The Salvation Army of Anderson (Anderson)	40 Men & Women
2. Helping Hands of Clemson (Pickens)	54 Children
3. Bowers-Rodgers Home, Inc. (Greenwood)	12 Children
4. MEG's House for Abused Women & Children (Greenwood)	26 Women & Children
5. McCormick Children's Home (Greenwood)	16 Children
6. Safe Harbor, Inc. (Greenville)	18 Women
7. SHARE, Inc. (Greenville)	37 Men, Women, & Children
8. The Salvation Army of Greenville (Greenville)	130 Men & Women
9. Safe Passage (York)	22 Women
10. Children's Attention Home (York)	20 Children
11. Pilgrim's Inn (York)	28 Families
12. Interfaith Hospitality Network of York (York)	14 Family Members
13. Divinity Care (Spartanburg)	17 Men
14. Safe Homes Rape Crisis Coalition (Spartanburg)	50 Women & Children
15. The Haven, Inc. (Spartanburg)	30 Men, Women, & Children
16. Spartanburg Children's Shelter (Spartanburg)	32 Children
17. Cherokee Children's Home (Cherokee)	19 Children
18. Upstate Homeless Coalition (Greenville)	20+ Families

### Region

### Capacity

#### **The Midlands - (Aiken, Fairfield, Lexington, Orangeburg, Richland, Sumter counties)**

19. Cumbee Center (Aiken)	25 Women & Children
20. Nurture Home (Aiken)	5 Young Women & their Children
21. The Salvation Army of Aiken (Aiken)	28 Men & Women
22. Nancy K. Perry Children's Shelter	14 Children
23. Sistercare (Lexington)	64 Women & Children
24. Alston Wilkes Society (Richland)	18 Male Veterans
25. The Cooperative Ministry (Richland)	N/A Families Goods & Services
26. The Family Shelter (Richland)	32 Families
27. Palmetto Place Children's Shelter (Richland)	28 Children
28. The Salvation Army of Columbia (Richland)	132 Women & Men
29. The Women's Shelter (Richland)	34 Women
30. Volunteers of America (Richland)	N/A Homeless Child Care
31. Citizens Against Spouse Abuse (CASA) (Orangeburg)	24 Women & Children
32. Greenhouse Runaway Shelter (Sumter)	12 Individuals
33. Samaritan House (Sumter)	15 Individuals
34. Wateree CAA (Sumter)	45 Individuals
35. The Haven Men's Shelter (Rock Hill)	12 Men

### Region

### Capacity

#### **The Pee Dee - (Chesterfield, Dillon, Florence, Horry counties)**

36. Pee Dee Coalition Against Domestic & Sexual Abuse (Florence)	25 Women & Children
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## Inventory of Facilities to Receive a 2011 Request for Application Package (continued)

<u>Region</u>	<u>Capacity</u>
37. Pee Dee Community Action Agency (Florence)	22 Families
38. Citizens Against Spouse Abuse (CASA) (Horry)	22 Women & Children
39. Jubilation House (Horry)	8 Families
40. House of Hope of the Pee Dee	Men, Women, and Children

<u>Region</u>	<u>Capacity</u>
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### The Lowcountry - (Beaufort, Charleston, Colleton, Dorchester counties)

41. Child Abuse Prevention Association/Open Arms (Beaufort)	18 Children
42. Citizens Opposed To Domestic Abuse (Beaufort)	32 Women & Children
43. Carolina Youth Development (N. Charleston)	50 Children
44. The Good Neighbor Center (Charleston)	18 Families
45. Crisis Ministries (Charleston)	250 Families
46. Salvation Army of Charleston (Charleston)	38 Men only
47. Women & Children's Shelter (Summerville)	28 Women & Children
48. Dorchester Interfaith Outreach Ministries (Dorchester)	12 Families
49. Lowcountry Community Action Agency (Walterboro)	12 Families

**Certification of Compliance with South Carolina's Consolidated Plan for Housing and Community  
Development Program Years: 2011 – 2015**

In accordance with the proposed accomplishments in the South Carolina Consolidated Plan for Housing and Community Development, the Emergency Shelter Program will provide benefits to approximately 30,000 households annually in the areas of facility repair, operations, and services. Approximately 600 households will be assisted annually with homeless prevention assistance.

The Governor's Office of Economic Opportunity will administer the Emergency Shelter Grants Program and award approximately twenty (20) to thirty-two (32) grants annually.

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Sign

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Date

**South Carolina**  
**Housing Opportunities for Persons with AIDS (HOPWA) Program**  
**FY 2012 Annual Action Plan**  
**December 16, 2011**

## HOPWA Program Abstract

The STD/HIV Division of the South Carolina Department of Health and Environmental Control (DHEC) is the South Carolina applicant for the FY 2012 Housing Opportunities for Persons With AIDS (HOPWA) formula grant and proposes the following activities: 1) Short-term Rent, Mortgage and Utility Assistance (STRMU); 2) Supportive Services; 3) Permanent Housing Placement; 4) Tenant Based Rental Assistance (TBRA); and 5) Operating Costs. During FY 2012, the South Carolina HOPWA program will fund the following counties: Chester, Lancaster, Oconee, Union, Abbeville, Laurens, Greenwood, McCormick, Barnwell, Allendale, Hampton, Colleton, Jasper, Beaufort, Chesterfield, Marlboro, Darlington, Florence, Dillon, Marion, Williamsburg, Horry, Georgetown, Bamberg, Orangeburg, Lee, Sumter, Clarendon, Newberry, Greenville, Anderson, Spartanburg, Cherokee and Pickens. The level of funding for FY 2012 is estimated at \$1,728,286. The following amounts are estimated allocations to these programs:

1) Short-term Rent, Mortgage and Utility	\$ 214,392
2) Supportive Services	\$ 733,774
3) Permanent Housing Placement Services	\$ 27,764
3) Tenant Based Rental Assistance	\$ 497,973
4) Operating Costs	\$ 126,826
5) Sponsor Administrative Expenses	\$ 85,467
6) Grantee Administrative Expenses	<u>\$ 42,090</u>
Total Award	\$1,728,286

During FY 2012 state HOPWA funds are expected to provide approximately 300 eligible persons with STRMU assistance, and 850 eligible persons will receive supportive services either with or without associated housing assistance. Permanent Housing Placement Services are expected to be provided to 70 clients. It is estimated that over 110 persons will receive tenant based rental assistance. Transitional housing and a supportive housing facility will be supported to provide housing and services to approximately 20 at risk clients. The focus on long-term housing is a response to the changing HIV epidemic and assessment/prioritization of permanent housing in South Carolina. Due to changes in the HIV epidemic and thus the needs of PLWHA (Persons Living With HIV/AIDS), a decrease in the number of persons served with STRMU and an increase in the number of individuals receiving TBRA has occurred. This trend is expected to continue.

## PROGRAM PLAN

### 1. Statement of Need

#### a. The HIV Epidemic

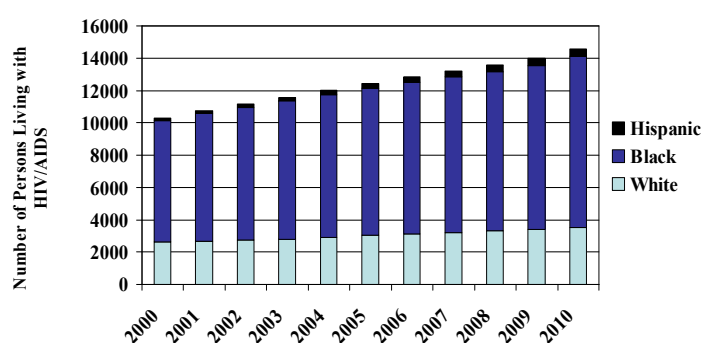
According to the CDC HIV/AIDS Surveillance Report, during calendar year 2009, South Carolina ranked 9th among all U.S. states, District of Columbia, and U.S. dependent areas with an AIDS case rate of 15.6 per 100,000 population. At the end of 2010, there were 14,708 (Fig. 1 shows increase in persons living with HIV (including AIDS) in South Carolina, excluding persons diagnosed in other states who now live in the state. The epidemic is continuing to grow



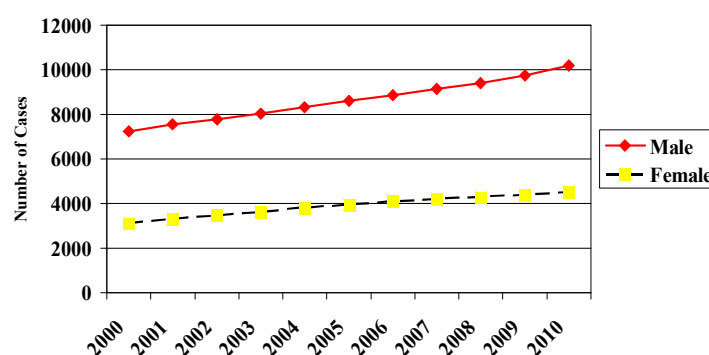
in South Carolina with an average of 66 cases of HIV infection reported each month during the past year. South Carolina has experienced a 42 percent increase of all people living with HIV/AIDS from 2000 to 2010. More dramatic, there has been an increase of 45 percent in the number of women living at the end of 2010 compared with the number living in 2000.

Figures 1 & 2 below show the growing number of persons living with HIV disease (including AIDS) by race/ethnicity and gender. *Note: S.C.'s Epi Profile data used for Figures 1 – 5 analyzes HIV disease trends using the total of HIV cases including persons with AIDS.*

**Figure 1: Number of persons estimated living with HIV/AIDS in S.C. by race, 2000-2010**



**Figure2: Number of persons estimated living with HIV/AIDS in S.C. by sex, 2000-2010**



Figures 3 & 4 below, from SC epi profile data, compare the numbers of recently diagnosed cases of HIV (including AIDS) in South Carolina during 2009 and 2010. There are no significant changes noted for most demographic categories for the two years.

**Figure 3: Number of S.C. HIV/AIDS cases by race/ethnicity/gender, diagnosed 2009-2010**

Race/Ethnicity/Gender	CY 2009	CY 2010
Black men	415	431
Black women	132	165
White men	153	124
White women	35	24
Hispanic men	27	24
Hispanic women	6	9

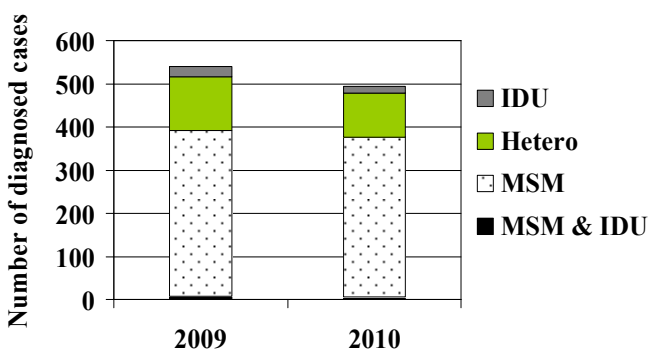
**Figure 4: Number of S.C. HIV/AIDS cases by age, diagnosed 2009-2010**

Age	CY 2009	CY 2010
15-19 years	49	61
20-24 years	144	172
25-29 years	103	100
30-44 years	263	242
45+ years	222	208

While the overall number and rate of newly diagnosed persons with HIV/AIDS each year is stable, there are differences among race/gender populations. Men unequivocally are disproportionately affected by HIV/AIDS. In 2010, men comprised 47 percent of South Carolina's total population, but represented 72 percent of the AIDS incidence in SC. African-Americans are also disproportionately impacted by HIV/AIDS in South Carolina. They comprise 28 percent of the state's total population, yet 76 percent of the total people diagnosed with AIDS in 2010.

When looking at age groups, people between the ages of 20 and 44 are disproportionately impacted. They make up 37 percent of the total population yet they represent 57 percent of the AIDS incidence for 2010. The HIV/AIDS case rates are highest for people 20-24 years of age, followed by those 25-44 years.

**Figure 5: Number of S.C. HIV/AIDS cases by exposure category, diagnosed 2009-2010**



By exposure category, the HIV/AIDS epidemic in South Carolina continues to be primarily men who have sex men (47% of prevalent and 72% of incident cases among persons with reported risk), and heterosexual (about 38% of prevalent and 22% of incident cases among persons with reported risk). Injecting drug use is not a major transmission category, comprising 10% of persons living with HIV & AIDS. Comparing recently diagnosed HIV/AIDS cases by exposure category (Fig. 5), shows similar proportions for 2009 & 2010.

Compared to living cases, injecting drug use accounts for 4% of new diagnosed cases with risk reported. The combined risks of men who have sex men and injecting drug use comprised 1.5% of new diagnosed cases and 4% of persons living with HIV & AIDS.

## **b. HIV and its Relationship to Homelessness**

The National Alliance to End Homelessness estimates that 3.4% of homeless people were HIV-positive in 2006, compared to 0.4% of adults and adolescents in the general population (Centers for Disease Control and Prevention, 2008).

HIV/AIDS and homelessness are intricately related. The costs of health care and medications for people living with HIV/AIDS (PLWHA) are often too high for people to keep up with. In addition, PLWHA are in danger of losing their jobs due to discrimination or as a result of frequent health-related absences. As a result, up to 50% of PLWHA in the United States are at risk of becoming homeless (National Alliance to End Homelessness, 2006). Based on this national estimate, South Carolina could have approximately 7,000 persons in this category.

In addition, the conditions of homelessness may increase the risk of contracting HIV. disproportionately large number of homeless people suffer from substance abuse disorders.

Many homeless people inject drugs intravenously, and may share or reuse needles. This practice is responsible for 13% of HIV/AIDS diagnoses in the United States. An additional 50% of cases are a result of male-to-male sexual contact, and 33% are due to heterosexual sex (Centers for Disease Control and Prevention). Unfortunately, the conditions of homelessness may lead to sexual behaviors that increase the risk of contracting HIV. For example, many shelters are single sex, and most offer limited privacy, including communal sleeping and bathing. These circumstances make it difficult for shelter residents to form stable sexual relationships (University of California San Francisco Center for AIDS Prevention Studies, 2005).

Homeless people with HIV/AIDS encounter many challenges to their health. Due to factors such as poor hygiene, malnutrition, and exposure to cold and rainy weather, homeless people are already three to six times more likely than housed people to become ill (National Health Care for the Homeless Council, 2008). Since HIV targets the immune system, PLWHA do not have the ability to fight off disease, and their risk of illness is even higher. Additionally, crowded shelters with poor ventilation can endanger people with HIV/AIDS by exposing them to infections such as hepatitis A, pneumonia, tuberculosis, and skin infections. One study shows that people who sleep in a shelter are twice as likely to have tuberculosis if they are HIV-positive (National Alliance to End Homelessness, 2006).

Psychological factors play an additional role in the progression of HIV/AIDS. Psychological distress has been shown to increase the severity of the disease (Greeson et al., 2008). People who are homeless experience a great deal of stress on a daily basis, which exacerbates the progression of HIV/AIDS. Additionally, stress, depression, and other psychosocial factors that are common in homeless people affect behaviors, which in turn affect the progression of HIV/AIDS. For example, depression decreases a person's likelihood to adhere to medication, which is necessary to treat HIV/AIDS (Gore-Felton and Koopman, 2008).

It is very difficult for homeless PLWHA to adequately treat their disease. For example, homelessness makes it more difficult to obtain and use antiretroviral treatments (ARTs), the medication for HIV/AIDS medications. ARTs have complex regimens, and adherence is very difficult for people who don't have access to stable housing, clean water, bathrooms, refrigeration, and food (National Alliance to End Homelessness, 2006). Many homeless people also do not have health insurance and cannot pay for the medications and health services that are necessary to treat HIV/AIDS.

Even when an individual with HIV/AIDS is not homeless there are multiple risks for becoming homeless. Throughout many communities, persons living with HIV or AIDS risk losing their housing due to compounding factors, such as increased medical costs and limited incomes or reduced ability to keep working due to AIDS and related illnesses. Stable housing is the cornerstone of HIV/AIDS treatment, allowing persons with HIV/AIDS to access comprehensive healthcare and adhere to complex HIV/AIDS drug therapies. The primary objective of DHEC's HOPWA program is to keep PLWHA from becoming homeless.

### **c. The Urgent Housing and Supportive Needs of Eligible Persons**

HOPWA project sponsors report an ongoing need for short-term rent, mortgage and utility assistance and requests for supportive services such as transportation, mental health counseling,

peer support groups, and alcohol and other drug abuse counseling/treatment. Demand is driven by various factors, including the increasing numbers of persons infected with HIV, poverty, increased outreach activities, and increased proficiency of case managers in understanding and referring to HOPWA services. Consistent with the needs of persons living longer and healthier lives with HIV/AIDS today, an increasing demand for long-term housing has resulted in a statewide tenant based rental assistance program and additional transitional and supportive housing.

As indicated earlier, there are about 783 new HIV diagnoses in South Carolina every year. Many of these newly diagnosed cases are receiving early intervention services through local HIV/AIDS service providers. Service providers utilize a comprehensive, standardized intake format for case managers working with persons affected by HIV, resulting in more thorough assessment of client needs and a corresponding increase in referrals to programs such as HOPWA that can help clients stay in their homes or in shelters and off the streets where they are even more susceptible to opportunistic infections.

The statewide planning process for the updated 2009 Statewide Coordinated Statement of Need (SCSN) identified housing needs across a continuum of housing options, including emergency housing and temporary shelter, extended care housing options, in-patient hospice, and an inventory of affordable housing. In addition to increasing numbers of persons living with HIV/AIDS needing services, specific barriers have been identified by communities that impact efforts to serve clients. These include:

- Affordable quality housing, including Section 8 properties, is very limited particularly for females.
- Clients with prior criminal convictions do not have access to Section 8 housing and available housing in some areas of state is more expensive causing HOPWA and other funds to be used more quickly.
- Several public housing projects have significant alcohol and drug abuse problems. Many HIV infected mothers and fathers are concerned about raising their children in that environment.
- Stigma and perceived discrimination cause HIV infected persons to be reluctant to disclose their status until they end up "on the street".
- Lack of transportation is a barrier in many areas for clients. Many working clients need affordable housing on public transportation routes, or clients may not have transportation to access existing HOPWA sponsors to obtain housing services.
- Waiting lists for Housing Authorities are still generally months to years in length and without "preference" listing, people with AIDS are likely to have used all HOPWA funds or be dead before rising on the list.
- With the advent of new treatments that are allowing HIV/AIDS persons to live longer,

disability is taking longer to make decisions than in previous years. The 21 weeks allowed by HOPWA is usually expended before disability is decided.

These barriers and the trends in the epidemic noted above indicate that over the next 5 -10 years there is an urgent need for more affordable housing on a long term basis, particularly housing in areas that provide a safe, healthy environment for families or women with children. A focus on long-term housing is a response to the changing HIV epidemic and assessment/prioritization of permanent housing in South Carolina.

In addition to bricks and mortar housing needs, there is a great need for supportive services that link people to and keep them in stable housing and medical care. Local HOPWA sponsors and Ryan White case management efforts have improved the overall service delivery to persons with HIV through appointment and medication adherence counseling efforts. As a result, local case managers are better able to respond to the increase in demand for these services, thereby increasing the number of clients/families served. In addition, all project sponsors and case managers have a software system that has standardized case management activities by service provider. Basic standards have become part of the required intake process through this software. The software can measure acuity levels of clients seen by case managers and generate reports of all service contacts.

Local service providers face ongoing challenges associated with HIV treatment costs and problems with adherence to the extremely complex drug regimens. The combination drug treatment that is recommended by experts for treating HIV costs approximately \$11,000 per year. Most people with HIV cannot afford to pay for these medications. In addition, if clients do not adhere strictly to the regimens prescribed, particularly with protease inhibitors, then resistance can occur which renders the drugs useless.

The 2009 SCSN addresses the issue of HIV anti-retroviral drug therapy adherence with the inclusion of a goal for increasing the proportion of patients on ARV that receive treatment adherence services. Activities to meet this goal include: (1) Develop and implement a tool providers can use to assess client readiness for medication treatment adherence. (2) Assess and address barriers to case managers providing treatment adherence counseling (e.g., knowledge of ARV drugs, dosing, side effects, and drug interactions; and time required to provide education complete applications, and conduct patient assessment). (3) Train case managers on medications, side effects, and issues related to treatment adherence. (4) Educate clients about importance of treatment adherence. (5) Hire staff positions dedicated to adherence counseling.

The increase in numbers of cases, the corresponding demand and the need for more concentrated educational sessions with clients to explain the complicated drug regimens has placed greater burdens on the staffs of the HIV Service Providers, creating the need for additional staff to help manage these caseloads.

## **2. Response to the Housing Needs of People Living With HIV/AIDS**

Fourteen project sponsors experienced in providing a continuum of care for persons and families living with HIV/AIDS each year who are either homeless or at risk for becoming homeless will

be recipients of FY 2012 HOPWA funds. Ten project sponsors (AID Upstate; Piedmont Care; Cooperative Ministry; Hope Health; ACCESS; Hope Health Lower Savannah; Catawba Care Coalition; Hope Health Edisto; Upper Savannah Care Services; CARETEAM) will provide short-term rent, mortgage and utility payments and housing placement services for persons with HIV/AIDS and their families. Supportive services will be provided by AID Upstate; Piedmont Care; USC Depart of Medicine; HopeHealth; ACCESS; HopeHealth Edisto; Catawba Care Coalition; HopeHealth Lower Savannah; Upper Savannah Care Services; CARETEAM; Sumter County Health Department; and Sumter Family Health Center. Tenant based rental assistance will be provided statewide by a housing non-profit agency, Fort Mill Housing Services, Inc. Funds for operating costs will be used to provide housing and supportive services for those individuals in transitional facilities. Project Care, a transitional facility in Greenville, has been operated for persons living with HIV for many years and will be partially supported in FY 2012 through a small amount of HOPWA funds for operating costs. The Laurel, a supportive care facility for persons living with HIV, which opened in Greenville during 2007, will be funded with operating costs in 2012. Although it is located in Greenville the facility accepts clients from other areas of the state.

HOPWA project sponsors are all closely linked with Ryan White Part B Service Providers. Ryan White Part B is also administered by the DHEC STD/HIV Division. This assures a coordinated system of delivery to eligible persons and families with HIV/AIDS.

Supportive services such as case management, transportation and other needed services are offered to eligible persons using Ryan White Part B or other funds. Case managers employed by Ryan White Part B service providers assess client income levels, medical histories and current needs to determine if they qualify for the HOPWA program. Case managers assure a coordinated plan is developed for dealing with long-term housing and supportive services, including assisting clients with making applications for Social Security Disability and/or other forms of assistance.

During 2005, an employment program, the Education & Employment Program (EEP), was established in the Midlands area of the state. The EEP is designed to assist clients with many different aspects in obtaining education and employment. Some of the services provided through this program are: employment searches, resume development, application assistance (education and employment), financial aid applications, job development, interview skills, clothing referrals, job center, email account set up, mailing address and voice mail services. Once a client has successfully obtained employment, EEP staff provides job retention services including telephone conferences, one on one counseling as well as individual and group skills building sessions. The goal is to not only assist clients in obtaining employment but to help them remain employed. EEP will continue to be funded to work out a feasible model to encourage providers to develop and promote employment.

During April 1, 2010 - March 31, 2011, HOPWA project sponsors provided short-term rent, mortgage and utility assistance to 392 persons with HIV/AIDS. One hundred thirty-four units of tenant based rental assistance were provided. Twenty-nine individuals were served by facility based housing assistance. Supportive services were provided to 948. And 89 were provided housing placement services.

### **3. Selection of Project Sponsors**

DHEC distributes the funds to regional Ryan White Part B Service Providers, eligible non-profit organizations and/or local health departments that assist persons with HIV/AIDS. The project sponsors are: AID Upstate, Catawba Care Coalition, Cooperative Ministry, Department of Medicine (University of South Carolina), Fort Mill Housing Services, Inc., HopeHealth, ACCESS, HopeHealth Lower Savannah, Piedmont Care, Sumter Family Health Center, HopeHealth Edisto, Upper Savannah Care Services, CARETEAM, and Sumter County Health Department.

### **4. Informing Eligible Individuals Through Outreach**

The HOPWA program continues to be a major portion of the delivery system of services to people and families living with HIV. Information about HOPWA services are widely disseminated statewide through the local HIV Service Providers, county health departments, and other agencies providing services to this population. Information about accessing HOPWA services is available through the toll-free state AIDS Hotline as well as on line at <http://www.scdhec.gov/health/disease/stdhiv/hopwa.htm>. Hotline staff has completed updating its database of all HIV related services. This resource information is available at: <http://www.scdhec.gov/health/disease/stdhiv/sharing.htm>.

### **5. Coordination of HOPWA Assistance**

As the DHEC STD/HIV Program administers both the Ryan White Part B and HOPWA grant programs, coordination with local agencies responsible for providing services to persons with HIV/AIDS is assured. Service providers coordinate with agencies serving people with HIV/AIDS in their service area. Service providers routinely gather input from persons with HIV disease. Each service provider provides input into the HOPWA plan. Service Providers meet on a quarterly basis to discuss program progress and to share ideas for better operation of the HIV services delivery system in the state.

The DHEC STD/HIV Division works closely with the South Carolina HIV Planning Council (HPC). The HPC is an advisory committee comprised of people in the state who have been most influential in helping develop plans for HIV prevention and service delivery to people with HIV disease. This committee includes persons with HIV/AIDS and family members of persons with HIV/AIDS. This group is apprised on a regular basis of the progress of the service delivery system in the state, including the use of HOPWA funds.

## HOPWA Strategies – FY 12/13

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**Strategy 1:** Provide 300 eligible persons with Short Term Rent Mortgage and Utilities (STRMU) assistance for the purpose of reducing the risk of homelessness for PLWHA.

**Implementation:** The short-term emergency housing assistance program continues to be an important focus of the State's HOPWA program. The short-term program is expected to provide emergency assistance to approximately 300 people living with HIV to pay rents, utilities and mortgage payments. Services are provided through a network of local organizations also implementing medical case management and primary care services funded primarily through the federal Ryan White Part B program.

**Outcomes:** Percentage of PLWHA assisted with STRMU that maintain permanent or temporarily stable housing.

**Target:** 75%

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**Strategy 2:** Provide 850 eligible persons with Supportive Services for the purpose of improving access to care for PLWHA.

**Implementation:** Supportive services funded through HOPWA include case management, transportation, educational and employment services, and substance abuse services. During the reporting period, it is estimated that 850 persons will receive supportive services. Of those 850 served, 800 by project sponsors also delivering HOPWA housing assistance 50 provided by project sponsors serving households that have other housing arrangements.

**Outcomes:** Percentage of PLWHA assisted with supportive services in conjunction with housing assistance that have a housing plan for maintaining or establishing stable, on-going housing.

**Target:** 75%

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**Strategy 3:** Provide 110 eligible persons/families with Tenant Based Rental Assistance (TBRA) for the purpose of providing decent affordable housing.

**Implementation:** Provide tenant based rental assistance to qualified persons living with HIV/AIDS and their families.

**Outcomes:** Percentage of PLWHA assisted with TBRA that continue with this housing for the next year.

**Target:** 80%

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**Strategy 4:** Support innovative housing efforts including approximately 20 transitional and supportive housing units for the purpose of providing decent affordable housing.

**Implementation:** Support transitional housing and supportive housing facilities to provide housing services through contracts with housing providers focusing on state supported HOPWA counties.

**Outcomes:** Percentage of PLWHA exiting this program that transition to permanent or temporarily stable housing.

**Target:** 75%