

State of South Carolina

Consolidated Plan for Housing & Community Development

Annual Action Plan

Program Year 2014

April 1, 2014

through

March 31, 2015

CDBG Community Development Block Grants

HOME Investment Partnerships

ESG Emergency Solutions Grants

Housing Opportunities for Persons with AIDS



South Carolina
Department of Commerce

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

2014 Annual Action Plan

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United States Department of Housing and Urban Development**

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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**

March 25, 2014

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State of South Carolina Consolidated Plan for Housing and Community Development 2014 Annual Action Plan

I. Executive Summary

For the 2014 Program Year, the State will receive \$27.7 million in funding from the U.S. Department of Housing and Urban Development (HUD). The four federally-funded HUD programs covered by this Action Plan are (in alphabetical order): Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), HOME Investment Partnerships (HOME) and Housing Opportunities for Persons with AIDS (HOPWA). Funds for CDBG and HOME have been significantly reduced over the past several years, and this trend is expected to continue in 2014. 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 2014 are shown on **Table 3A** beginning on page 17.

Past Performance

The State is currently implementing the Annual Plan for Program Year 2013, which is the third year of the 2011-2015 Consolidated Plan period. Actual accomplishments for 2013 will be reported in June 2014, but past accomplishments are available for prior plan years. For 2012, the CDBG, HOME, ESG and HOPWA programs received a combined allocation of \$27,055,825, 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 2012 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. Below are highlights of performance and accomplishments for 2012.

- Affordable rent or home purchase for 266 LMI households.
- 158 new affordable rental units for LMI households and leveraging for an additional 420 Low Income Housing Tax Credit units.
- 58 new or improved transitional or supportive housing units for special needs households.
- More sustainable existing affordable housing for 645 LMI households as a result of exterior repairs and/or connection to safe and reliable public water and sewer.
- Better living conditions for residents of 27 rural communities as a result of new or upgraded public infrastructure or flood and drainage improvements.

- Safer, more viable and sustainable neighborhoods as a result of revitalization planning or implementation projects in 10 communities, to benefit a total of 4,239 (72% LMI) residents.
- 210 new jobs primarily for LMI residents and support for 31 programs and services that improve access to jobs for LMI persons.
- Improved economic competitiveness for 57,221 residents of 8 rural communities where downtowns will be revitalized, essential public safety health and fire facilities will be improved, and abandoned and blighted structures removed.
- Emergency or longer term rental assistance to ensure decent housing for 400 people living with HIV/AIDS.
- Supportive services for 993 people living with HIV/AIDS.
- Emergency shelter and services for 15,867 homeless persons and prevention activities for 365 people at risk of becoming homeless.

II. Resources

Federal Resources

For the 2014 Program Year, the State will receive \$27.7 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. While homeless resources have increased in recent years and are expected to remain level, federal funding for CDBG and HOME has decreased.

Each of the four HUD programs covered by this plan is briefly described below, along with their actual allocation for the 2014 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 public infrastructure, facilities and services, community and neighborhood revitalization, economic development and planning.

The State of South Carolina's 2014 CDBG allocation from HUD is \$19,295,365 and the State will distribute these funds as shown below.

CDBG Allocation Plan	
Category	Amount
Community Development Program	\$16,116,505
• <i>Community Infrastructure</i>	\$7,753,302
• <i>Community Enrichment</i>	\$1,800,000
• <i>Neighborhood Revitalization</i>	\$5,963,203
• <i>Ready to Go</i>	\$600,000
Business Development Program	\$2,000,000
Regional Planning Program	\$500,000
State Technical Assistance (1%)	\$192,953
State Administration (2% of allocation + \$100,000)	\$485,907
Total 2014 CDBG Funding	\$19,295,365

In addition to 2014 CDBG HUD funding, DOC expects to receive approximately \$18,000 in program income during the program year. It is estimated that \$4 million in additional 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.

In addition to a 2014 HUD allocation of \$4,683,990, HOME anticipates program income of \$4,800,000 and plans to distribute total funding as follows:

HOME Allocation Plan	
Activity	Amount
Rental (non-competitive) – HOME/LIHTC/Multifamily Bond	\$4,560,000
Homeownership Assistance (non-competitive) in conjunction with Single Family Mortgage Revenue Bond Program	\$100,000
Statewide Rental (including 15% CHDO Setaside)	\$4,255,591
CHDO Operating Expenses (5%)	\$100,000
Program Administration (10%)	\$468,399
Total 2014 HOME Allocation & Program Income	\$9,483,990

Emergency Solutions Grant

The Governor’s Office, Office of Economic Opportunity will administer the ESG or Emergency Solutions Grant Program, which replaced the previous Emergency Shelter Grant program and incorporates elements of the Homelessness Prevention and Rapid Re-housing Program (HPRP). While still providing support for emergency shelters and services to the homeless, the new ESG Solutions Program focuses more funding on preventing initial and recurrent homelessness, shortening the duration of homelessness, assisting in the transition from homelessness to independent living, and providing outreach, needs assessment and other services for unsheltered homeless.

South Carolina will receive a 2014 allocation of \$2,334,776. The plan for distributing funds was determined through consultation with the Continuums of Care, as follows: 7.5% for administration and the remaining 92.5% split evenly between street outreach and emergency shelter activities and homelessness prevention and rapid re-housing. This results in an estimated distribution plan as shown on the following page.

ESG Distribution Plan		
Activity	Percentage of Total ESG Allocation	Amount
Emergency shelter and street outreach at 60%	46.25%	\$1,079,833.90
Homeless prevention and re-housing	46.25%	\$1,079,833.90
Program Administration	7.50%	\$175,108.20
Total 2014 ESG Funds Available for Distribution	100%	\$2,334,776.00

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:

- Housing subsidy assistance including tenant-based rental assistance and short-term rent, mortgage and utility assistance, as well as support for community-based and transitional housing
- Housing development
- Supportive services

In 2014, the State will receive \$1,387,200 in HOPWA and \$125,470 in prior year funding, or a total of \$1,512,670. DHEC plans the following allocation of these funds:

HOPWA Allocation Plan	
Activity	Amount
Short-term Rent, Mortgage and Utility	\$156,247
Supportive Services	\$612,081
Permanent Housing Placement Services	\$30,069
Tenant-Based Rental Assistance	\$491,141
Operating Costs	\$100,000
Sponsor Administrative Expenses	\$81,619
Grantee Administrative Expenses	\$41,512
Total 2014 HOPWA Funding	\$1,512,670

Other Resources

A number of other resources, including other federal, private, non-profit, local and state programs, can be used to address housing, community development and special needs. Much of the funding for housing and community development programs in particular originates from federal sources. 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 federal programs are available on a demonstration basis or through a competitive process on a national or regional level, and as such 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.

State resources for housing include the various programs and the State Housing Trust Fund administered by the SC State Housing Finance and Development Authority, which are described below. In addition, HUD requires the State to provide matching funds for the CDBG, HOME, and ESG Program allocations, as described below. 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.

Services for non-homeless special needs populations, including the elderly, low-income families, persons with mental and physical disabilities, and persons with AIDS/HIV, are provided on a statewide or regional basis. 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.

Some of the state programs available to assist in addressing housing and community development needs are outlined below.

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	
SC Rural Infrastructure Authority		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	

As indicated above, the most significant source of state funding for housing development are the programs administered by the State Housing Finance and Development Authority (SFHDA) in conjunction with federal HOME funds. These programs are described in greater detail below:

- Mortgage Revenue Bond (MRB) Program** – The 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** - created in 1992, the South Carolina Housing Trust Fund legislation established a valuable resource for affordable rental housing development, as well as assistance to low income residents of the state to help provide homeownership opportunities. 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 (and resulting in lower levels of funding in recent years). Awards from the Housing Trust Fund are available to eligible non-profit housing development sponsors in all 46 counties 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. Proposals are submitted to SHFDA's Board of Commissioners and awards are made on quarterly basis to projects that address local housing needs and can demonstrate development and financial feasibility. SHFDA then provides technical assistance and compliance monitoring for Housing Trust Fund financed developments.
- **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. 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 (LIHTC)** - The Federal LIHTC Program is 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.

SC Homeownership and Employment Lending Program (SC HELP) – In the wake of the national foreclosure crisis, South Carolina was designated one of the country's hardest hit markets in 2010. As a result SHFDA received funding from HUD's Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets (HFA Hardest Hit Fund) and used these HFA funds to establish the SC HELP Program. Receipt of funds was initially based on South Carolina being one of five economically distressed states with prevalent high unemployment. 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. Through October 2013, SC HELP has provided almost \$80 million in assistance to more than 6,200 home loan borrowers.

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 establishes 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 2014, along with proposed accomplishments or outcome measures, are shown on *Table 3A* beginning on page 17.

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: Support transitional and supportive housing for people with special needs
- **Affordability of Decent Housing**
 - Objective DH-2.1: Improve affordability of owner 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 homelessness and/or assist with re-housing and 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 funding for new or improved infrastructure, facilities or services
 - Objective SL-1.2: Support organizations that provide essential services to homeless individuals and families, both sheltered and unsheltered
 - Objective SL-1.3: Provide shelter and services for sheltered and unsheltered homeless persons
 - 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 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 availability of or access to jobs for LMI persons

- **Sustainability of 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.

2014 Objectives and Outcome Measures

Objectives for the 2014 Program Year will include all those identified above and 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 2014 Program Year will be reported in the Consolidated Annual Performance and Evaluation Report (CAPER) following the end of the program year, in June 2015.

Objectives and outcome measures for 2014 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 are added as they become available at the end of each year, and subsequent year's goals are 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	129	76%
				2012	100	115	115%
				2013	100		
				2014	80		
				2015			
Plan Period Total				450	244	54%	
DH-1.2	Increase the supply of homeowner units affordable for LMI households	HOME	New affordable homeowner units	2011	15	19	127%
				2012	15	-	0%
				2013	-		
				2014	-		
				2015			
Plan Period Total				30	19	63%	
DH-1.3	Support transitional and supportive housing facilities for people with special needs	HOPWA	Number of housing units assisted	2011	20	104	520%
				2012	15	58	387%
		HOME		2013	20		
				2014	20		
				2015			
Plan Period Total				75	162	216%	
DH-2 Affordability of Decent Housing							
DH-2.1	Improve affordability of rental housing for LMI families	HOME	Households assisted	2011	900	452	50%
				2012	425	266	63%
				2013	250		
				2014	100		
				2015			
Plan Period Total				1,675	718	43%	
DH-2.2	Provide tenant-based rental assistance to make housing for persons with HIV/AIDs more affordable	HOPWA	Households assisted	2011	110	134	122%
				2012	110	152	138%
				2013	120		
				2014	120		
				2015			
Plan Period Total				460	286	62%	
DH-2.3	Prevent homelessness and/or assist with rapid re-housing or transition to permanent housing	ESG	Persons assisted	2011	600	648	108%
				2012	350	365	104%
				2013	300		
				2014	500		
				2015			
MULTI-YEAR GOAL				1,750	1,013	58%	
DH-2.4	Address short-term housing instability by providing emergency assistance for people living with HIV/AIDS	HOPWA	Households assisted	2011	300	392	131%
				2012	300	248	83%
				2013	230		
				2014	230		
				2015			
MULTI-YEAR GOAL				1,060	640	60%	
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	559	280%
				2012	200	645	323%
		HOME		2013	200		
				2014	50		
				2015			
Plan Period Total				650	1,204	185%	

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
SL-1	Availability/Accessibility of Suitable Living Environment						
SL-1.1	Provide funding for new or improved infrastructure, facilities or services	CDBG	Number of predominantly LMI communities assisted	2011	10	39	390%
				2012	15	27	180%
				2013	15		
				2014	20		
				2015			
Plan Period Total				60	66	110%	
SL-1.2	Support organizations that provide essential services to homeless individuals and families, both sheltered and unsheltered	ESG	Number of entities assisted	2011	25	31	124%
				2012	20	32	160%
				2013	20		
				2014	30		
				2015			
Plan Period Total				95	63	66%	
SL-1.3	Provide shelter and services for sheltered and unsheltered homeless persons	ESG	Persons assisted	2011	30,000	24,403	81%
				2012	30,000	15,867	53%
				2013	10,000		
				2014	10,000		
				2015			
Plan Period Total				80,000	40,270	50%	
SL-1.4	Provide supportive services to persons with special needs to promote independent living	HOPWA	Households assisted	2011	850	948	112%
				2012	850	993	117%
				2013	850		
				2014	850		
				2015			
Plan Period Total				3,400	1,941	57%	
SL-2	Affordability of Suitable Living Environment						
SL-2.1				2011			
				2012			
				2013			
				2014			
				2015			
SL-3	Sustainability of Suitable Living Environment						
SL-3.1	Support community and regional planning and coordination initiatives	CDBG	Number of predominantly LMI communities assisted	2011	40	44	110%
				2012	40	44	110%
				2013	40		
				2014	40		
				2015			
Plan Period Total				160	88	55%	
SL-3.2	Preserve neighborhoods through revitalization, development or elimination of blight	CDBG	Number of predominantly LMI communities assisted	2011	12	16	133%
				2012	10	10	100%
				2013	7		
				2014	5		
				2015			
Plan Period Total				34	26	76%	

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
EO-1	Availability/Accessibility of Economic Opportunity						
EO-1.1	Support the creation or retention of jobs for LMI persons	CDBG	Jobs created or retained	2011	75	15	20%
				2012	55	210	382%
				2013	50		
				2014	50		
				2015			
Plan Period Total				230	225	98%	
EO-1.2	Support programs or services that improve availability of or access to jobs for LMI persons	ESG	Number of programs or providers supported	2011	30	29	97%
				2012	30	31	103%
		HOPWA		2013	25		
				2014	20		
				2015			
Plan Period Total				105	60	57%	
EO-2	Affordability of Economic Opportunity						
EO-2.1				2011			
				2012			
				2013			
				2014			
				2015			
EO-3	Sustainability of Economic Opportunity						
EO-3.1	Improve community economic competitiveness and ability to support sustainable economic opportunity	CDBG	Number of communities assisted	2011	10	6	60%
				2012	4	8	200%
				2013	5		
				2014	5		
				2015			
Plan Period Total				24	14	58%	

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 2014 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 this year to distribute the 2014 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.

- CDBG projects may be awarded to local governments in any area of the State that is not within a CDBG entitlement community. The activities funded under competitive programs are determined entirely by the applications submitted and the results of the project selection process. Other funds are awarded on non-competitive basis to economic development projects in any eligible area of the state, with distribution dependent on the location of new or existing expanding businesses in the state. The geographic distribution of CDBG funds awarded therefore varies from year to year.
- The HOME Program in South Carolina is administered by SC State Housing Finance and Development Authority, which is the Participating Jurisdiction for the state. There are many other Participating Jurisdictions in the state which also receive HOME funding directly from HUD. The HOME program plan each year aims to ensure that funds are distributed in a manner that is reasonably equitable for all areas of the state, and which leverages all available resources in the state including those received by HOME entitlement cities and consortiums. Typically, competitive programs provide scoring priority for counties with the greatest level of need. Other funds are allocated to the state's Multifamily Bond and Low Income Housing Tax Credit programs for multifamily rental development and Mortgage Revenue Bond Program for homeownership and are distributed statewide according to those programs' rules. More information on these programs can be found on the Housing Authority's website www.schousing.com.
- The ESG Program is entirely competitive 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 2014 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		
PART 3 PRIORITY HOUSING ACTIVITIES		Priority Level
CDBG		
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		
Homeownership assistance		
Infrastructure to support or facilitate affordable housing		Y
Acquisition and clearance to support or facilitate affordable housing		Y
HOME		
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		
Rehabilitation of existing owner units		
Homeownership assistance		Y

PART 3 PRIORITY HOUSING ACTIVITIES	Priority Level
HOPWA	
Rental assistance	Y
Short term rent/mortgage utility payments	Y
Facility based housing development	
Facility based housing operations	Y
Supportive services	Y
Other - ESG	
Renovation, rehabilitation and conversion	
Essential services	Y
Preventive services	Y
Operational costs	Y

HUD Table 3B

State Annual Housing Completion Goals
Program Year 2014

Grantee Name: South Carolina Program Year: 2014	Expected Annual Number of Units To Be Completed	Actual Annual Number of Units Completed (CAPER Only)	Resources expected to be used during the period			
			CDBG	HOME	ESG	HOPWA
ANNUAL AFFORDABLE RENTAL HOUSING GOALS (SEC. 215)						
Acquisition of existing units			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Production of new units	80		<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	120		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Total Sec. 215 Affordable Rental	200		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ANNUAL AFFORDABLE OWNER HOUSING GOALS (SEC. 215)						
Acquisition of existing units			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Production of new units			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rehabilitation of existing units			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Homebuyer Assistance	100		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total Sec. 215 Affordable Owner	100		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ANNUAL AFFORDABLE HOUSING GOALS (SEC. 215)						
Acquisition of existing units			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Production of new units	80		<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/Homebuyer Assistance	220		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Total Sec. 215 Affordable Housing	300		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ANNUAL AFFORDABLE HOUSING GOALS (SEC.215)						
Homeless households	10,000		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Non-homeless households	800		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Special needs households	30		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ANNUAL HOUSING GOALS						
Annual Rental Housing Goal	200		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Annual Owner Housing Goal	100		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total Annual Housing Goal	300		<input 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 were 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 Solutions 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.

The Council on Homelessness was subsequently merged into the SC Coalition for the Homeless, which has coordinated the statewide homeless count since 2005. During the 2014 program year, the SC Coalition for the Homelessness will undertake the 2014 Point in Time Homeless Count. Combined with all previous counts, these efforts provide a comprehensive set of data with which to evaluate the current characteristics of homelessness in South Carolina and identify trends. More information about the Coalition can be found on their website at <http://www.schomeless.org>.

Among the four HUD programs covered by the Consolidated Plan, the Emergency Solutions Program (ESG) will continue to be the primary program for addressing the needs of homeless individuals and families and for assisting with their transition into permanent housing. The ESG program began with an emphasis on addressing the needs of homeless people in shelters, but following the introduction of the Homeless Prevention and Rapid Re-housing Program (HPRP), the old Emergency *Shelter* Program was re-authorized under the 2009 Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act) and converted into the current, *solutions-oriented* ESG Program.

The change in the program name reflects the change in the program's focus. ESG now incorporates the prevention and housing goals that were at the heart of HPRP and the HEARTH Act, expanding the program to focus not just on providing shelter and services but also on assisting people who have experienced a housing crisis or homelessness to regain stability in permanent housing. Other new elements include a greater level of coordination with the homeless Continuum of Care providers in the state to address overall goals, provide services and assess the needs of unsheltered homeless, prevent homelessness or shorten the duration of homelessness, and address the housing and supportive service needs of persons who are not homeless but have other special needs.

The 2014 Annual Plan for ESG, which is included in the Attachments, details how the Emergency Solutions Grant program will be implemented to achieve program requirements and work towards reducing and ending homelessness through activities that:

- Reach out to homeless persons and especially unsheltered homeless persons to assess individual needs,
- Address the emergency shelter and transitional housing needs of homeless persons,
- Help 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.
- Help low-income individuals and families avoid homelessness and help 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 2014 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, and HOME resources are often used for housing development where some units of special needs housing are created. 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, as reflected in the new ESG Program requirements, the most active groups in planning and meeting the needs of the homeless in South Carolina are the four Continua of Care coalitions and each of these was consulted with during preparation of the 2014 ESG Annual Plan. 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, including:

- Consulting with ESG regarding ESG funding priorities, performance standards for projects and outcomes, and HMIS
- Coordinating services and providers in their regions

- Estimating the extent and needs of the homeless, developing new services according to need and securing funding to sustain activities
- Expanding and developing programs
- Advocacy and general education (one of the most important functions)

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.

The Continuum of Care organizations in South Carolina jointly cover the entire state. They include the [Eastern Carolina Homelessness Organization](#), [Lowcountry Homeless Coalition](#), [Midlands Area Consortium for the Homeless](#) and [Upstate Homeless Coalition](#). More information about the programs and activities for these CoC organizations can be found on their individual websites.

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. Demand for assistance, on the other hand, is growing as a result of recent economic conditions and typically 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 current strategies for addressing barriers, foreclosure and homelessness prevention have been at the forefront in recent years, as a result of the housing crisis that began in 2008, the persistently high unemployment and foreclosure rates that followed, and an overall economic recession that dominated for many years thereafter. Initially, credit markets became very tight and federal funding for affordable housing, including State HOME Program funding, decreased sharply.

At the same time, vacancy rates were rampant in communities with high unemployment and foreclosures, as one-time homeowners were forced into rental or homeless situations. The result was for a tremendous increase in the demand for affordable rental housing and vastly eroded resources with which to respond to this need. SHFDA accordingly retargeted the state's much reduced HOME resources toward lowering the cost of homeownership for new or returning homeowners and rental housing development, with no new funds made available for homeowner housing development or rehabilitation or tenant based rental assistance since 2013. In terms of rental development, SHFDA also uses HOME funds to help leverage Low Income Housing Tax Credit developments and uses other resources, including the SC HELP Program and state programs, to address foreclosure assistance.

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 2014 Qualified Tax Credit Allocation Plan can be found on the SHFDA website at:

<http://www.schousing.com/library/Tax%20Credit/2014/FinalQAP.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 (PHAs) located in the states larger suburban and metropolitan areas own and manage public housing developments. SHFDA supports the local PHAs with financing and/or technical assistance and thereby helps the PHAs achieve the federal program objectives of encouraging 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 participates in the Environmental Health Public Tracking System (EHPT) of the US Centers for Disease Control and

Prevention. To facilitate its participation, DHEC had to streamline its own lead database so that it could provide required EHPT data and incorporate data from the Adult Blood Lead Epidemiology and Surveillance Program. EHPT data for 2010 is now available. Note that South Carolina law requires physicians 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 less than six years of age. As a result, DHEC now provides several data resources for the number and percent of children tested for lead by age group and children tested for lead with Elevated Blood Lead Levels (EBLL).

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 was discussed in detail in the 2011-2015 Consolidated Plan. The latest data available indicates that, unemployment in the state is greatly reduced since the highs during the most recent recession. As of October 2013, approximately 7.5% of South Carolinians were below the poverty level, and as of September 2013 (the most recent month for which county level data is available) 10% or more of the population was below poverty in 13 counties. The highest rates are in the counties of Allendale (13.9%), Bamberg (12.4%), Barnwell (12.4%), Marlboro (12.7%), and Marion (14.4%).

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.

What is within the scope of the Consolidated Plan is the expansion of economic opportunity, primarily using CDBG funds to address issues which are obstacles to economic opportunity, such as low workforce skills, absence or inadequacy of basic public infrastructure and services needed to support economic growth, and downtown and commercial centers that lack vitality and are not conducive to small local business growth, residential growth or a large and thriving employer base. For those areas which can support business and industrial growth, CDBG funds can also be used, where appropriate and feasible, to help facilitate job creation by new or existing expanding businesses. The CDBG Program Description contained in the Attachments describes programs of CDBG funding that can assist with expanding economic opportunity and business development or job creation/retention for the 2014 Program Year.

Institutional Structure and Coordination

The State's strategy to enhance its housing and community development 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 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.

In terms of housing development in particular, coordination is facilitated by housing HOME and most other federal and state programs for housing in one agency: the State Housing Finance and Development Authority. Community and economic development is the mission of the SC Department of Commerce, which manages CDBG as well as other state resources that can be used for these two purposes, notably including Appalachian Regional Commission funding and the State Rural Infrastructure Fund. The Secretary of the SC Department of Commerce also heads the board of the newly created State Rural Infrastructure Authority. Finally, the SC Department of Commerce and Rural Infrastructure Authority routinely meet with other sources of infrastructure funding, such as the SC Department of Health and Environmental Control and USDA, to discuss projects, needs and priorities in an effort to better coordinate the delivery system.

Together, agencies and organizations in the state 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.

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 for South Carolina, which set forth the State's policies and procedures for citizen participation. The purpose of the CP Plan is to ensure a mechanism for 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. The CP Plan defines how the public will be encouraged to participate in each element, as well as how they will be notified of public hearings.

The CP Plan was included in the draft version of the Consolidated Plan when it was made available for public review, and any subsequent changes to it are likewise required to be made available to the public prior to finalization.

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 2014 Annual Action Plan, the state undertook the following efforts to encourage citizen participation:

- Notices to the public of the availability of the proposed 2014 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 5, 2014.
- A public hearing was held at 2:00 p.m. on Thursday, January 23, 2014, in the South Carolina Department of Commerce's 17th Floor Board Room at 1201 Main Street in Columbia, SC. The notice to the public regarding the availability of the draft Action Plan also provided notice of the public hearing and was published in the three major state newspaper(s) listed above.
- The notice to the public regarding the draft Action Plan and public hearing was posted on the www.cdbgSC.com website.
- As indicated in the public notices regarding the Plan, copies of the draft Plan were available via download from the www.cdbgSC.com website and at the offices of the South Carolina Department of Commerce, the State Housing Finance and Development Authority, the Office of Economic Opportunity at the Governor's Office, and the South Carolina Department of Health and Environmental Control. Copies were also made available to the ten Regional Councils of Government offices.

- 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 6 to February 5, 2014.
- Each program also consulted with its constituent groups.
 - The SC Department of Commerce met with representatives from the ten Regional Councils of Governments on December 17, 2013 for the purpose of obtaining input on needs and feedback on the proposed 2014 CDBG Program Description.
 - SHFDA used its electronic newsletter mechanism to request comments on its draft plan for the 2014 HOME Program, prior to finalizing it and submitting it to the lead agency for development of the 2014 State Action Plan.
 - The Governor's Office of Economic Opportunity met with representatives of the regional Continuum of Care organizations the week of December 9, 2013 to discuss plans for the 2014 Program Year and develop the 2014 ESG Action Plan.

X. Form 424 Application and Certifications

Form 424

The Standard Form 424 for each of the four HUD formula programs is included with each program's Annual Plan in the attachments. The program year is April 1, 2014 through March 31, 2015.

Certifications

State Certification and any program-specific certifications required are included in the Attachments.

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.

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.

Fair Housing Planning

Consistent with the above requirements, the State has undertaken fair housing planning at the state level, including preparation of an Analysis of Impediments (AI) which is described below. The State also annually takes actions aimed at addressing and eventually overcoming the effects of identified impediments, maintains records, and ensures that all State-funded jurisdictions comply with their certifications to affirmatively further fair housing. Affirmatively Furthering Fair Housing is also described below.

In addition to developing the AI in conjunction with the 2011 – 2015 Consolidated Plan, 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 and 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

Consistent with HUD's *Fair Housing Planning Guide* and other HUD guidance, the State modified its Consolidated Planning process for the 2011 - 2015 period to incorporate fair housing analysis and planning and concurrently prepared the Consolidated Plan and the Analysis of Impediments to Fair Housing Choice (AI). The AI thus forms an up to date and comprehensive state level review of laws, regulations and administrative policies, procedures, and practices that pertain to fair housing. The AI also contains an assessment of how these and other conditions, both private and public, affect fair housing choice, and it provides a basis for the state's fair housing planning efforts and efforts to affirmatively further fair housing during the five-year Consolidated Plan period. The state uses the AI as a guide in identifying actions that can be taken each year and reported in the CAPER.

The State's AI was developed based on a review of data, new and existing research, legal statutes, identified barriers to affordable housing, comments received from the public during the Consolidated Plan Citizen Participation process and other information collected from a wide range of sources. Data included census, fair housing complaints, lending and foreclosure statistics, HMDA, and public input obtained through surveys and forums. All of this 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. 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.

Actions which may be taken related to each impediment were also identified in the AI and are summarized below.

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.

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.

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.

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.

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.

During each year of the Consolidated Plan period, the State will 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. All actions will be described at the end of the year in the CAPER.

Affirmatively Furthering Fair Housing

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 and inform the public, owners and potential tenants about applicable fair housing laws. Beginning with the 2014 application round, SHFDA will also require all housing developers that receive HOME funds to submit a certification indicating how their organization intends to comply with the requirement to undertake efforts to affirmatively further fair housing. Several options are listed on the certification including sponsor and/or provide fair housing workshops, distribute and make available fair housing brochures/materials to tenants and prospective tenants, provide translation services for tenants who are unable to speak or understand English, etc. SHFDA will continue to require that funding recipients 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). SHFDA also provides fair housing training to housing developers at application and during implementation of HUD-funded grants, includes fair housing in its HOME Construction Manual, posts links to HUD Fair Housing and other relevant websites on their own www.schousing.com website, and reviews tenant selection policies and management plans submitted by HOME funding recipients for compliance. SHFDA's construction consultant also reviews construction information to ensure compliance with ADA regulations and requirements. Finally, the FHEO logo is required to be included in notices of award and procurement related advertising.

- SHFDA will also continue its outreach to lenders and real estate professionals and its efforts to provide continuing education for each. Where available and deemed to be of value to SHFDA's lender and real estate professional network of allies, it will incorporate materials on fair housing and fair lending in its workshop and training materials.
- CDBG will continue to perform as the lead agency for the Consolidated Plan and to facilitate Con Plan partner fair housing actions, development of and reporting on the State's Analysis of Impediments, and to otherwise ensure that its funding recipients comply with their certifications to affirmatively further fair housing. To this end, CDBG will require all recipients of funding to develop a Fair Housing plan which includes progressive fair housing actions, 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 require approval of this plan as a startup condition prior to release of funds and will monitor grantees prior to grant closeout to ensure compliance. CDBG workshops and manuals will include discussions of fair housing responsibilities and provide guidance on actions grant recipients can take to further fair housing in their communities. CDBG will also continue to make funding available for local or regional Analyses of Impediments and it will encourage local governments that have existing Analyses of Impediments to review and update them and undertake actions aimed at eliminating impediments described in those AIs.
- ESG and HOPWA will also assist in the state's efforts to affirmatively further fair housing by making their funding recipients aware of state fair housing resources. HOPWA made the link to www.fairhousingSC.com available on its website. ESG will include fair housing information in workshop materials and will ask its sub-grantees to post information in places visible to the recipients of the services they provide.

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 Solutions 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 Solutions 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 2014 Annual Action Plan

During the public comment period, which ran from January 6, 2014 to February 5, 2014, the State made the draft plan available to the public for review. The State also held a public hearing on January 23, 2014. Notice of the availability of the draft plan and the public hearing was published in *The State*, the *Greenville News* and the *Charleston Post & Courier* on January 5, 2014, and it was also posted on www.cdbgSC.com. The notice provided instructions on how to provide comments regarding the Plan, and this was also discussed during the public hearing.

During the public comment period, no comments were received by CDBG, ESG or HOPWA. The HOME Program received several phone calls regarding specific program requirements and policies detailed in the 2014 HOME Action Plan and Application Manual. These generally involved rent/income limit and unit type/distribution requirements and HOME responded by providing requested clarifications. No written comments were received by HOME.

State Certifications

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.

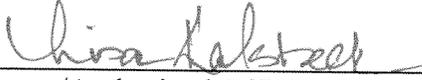
Anti-Lobbying: To the best of the State's knowledge and belief:

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.

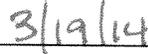
Authority of State: The submission of the consolidated plan is authorized under State law and the State possesses the legal authority to carry out the programs under the consolidated plan for which it is seeking funding, in accordance with applicable HUD regulations.

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.



Signature/Authorized Official



Date

Assistant Director, Federal Programs

Title

Program Specific Requirements

CDBG

**Community Development Block Grant
Program**



SF 424

The SF 424 is part of the CPMP Annual Action Plan. SF 424 form fields are included in this document. Grantee information is linked from the 1CPMP.xls document of the CPMP tool.

SF 424

Complete the fillable fields (blue cells) in the table below. The other items are pre-filled with values from the Grantee Information Worksheet.

Date Submitted: 3/20/2014	Applicant Identifier	Type of Submission	
Date Received by state	State Identifier	Application	Pre-application
Date Received by HUD	Federal Identifier	<input type="checkbox"/> Construction	<input type="checkbox"/> Construction
		<input checked="" type="checkbox"/> Non Construction	<input type="checkbox"/> Non Construction
Applicant Information			
Jurisdiction: State of South Carolina		UOG Code	
Street Address Line 1: 1201 Main Street, Suite 1600		Organizational DUNS: 878701374	
Street Address Line 2		Organizational Unit: State Government	
City: Columbia	State: South Carolina	Department: SC Department of Commerce	
ZIP 29201	Country U.S.A.	Division: Grants and Incentives	
Employer Identification Number (EIN):		County	
57-6000286		Program Year Start Date (04/01)	
Applicant Type:		Specify Other Type if necessary:	
State Government		Specify Other Type	
		U.S. Department of Housing and Urban Development	
Program Funding			
Catalogue of Federal Domestic Assistance Numbers; Descriptive Title of Applicant Project(s); Areas Affected by Project(s) (cities, Counties, localities etc.); Estimated Funding			
Community Development Block Grant		14.218 Entitlement Grant	
CDBG Project Titles: State Small Cities Program		Description of Areas Affected by CDBG Project(s) Statewide non-entitlement areas	
CDBG Grant Amount: \$19,295,365	\$Additional HUD Grant(s) Leveraged	Describe	
Additional Federal Funds Leveraged		Additional State Funds Leveraged	
Locally Leveraged Funds		Grantee Funds Leveraged	
Anticipated Program Income: \$18,000		Other (Describe)	
Total Funds Leveraged for CDBG-based Project(s): \$19,313,365			
Home Investment Partnerships Program		14.239 HOME	
HOME Project Titles:		Description of Areas Affected by HOME Project(s)	
HOME Grant Amount:	Additional HUD Grant(s) Leveraged	Describe	
Additional Federal Funds Leveraged		Additional State Funds Leveraged	
Locally Leveraged Funds		Grantee Funds Leveraged	
Anticipated Program Income		Other (Describe):	

Total Funds Leveraged for HOME-based Project(s)			
Housing Opportunities for People with AIDS		14.241 HOPWA	
HOPWA Project Titles:		Description of Areas Affected by HOPWA Project(s):	
HOPWA Grant Amount:	Additional HUD Grant(s) Leveraged	Describe	
Additional Federal Funds Leveraged		Additional State Funds Leveraged	
Locally Leveraged Funds		Grantee Funds Leveraged	
Anticipated Program Income		Other (Describe)	
Total Funds Leveraged for HOPWA-based Project(s):			
Emergency Shelter Grants Program		14.231 ESG	
ESG Project Titles:		Description of Areas Affected by ESG Project(s):	
ESG Grant Amount:	Additional HUD Grant(s) Leveraged	Describe	
Additional Federal Funds Leveraged		Additional State Funds Leveraged	
Locally Leveraged Funds		Grantee Funds Leveraged	
Anticipated Program Income		Other (Describe)	
Total Funds Leveraged for ESG-based Project(s) :			
Congressional Districts of: All SC Districts		Is application subject to review by state Executive Order 12372 Process?	
Applicant Districts	Project Districts		
Is the applicant delinquent on any federal debt? If "Yes" please include an additional document explaining the situation.		<input type="checkbox"/> Yes	This application was made available to the state EO 12372 process for review on DATE
		<input checked="" type="checkbox"/> No	Program is not covered by EO 12372
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> N/A	Program has not been selected by the state for review

Person to be contacted regarding this application		
First Name: Lisa	Middle Initial	Last Name: Kalsbeck
Title: Assistant Director, Federal Programs, SC Department of Commerce, Division of Grants Administration	Phone: 803-734-0429	Fax: 803-734-0385
eMail: lkalsbeck@sccommerce.com	Grantee Website sccommerce.com and cdbgsc.com	Other Contact
Signature of Authorized Representative 		Date Signed 3/19/14

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) 2014, 2015, and 2016 (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.

China Kalstreck

Signature/Authorized Official

3/19/14

Date

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).

South Carolina Community Development Block Grant Program

2014 CDBG Program Description

2014 — 2015

SC Department of Commerce
Division of Grants Administration
1201 Main Street, Columbia SC 29201



South Carolina
Department of Commerce

Just right for business.

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

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

Phone: (803) 734-0429

Fax: (803) 734-0385

TDD: (803) 734-1046

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 2014 through 2016 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

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 2014 CDBG allocation from HUD is \$19,295,365, and the State plans the distribution shown below. (Note that italicized amounts are breakdowns of the Community Development Program total amount.) The State may issue contingent grant awards or commitments to local governments in the event the CDBG grant award from HUD is delayed.

Category	Amount
Community Development Programs*	\$16,116,505
■ <i>Community Infrastructure</i>	<i>\$7,753,302</i>
■ <i>Community Enrichment</i>	<i>\$1,800,000</i>
■ <i>Neighborhood Revitalization</i>	<i>\$5,963,203</i>
■ <i>Ready to Go</i>	<i>\$600,000</i>
Business Development Program	\$ 2,000,000
Regional Planning Program	\$ 500,000
State Technical Assistance (1%)	\$ 192,953
State Administration (2% of allocation + \$100,000)	\$ 485,907
Total 2014 CDBG Allocation**	\$19,295,365

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.

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 \$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 \$18,000 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: \$16,116,302

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: \$7,753,302

Grant Maximum: \$750,000*

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 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: **\$1,800,000**

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. Increasing economic competitiveness
2. Education and workforce development
3. Safe and healthy communities

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 - Increasing Economic Competitiveness
 - Brownfield projects or demolition of obsolete buildings
 - Downtown streetscape infrastructure where there is significant business activity and prior investment. Projects must include a plan for retail/small business support.
 - Planning for regional infrastructure, or brownfields clean up and redevelopment, or master drainage studies
 - 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.)
- Second priority - Education and Workforce Development
 - Libraries – facilities or computer equipment with broadband capability to enhance skills training and education
 - Publically owned facilities (except operating school facilities) that offer extended educational opportunities for adult literacy/skills, or to serve at risk LMI children or youth

- Transportation-oriented public facilities or services to serve LMI workforce populations
- Third priority – Safe and Healthy Communities
 - Public safety facilities and services in LMI areas - 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 fire 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

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.

Neighborhood Revitalization Program

Funds Available: \$5,963,203*

Grant Maximum: \$500,000

Grant Minimum: \$50,000

* A portion of funds available in this program are reserved for Village Renaissance projects eligible for multi-year funding commitments for phased implementation activities approved under previous years' CDBG Program Description. Such projects are subject to the applicable Program Description requirements when the project was first approved for phased funding, unless otherwise stated.

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 phased program of planning and implementation that may be funded with CDBG and/or other funds. A locally funded neighborhood revitalization plan (or previously CDBG-funded Village Renaissance plan) is a pre-requisite to implementation funding, and the plan must be submitted to GA with the application for Neighborhood Revitalization implementation funding. The plan should identify community needs, prioritize activities designed to comprehensively revitalize the neighborhood with CDBG and other funds,

and set out a realistic plan for implementation of CDBG eligible and other activities in two possible consecutive implementation phases. Plan elements are described in the CDBG Application Guidelines.

Implementation of comprehensive neighborhood revitalization must involve multiple activities including a public safety component. Activities to be undertaken must be justified and described in the plan. Such activities should be prioritized to address basic infrastructure and safety first and, where feasible, geographically concentrated within the target area in order to make the greatest impact. Eligible activities 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; limited 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, must comply with applicable program threshold requirements, and prior phases, where applicable, must be completed and the grant closed in compliance with program requirements.

Ready to Go Program

Funds Available: \$600,000

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 submitted during the same time 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 Neighborhood Revitalization/Village Renaissance or streetscape 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 the current phase is under construction.

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.

CDBG application-related deadlines for the 2014-2015 Program Year are:

Community Infrastructure

Application Requests due:	March 14, 2014 at 5:00 p.m.
Applications due:	April 14, 2014 at 5:00 p.m.

Community Enrichment and Neighborhood Revitalization

Application Requests due:	August 15, 2014 at 5:00 p.m.
Applications due:	September 15, 2014 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 may 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 Selection Criteria below.

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 II (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 selected
 - ◆ 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

Neighborhood Revitalization:

- ◆ 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 by 10% or less = 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.

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 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. 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/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.

Program Specific Requirements

HOME

HOME Investment Partnerships



SF 424

The SF 424 is part of the CPMP Annual Action Plan. SF 424 form fields are included in this document. Grantee information is linked from the ICPMP.xls document of the CPMP tool.

SF 424

Complete the fillable fields (blue cells) in the table below. The other items are pre-filled with values from the Grantee Information Worksheet.

Date Submitted March 20, 2014	Applicant Identifier Participating Jurisdiction	Type of Submission	
Date Received by state	State Identifier: M14-SG450100	Application	Pre-application
Date Received by HUD	Federal Identifier	<input checked="" type="checkbox"/> Construction	<input type="checkbox"/> Construction
		<input type="checkbox"/> Non Construction	<input type="checkbox"/> Non Construction
Applicant Information			
Jurisdiction: Statewide		UOG Code: 450001 0001	
Street Address Line 1: 300-C Outlet Pointe Blvd.		Organizational DUNS: 786240908	
Street Address Line 2		Organizational Unit: State Government	
City: Columbia	South Carolina	Department: Housing Development	
ZIP: 29210	Country U.S.A.	Division: Application Management	
Employer Identification Number (EIN):		County: Lexington	
59-1585639		Program Year Start Date (MM/DD):04/01/14	
Applicant Type:		Specify Other Type if necessary:	
State of South Carolina		Specify Other Type	
Program Funding		U.S. Department of Housing and Urban Development	
Catalogue of Federal Domestic Assistance Numbers; Descriptive Title of Applicant Project(s); Areas Affected by Project(s) (cities, Counties, localities etc.); Estimated Funding			
Community Development Block Grant		14.218 Entitlement Grant	
CDBG Project Titles		Description of Areas Affected by CDBG Project(s)	
\$CDBG Grant Amount	\$Additional HUD Grant(s) Leveraged	Describe	
\$Additional Federal Funds Leveraged		\$Additional State Funds Leveraged	
\$Locally Leveraged Funds		\$Grantee Funds Leveraged	
\$Anticipated Program Income		Other (Describe)	
Total Funds Leveraged for CDBG-based Project(s)			
Home Investment Partnerships Program		14.239 HOME	
HOME Project Titles: HOME Investment Partnership Program		Description of Areas Affected by HOME Project(s) Statewide	
\$HOME Grant Amount: \$4,683,990	\$Additional HUD Grant(s) Leveraged	Describe	
\$Additional Federal Funds Leveraged		\$Additional State Funds Leveraged	

\$Locally Leveraged Funds	\$Grantee Funds Leveraged
\$Anticipated Program Income: \$4,800,000	Other (Describe):
Total Funds Leveraged for HOME-based Project(s): \$9,483,990	

Housing Opportunities for People with AIDS	14.241 HOPWA
HOPWA Project Titles	Description of Areas Affected by HOPWA Project(s)
\$HOPWA Grant Amount	\$Additional HUD Grant(s) Leveraged Describe
\$Additional Federal Funds Leveraged	\$Additional State Funds Leveraged
\$Locally Leveraged Funds	\$Grantee Funds Leveraged
\$Anticipated Program Income	Other (Describe)
Total Funds Leveraged for HOPWA-based Project(s)	

Emergency Shelter Grants Program	14.231 ESG
ESG Project Titles	Description of Areas Affected by ESG Project(s)
\$ESG Grant Amount	\$Additional HUD Grant(s) Leveraged Describe
\$Additional Federal Funds Leveraged	\$Additional State Funds Leveraged
\$Locally Leveraged Funds	\$Grantee Funds Leveraged
\$Anticipated Program Income	Other (Describe)
Total Funds Leveraged for ESG-based Project(s)	

Congressional Districts of:		Is application subject to review by state Executive Order 12372 Process?
Applicant Districts: Statewide	Project Districts: Statewide	
Is the applicant delinquent on any federal debt? If "Yes" please include an additional document explaining the situation.		<input type="checkbox"/> Yes This application was made available to the state EO 12372 process for review on
<input checked="" type="checkbox"/> No		<input checked="" type="checkbox"/> No Program is not covered by EO 12372
<input type="checkbox"/> Yes		<input type="checkbox"/> N/A Program has not been selected by the state for review

Person to be contacted regarding this application		
First Name: Valarie	Middle Initial: M.	Last Name: Williams
Title: Executive Director	Phone: (803) 896-9005	Fax: (803) 551-4876
eMail: valarie.williams@schousing.com	Grantee Website: schousing.com	Other Contact
Signature of Authorized Representative 		Date Signed: March 19, 2014

2014

The South Carolina State Housing
Finance and Development Authority

300-C Outlet Pointe Blvd., Columbia,
South Carolina 29210

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HOME INVESTMENT PARTNERSHIPS PROGRAM

**2014
ACTION
PLAN**

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EXECUTIVE SUMMARY

The HOME Investment Partnerships Program (HOME) provides grants to states and units of local government to implement local housing strategies designed to increase homeownership and affordable housing opportunities for low and very low-income Americans.

The HOME program (24 CFR part 92), authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990 (42 U.S.C. 12701 et seq.), is designed as a partnership among the federal government, state and local governments, and those in the private sector (profit and not-for-profit) who build, own, manage, finance and support low-income housing initiatives.

The HOME program is implemented through Participating Jurisdictions or "PJs". The Department of Housing and Urban Development (HUD) designated PJs may be states or units of general local government, including consortia and urban counties. South Carolina has sixteen (16) PJs (including the Authority), each working independently of the other.

As the designated PJ for the state, the South Carolina State Housing Development and Finance Authority (Authority) will ensure that HOME funds are distributed in a manner that is reasonably equitable to all regions of the state.

This comprehensive Annual Action Plan (the Plan) outlines the Authority's strategies to address affordable and supportive housing needs within the state of South Carolina. The Plan also reflects the State's priorities as set forth in the 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). The Authority works with these partners to increase awareness of the HOME Program while increasing housing quality and capacity statewide.

As the State PJ, the Authority will administer a total of **\$9,483,990** in HOME funds. This amount consists of the estimated 2014 HUD allocation of **\$4,683,990** and anticipated 2014 HOME program income of **\$4,800,000**. There are several legislated set-asides allowed and required by HUD.

2014 HOME Distribution (Table 1)

Set Asides	Allocation	Program Income	Totals
*State Estimated PJ Balance/Less the following set asides	\$4,683,990	\$4,800,000	\$9,483,990
Administrative 10%	(\$468,399)		(\$468,399)
CHDO Operating	(\$100,000)		(\$100,000)
HOME/Low-Income Housing Tax Credit/Multi-Family Bond Program		(\$4,560,000)	(\$4,560,000)
Single Family Division/Other eligible Activities		(\$100,000)	(\$100,000)
Statewide Rental **	(\$4,115,591)	(\$140,000)	(\$4,255,591)
Statewide PJ Balance	\$0.00	\$0.00	\$0.00

*Any increase or decrease in funding to match actual allocation amounts will be applied to the Statewide Rental program.

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

The Authority shall distribute its 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 estimated 2014 HOME allocation of **\$4,683,990** several funding 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 program administration and five percent (5%) for CHDO operating funds.

As referenced in **Table 1**, the Authority anticipates a total of **\$9,483,990** for distribution as outlined below:

- Allowable set aside of ten percent (10%) (**\$468,399**) 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 of the set-aside for the statewide rental competition.**
- Allowable set aside of **\$100,000** (maximum allowed is 5%) 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 **\$4,560,000** to be used in conjunction with the Low Income Housing Tax Credit (LIHTC) Program and the Multi-Family Tax Exempt Bond Program to finance rental developments in an effort to maximize the state's available resources.
- Set aside of **\$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 **\$4,255,591** 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.

At the discretion of the Authority, any additional allocations, reallocated, recaptured or remaining funds described in this Action Plan may be awarded in any category described in this Action Plan. Funds may be redistributed in accordance with the HOME Program design based on availability and timing of resources, as well as program demand.

HOME PROGRAM DESIGN

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. Units of local government, nonprofits, for-profits, and PHAs are eligible recipients of the awards.

Distribution of 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 the general public to help determine the housing needs of the State by conducting an annual public hearing. Comments submitted on the Authority's Plan during the public hearing will be incorporated, as applicable, into the Plan which will help ensure that the activities proposed in the Plan are consistent with the priorities contained in the State's Consolidated Plan.

Rental Activity - Competitive:

HOME's rental activity will impact the living conditions of citizens who cannot participate in homeownership opportunities, but nonetheless deserve quality affordable housing opportunities. In an effort to ensure project feasibility, rental options are designed to enhance and compliment other rental housing programs, such as; Housing Trust Fund (HTF), Community Development Block Grant (CDBG), Low Income Housing Tax Credit (LIHTC), Federal Home Loan Bank etc.

In addition to other types of assistance, as approved by HUD, financial assistance may include repayable or deferred loans and grants.

In addition to HOME's regular rental cycle, HOME funds are made available in conjunction with the LIHTC program. 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 Tax Credit webpage.

Rental Activity – Noncompetitive:

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

Homeownership Activity – Noncompetitive:

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 deferred forgivable loan. The assistance will not exceed \$10,000 per unit. These funds are made available directly to eligible beneficiaries through a noncompetitive process.

Application Process:

Competitive applications for Rental activities will be accepted **February 24 - February 25, 2014** during regular business hours of 8:30 a.m. to 5:00 p.m. (EST). 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 HOME Application Workshop will be held on **Wednesday, January 29, 2014.**

Applications must meet the minimum HOME threshold requirements prior to being rated and ranked in the 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 conditional commitment letter which serves as the initial notification of a HOME award. An Environmental Review is conducted on each project receiving a HOME conditional commitment letter. 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. The requirements and performance standards found in the Agreements are reviewed in detail at the Authority's HOME Implementation Training.

Implementation Process:

Participants awarded HOME funds are required to participate in a HOME Implementation Training 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 (24) month Agreement period.

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).

RECAPTURE PROVISION REQUIREMENTS

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

All HOME-assisted homebuyer housing will meet the specific requirements of 24 CFR Part 92.254 in order to qualify as affordable housing. The homebuyer will have an initial purchase price that does not exceed 95 percent of the median purchase price for the area. The deferred forgivable loan documents and written agreement will enforce the provisions requiring the unit be the principal residence of an owner whose family qualifies as low-income at the time of purchase, the established affordability period based on the direct HOME subsidy and the recapture rather than the resale provision.

The Authority will reduce the amount of direct HOME subsidy on a pro-rata basis of twenty percent (20%) per year for the time the homebuyer has owned and occupied the house throughout the five (5) year affordability period. The pro rata amount recaptured by the Authority will not exceed the amount available from net proceeds.

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 2014 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 six and one half million (**\$6,500,000**) 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 Anticipated State PJ Allocation	\$ 4,683,990
Less Administrative Costs (10%)	\$ 468,399
Less CHDO Operating Expenses	<u>\$ 100,000</u>
Total State PJ Balance	\$ 4,115,591
Total Estimated 2014 Matching Contribution	\$ 1,028,897

AFFIRMATIVE MARKETING & OUTREACH TO MINORITY AND WOMEN BUSINESSES

Affirmative marketing procedures will follow the procedures and regulations as noted in the "State Participating Jurisdiction Certification". 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 24 CFR 107
(Equal Opportunity in Housing)
- c) Title VI Civil Rights Act - 1964 24 CFR 1
(Nondiscrimination in Federal Programs)
- d) Age Discrimination Act - 1975 24 CFR 146

e)	Sect. 504 Rehabilitation Act - 1973	24 CFR 8
f)	Executive Order 11246 (Equal Employment Opportunity)	41 CFR 60
g)	Section 3 of the Housing and Urban Development Act of 1968	24 CFR 35
h)		
i)	Executive Order 11625	
j)	Executive Order 12432	
k)	Executive Order 12138	
l)	Site and Neighborhood Standards	24 CRR 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.

PROGRAM INCOME NARRATIVE

The Authority intends to use HOME Program Income in conjunction with the Authority's Mortgage Revenue Bond (MRB) Program and rental activities, including projects funded under the Tax Exempt Bond and Low Income Housing Tax Credit (LIHTC) Programs.

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 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. 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.

Should Program Income be utilized for administrative costs, they will not exceed 10% as allowed by HOME regulations for Program Income. Program Income is generated from principal and interest receipts on multifamily loans serviced (includes early payoff of HOME Trust loans serviced), principal and interest receipts and recaptures on single family first mortgage loans and repayable down payment assistance loans serviced, early payoffs of forgivable single family down payment assistance loans serviced, and interest earned on program income deposits. The total HOME Program Income for the period is anticipated to be **\$4,800,000**.

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.

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

3-19-14
Date

RENTAL GUIDELINES AND REQUIREMENTS

PURPOSE

The HOME Investment Partnerships 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 agencies, state and local governments, and those in the non-profit and for-profit sectors. The goal of the HOME program is to preserve and create affordable housing for low-income households.

ELIGIBLE ACTIVITIES

1. HOME funds are available for new construction, acquisition/rehabilitation, or rehabilitation of rental units.

ELIGIBLE APPLICANTS

1. Units of Local Government (cities, counties and towns)
2. Public Housing Authorities (PHA's)
3. Authority Approved Community Housing Development Organization (CHDO)
4. Nonprofit Entities
5. For-profit Entities

FINANCIAL TERMS & CONDITIONS

The Authority will make **\$4,255,591** in HOME funds available for the 2014 HOME Funding Cycle.

- I. Terms and conditions for receiving a HOME award are as follows:
 1. The total maximum HOME award amount per application is \$500,000.
 2. Funds may be awarded as a grant or as an amortizing one percent (1%) loan or as a combination of both.
 3. For-Profit Applicants and units of local government:
 - a. May request a one percent (1%) loan, not to exceed \$500,000;
 - b. Terms and amortization period must be for a minimum of twenty (20) years and may not exceed thirty (30) years.
 4. Nonprofits, Authority Approved CHDOs, and Public Housing Authorities:
 - a. May request a grant of up to \$250,000;
 - b. May request a one percent (1%) loan;
 - c. Combine a loan with a grant (the grant cannot exceed \$250,000) for a combined total not to exceed the \$500,000 HOME cap;

- d. CHDOs awarded HOME project funds may be eligible to receive Operating Funds under the following conditions:
 - i. Operating fund amounts are based on the available funds;
 - ii. CHDOs receiving a HOME award of \$100,000 or less, may receive operating funds of up to 50% of the amount of the HOME funds awarded;
 - iii. CHDOs awarded more than \$100,000 in HOME funds may receive up to \$50,000 in operating funds;
 - iv. CHDOs cannot receive more than \$50,000 in operating funds in any one calendar year;
 - v. If a CHDO has previously received two operating awards, it is **NO LONGER** eligible to receive operating funds; and
 - vi. 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.
5. HOME funds can be combined with other subsidy sources such as Housing Trust Fund (HTF), Community Development Block Grant (CDBG), Low Income Housing Tax Credit (LIHTC), Federal Home Loan Bank, etc. As per the revised HOME Final Rule, all additional funding sources provided to a project must be committed at the time of a HOME application submission.
6. The HOME affordability period requirements will be enforced through a recorded Restrictive Covenant.
7. HOME funds are secured through an Applicant's execution of a Promissory Note and the recordation of a Mortgage.
8. In the event the property is sold, the HOME loan becomes due and payable at closing (as per the mortgage and security agreement "Due on Sale" clause).
9. For new construction, all units must be designated as HOME-assisted units. In rehabilitation projects with existing occupants, the HOME-assisted units will be determined based on the current tenants.
10. The project's initial Debt Coverage Ratio (DCR) shall not be less than 1.20.
11. All HOME loans will be underwritten to ensure there will be cash flow sufficient to cover debt service.
12. The HOME loan will be in a first mortgage position. The Authority will only allow the HOME loan to be subordinated to a conventional lender.
13. HOME loans will be deferred for ninety (90) days following project completion.
14. Interest will NOT be charged on the HOME loan during the construction phase of the project.
15. Participants may choose to draw HOME funds during construction or at project completion.
16. If the contract is \$100,000 or greater a payment and performance bond, or Letter of Credit (LOC) in an amount equal to the construction contract must be provided by ALL Applicants electing to draw HOME funds during construction.
17. If drawn during construction, HOME funds awarded must be drawn proportionate with other sources of financing in the project.
18. The Authority will only release funds for completed work in place that has been inspected and approved by an Authority inspector.

GENERAL INFORMATION

1. Anticipated HOME Schedule:

Application Workshop:	January 29
Application Submission Deadline:	February 24-25
Begin Environmental Reviews:	February
Complete Review for:	
Threshold Criteria and Missing Documents:	March
Missing Documentation Letters Mailed:	March
Underwriting Review and Analysis:	March
Conditional Commitment Letters Mailed:	April
2. Any revisions to the contents of the HOME Rental Application Package by the Authority will be documented in the form of a bulletin. Bulletins will be posted on the Authority's HOME website and

disseminated to all persons on the Authority's HOME contact list via email. It is the Applicant's responsibility to check the Authority's website for any revisions that may occur.

3. The Authority reserves the right to:
 - a. Award Applicants less than the amount of HOME funds requested.
 - b. Reject any and all applications received.
 - c. Waive or modify minor irregularities in applications upon notification to the Applicant.
 - d. Adjust or correct any mathematical errors in the application.
 - e. Request and receive clarification from the Applicant to ensure an understanding of the application submitted.
 - f. 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.
 - g. Negotiate with the Applicant to serve the best interest of the Authority.
4. Awarded Applicants, whose project(s) successfully complete the environmental review process, will receive a HOME Award Agreement.
 - a. HOME Award Agreements contain deadlines for committing and expending HOME funds as well as deadlines for providing other required documentation.
 - b. The Authority may exercise its right to terminate any HOME Award Agreement, at any time prior to the Agreement's end date, due to lack of project productivity.
5. Each Applicant will be required to submit a Placed-In-Service application that:
 - a. Is due when the project is one hundred percent (100%) complete and in receipt of a Certificate of Occupancy (CO); and
 - b. Will be reviewed by the underwriting staff to ensure that the project is entitled to the full amount of HOME funds and HTF, if applicable, originally awarded.
6. Consultants are limited to the administrative management of and may not be involved with more than two (2) open HOME awards at a time.
7. No member, officer, agent, or employee of the Authority shall be held 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.
8. All legally binding executed financial commitments from all funding sources must be submitted at the time of the initial HOME application submission. The revised HOME Final Rule requires that all other sources of financing for a project be committed to the project prior to committing HOME funds. Therefore, the Authority cannot accept any proposed or anticipated to be applied for funding sources as part of the project's financial structure.

PROGRAM SUSPENSION/DEBARMENT

1. 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 project by the completion deadline specified in the HOME 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 a legally executed Construction Design Certification (Form M-36) or providing a false or inaccurate certification that a project meets the standards and requirements as stated in the body of the certification when, in fact, it does not, will result in the disqualification of the

developer and the architect. The Authority may also file a complaint against the architect with the S.C. Department of Labor, Licensing and Regulation.

2. Any of the following actions may result in the permanent debarment from participating in all Authority administered programs:
 - a. Any applicant who provides false or misleading information to the Authority with regard to a project 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 become void. Each Applicant will be given written notice by the Development Director stating the reason for which the sanction of debarment was imposed.
 - b. An Applicant who provides agreements, written or otherwise, that attempt 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; those suspensions and debarments are conducted as outlined in the Authority's Debarment and Program Suspension Policy which can be found on the Authority's website.

SUBMISSION REQUIREMENTS

1. Applications may be obtained from the Authority's website at www.schousing.com or requested in writing at the address below:
South Carolina State Housing Finance and Development Authority
ATTN: HOME Program Application Package
300-C Outlet Pointe Blvd.
Columbia, SC 29210
2. Applications for the 2014 HOME Rental Application cycle must be submitted to the Authority between February 24 and **February 25, 2014** during regular business hours of 8:30 a.m. to 5:00 p.m. (EST). **Applications received after the deadline will not be considered for funding and will be returned to the Applicant.**
3. Applications may be delivered by hand, mail, or other shipping services. Applications will **not** be accepted by facsimile and/or e-mail transmission.
4. 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.
5. 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.
6. Complete applications must include all pages of the application and all items identified on the 2014 HOME Rental Application Tab Checklist (Exhibit 1) along with any supporting documentation.
7. A nonrefundable \$150 application processing fee must be submitted with each application. The processing fee must be in the form of a cashier's check and made payable to the South Carolina State Housing Finance and Development Authority. **Applications submitted without the processing fee will not be accepted or reviewed and will be returned to the Applicant.**
8. All costs incurred by the Applicant in the preparation, transmittal, or presentation of the application package are the responsibility of the Applicant.

REVIEW PROCESS

Authority staff will review the rental applications received as outlined below:

1. Evaluation Criteria - Applications will be reviewed for, but not limited to, the following:
 - a. Mandatory threshold criteria;
 - b. Compliance with federal and state laws;
 - c. Application package completeness;
 - d. HOME program requirements; and
 - e. An underwriting evaluation to review for financial feasibility.
2. Applications that do not meet the following criteria may be disqualified:
 - a. Application packages with four (4) or more missing and/or incomplete items may be disqualified.
 - b. Applicants with three (3) or less 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 meet this requirement may result in the automatic disqualification of the application.
 - c. Applications that are not financially feasible and/or fail to meet underwriting threshold criteria may be disqualified.
3. Applications deemed to be financially feasible, requiring HOME subsidy, and consistent with HOME policies may be recommended to the Executive Director for Round One funding. Funding allocations will start with the highest scoring application and funding will continue until all available HOME funds are depleted.
4. 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 adhere to all threshold requirements (except the percentage of HOME funds awarded to any one county in any given year).
5. Proposal acceptance or rejection and utilization of unused HOME funds are at the discretion of Authority staff.

THRESHOLD REQUIREMENTS

1. Participating Jurisdictions (PJs) are not eligible to apply for Authority HOME funds. South Carolina's designated PJs are:
 - a. City of Charleston
 - b. City of Columbia
 - c. City of Greenville
 - d. City of Spartanburg
 - e. Charleston County
 - f. Greenville County
 - g. Lexington County
 - h. Spartanburg County
 - i. Anderson County Consortium (*Anderson City and County*)
 - j. Beaufort County Consortium (*Beaufort, Jasper, Hampton, Colleton*)
 - k. Georgetown County Consortium (*Horry, Georgetown and Williamsburg*)
 - l. Greenwood County Consortium (*Abbeville, McCormick, Edgefield, Saluda, Greenwood and Laurens*)
 - m. Orangeburg County Consortium (*Aiken, Allendale, Bamberg, Barnwell, Calhoun, Orangeburg*)

- n. Sumter County Consortium (*Sumter, Lee, Clarendon, Kershaw*)
 - o. Richland County
2. Prior to committing any HOME funds, the Authority will conduct a review of the Applicant's financial capacity.
 - a. Financial statements that have been compiled, reviewed or audited by an independent CPA licensed by the South Carolina Board of Accountancy must be submitted along with the application.
 - b. Financial statements must include a balance sheet dated on or after December 31, 2012.
 - c. An applicant or applicant group must have a minimum of unrestricted liquid assets of 10% of the total HOME award requested in all HOME awards requested in all applications submitted in the current HOME cycle and a minimum net worth of \$100,000.
 - i. The Authority defines liquid assets as cash, cash equivalents, and investments held in the name of the entities and/or persons, including cash in bank accounts, money market funds, U.S. Treasury bills, and equities traded on the New York Stock Exchange or NASDAQ. Certain cash and investments will not be considered liquid assets, including, but not limited to: 1) stock held in the applicant's own company or any closely held entity, 2) investments in retirement accounts, 3) cash or investments pledged as collateral for any liability, and 4) cash in property accounts including reserves.
 - ii. All liquid assets must be identified in the submitted financial statement.
 - iii. The Authority reserves the right to verify information in the financial statements and all financial capacity statements made by applicants, lenders, accountants, and others. If false statements are found to have been made at any point in time, all entities and/or persons associated with the application may be debarred from all Authority programs for three (3) years.
 3. Applicants must be in good standing with all Authority programs. A HOME Eligibility Certification (M-47), signed by the Authority's Development Awards Manager, must be submitted with ALL applications. ANY participating organization, developer(s), general partner(s), or managing member(s) will be automatically disqualified if any of the following issues of noncompliance are demonstrated:
 - a. Uncorrected non-compliance violations with the Authority;
 - b. Not in good standing with other Authority administered programs (including delinquent loan payments owed to the Authority, compliance monitoring fees, etc.);
 - c. 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.);
 - d. The Applicant's audited financial statements contain findings that have not been cleared that are relative to administering or managing housing assistance programs.

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.
 4. 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.
 5. Participants that have 2011 and earlier HOME awards must have the award(s) officially closed out in order to be eligible to participate in the current HOME cycle.
 6. Participants with open HOME awards must be in compliance with the Implementation Schedule in order to be eligible to participate in the 2014 HOME application cycle.
 7. No County, in any given year, can receive more than 50% of the current years available HOME Rental funds in the Round One funding selection. It is the Authority's intent to promote fair and objective administration of the HOME Program funds by ensuring that no single County receives an excessive share of the available program funds in any one application cycle. Remaining Round One funds will be awarded in a Round Two funding selection. Round Two funding will be awarded beginning with the highest scoring remaining applications which adhere to all threshold requirements.

8. 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.
9. All 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).
10. A Market Study or Market Study Needs Assessment Report prepared by an Authority approved third party market study provider must be submitted with the application to ensure there is adequate demand for the proposed project. Applications with twelve (12) or fewer units must submit a Market Study Needs Assessment Report. Applications with thirteen (13) or more units must submit a Market Study.
11. Appraisal requirements:
 - a. A property appraisal is required to ensure that the Applicant does not purchase the property for more than the fair market value.
 - b. An appraisal, dated no more than six (6) months prior to the date the HOME application is signed, is required with submission of the application.
 - c. *Notice to Seller for the Acquisition of Property with Federal Funds* (Form M-52) is required. It must be initiated at the time of the option or contract and must be submitted with the application.
 - d. A written report which provides an estimated value of a piece of property prepared by an independent third party licensed real estate appraiser. For rehabilitation developments, appraisals must represent the income approach. For new construction developments, containing only vacant land, appraisals must use the market data approach.
12. Applicants who require HOME funds in combination with a Low-Income Housing Tax Credit (LIHTC) development **may not** apply in this HOME application cycle. HOME funds in combination with LIHTC may only be obtained during the annual competitive LIHTC application cycle.
13. Applicants must provide all of the following for projects involving relocation:
 - a. A current rent role certified by the property manager or property owner that clearly identifies which units are occupied and which are vacant.
 - b. Completed *Tenant Profile Form* (Form M-39) for each occupied household.
 - c. Acceptable documentation indicating that *General Information Notices* (Exhibits 2 or 3) have been completed and successfully delivered to 100% of the existing tenants.
 - d. A relocation plan addressing temporary and permanent relocation.
14. Applicants must have site control of the proposed site:
 - a. All Applicants must provide an option, sales contract or a warranty deed in the name of the Applicant for the proposed project site.
 - b. Applicants are allowed to enter into options and sales contracts for property prior to the completion of the environmental review if, and only if, the option or sales contract is conditional in nature so as not to provide legal claim to any amount of HOME funds to be used for the specific project or site until the environmental review process is satisfactorily completed.
 - c. For all projects requesting HOME funds, the following language **must be** included in any purchase option, purchase contract, or long term lease or included as an executed addendum attached to one of these documents and dated on or before February 21, 2014, "Notwithstanding any provision of this Agreement, if U.S. Department of Housing and Urban Development (HUD) funds are used, including, but not limited to HOME funds, the parties agree and acknowledge that this Agreement does not constitute a commitment of funds or site approval, and that such commitment of funds or approval may occur only upon satisfactory completion of an environmental review and receipt of a release of funds notice from the U.S. Dept. of HUD under 24 CFR Part 58. The parties further agree that the provision of any federal funds to the project is conditioned on the determination to proceed with, modify or cancel the project based on the results of a subsequent environmental review. If no HUD funds are utilized in regard to this property, this provision shall be considered null and void."

RENTAL POINT CRITERIA

Points will be awarded to all applications based on criteria outlined in the HOME Application Package. Both positive and negative points will be assessed for criteria such as distance to services, developer experience and performance, development design, energy efficiency, etc.

Conditional commitments for HOME funds will be made to developments in order of highest to lowest point score until all HOME funds have been awarded.

Program Specific Requirements

ESG

**Emergency Solutions Grant
Program**



SF 424

The SF 424 is part of the CPMP Annual Action Plan. SF 424 form fields are included in this document. Grantee information is linked from the 1CPMP.xls document of the CPMP tool.

SF 424

Complete the fillable fields (blue cells) in the table below. The other items are pre-filled with values from the Grantee Information Worksheet.

Date Submitted: 3/20/2014	Applicant Identifier	Type of Submission	
Date Received by state	State Identifier	Application	Pre-application
Date Received by HUD	Federal Identifier	<input type="checkbox"/> Construction	<input type="checkbox"/> Construction
		<input checked="" type="checkbox"/> Non Construction	<input type="checkbox"/> Non Construction
Applicant Information			
Jurisdiction: State of South Carolina		UOG Code	
Street Address Line 1: 1205 Pendleton Street		Organizational DUNS: 786543020	
Street Address Line 2		Organizational Unit: State Government	
City: Columbia	State: South Carolina	Department: SC Governor's Office	
ZIP 29201	Country U.S.A.	Division: Office of Economic Opportunity	
Employer Identification Number (EIN):		County	
57-6000286		Program Year Start Date (04/01)	
Applicant Type:		Specify Other Type if necessary:	
State Government		Specify Other Type	
Program Funding		U.S. Department of Housing and Urban Development	
Catalogue of Federal Domestic Assistance Numbers; Descriptive Title of Applicant Project(s); Areas Affected by Project(s) (cities, Counties, localities etc.); Estimated Funding			
Community Development Block Grant		14.218 Entitlement Grant	
CDBG Project Titles:		Description of Areas Affected by CDBG Project(s)	
CDBG Grant Amount:	\$Additional HUD Grant(s) Leveraged	Describe	
Additional Federal Funds Leveraged		Additional State Funds Leveraged	
Locally Leveraged Funds		Grantee Funds Leveraged	
Anticipated Program Income:		Other (Describe)	
Total Funds Leveraged for CDBG-based Project(s):			
Home Investment Partnerships Program		14.239 HOME	
HOME Project Titles:		Description of Areas Affected by HOME Project(s)	
HOME Grant Amount:	Additional HUD Grant(s) Leveraged	Describe	
Additional Federal Funds Leveraged		Additional State Funds Leveraged	
Locally Leveraged Funds		Grantee Funds Leveraged	
Anticipated Program Income		Other (Describe):	

Total Funds Leveraged for HOME-based Project(s)		
Housing Opportunities for People with AIDS		14.241 HOPWA
HOPWA Project Titles:		Description of Areas Affected by HOPWA Project(s):
HOPWA Grant Amount:	Additional HUD Grant(s) Leveraged	Describe
Additional Federal Funds Leveraged		Additional State Funds Leveraged
Locally Leveraged Funds		Grantee Funds Leveraged
Anticipated Program Income		Other (Describe)
Total Funds Leveraged for HOPWA-based Project(s):		

Emergency Shelter Grants Program		14.231 ESG
ESG Project Titles: South Carolina Emergency Solutions Grants Program		Description of Areas Affected by ESG Project(s): State of South Carolina
ESG Grant Amount: \$2,334,776	Additional HUD Grant(s) Leveraged	Describe
Additional Federal Funds Leveraged		Additional State Funds Leveraged
Locally Leveraged Funds		Grantee Funds Leveraged
Anticipated Program Income		Other (Describe)
Total Funds Leveraged for ESG-based Project(s) :		

Congressional Districts of: All SC Districts		Is application subject to review by state Executive Order 12372 Process?	
Applicant Districts	Project Districts	<input type="checkbox"/> Yes	This application was made available to the state EO 12372 process for review on DATE
Is the applicant delinquent on any federal debt? If "Yes" please include an additional document explaining the situation.		<input checked="" type="checkbox"/> No	Program is not covered by EO 12372
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> N/A	Program has not been selected by the state for review

Person to be contacted regarding this application		
First Name: James	Middle Initial	Last Name: Miller
Title: Director, Governor's Office of Economic Opportunity	Phone: 803-734-0425	Fax: 803-734-0356
eMail: jmiller@oeo.sc.gov	Grantee Website www.govoepp.state.sc.us/oeo	Other Contact
Signature of Authorized Representative		Date Signed
		3/20/14

STATE OF SOUTH CAROLINA

EMERGENCY SOLUTIONS GRANTS PROGRAM

2014 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 2014

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
Director OEO

Title

3/19/14

Date

2014 EMERGENCY SOLUTIONS GRANTS PROGRAM ANNUAL ACTION PLAN

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 - Minimum period of use**
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Medium = more than 3 months but not exceeding the grant period

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Preface (Discussion of Consultation)

In compliance with 24 CFR 91.110(e), the State consulted with each Continuum of Care within the state in determining how to allocate its Emergency Solutions Grant (ESG) for eligible activities; 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 operation and administration of the HMIS. From this consultation the funding allowed for street outreach and shelter activities has been set to the 50% with the remaining going to Homeless Prevention, Rapid Rehousing and HMIS, having an emphasis on Rapid Rehousing, working groups have been developed to determine how to approach the development of written standards, criteria for evaluating outcomes and performance standards, and for HMIS. However, through this consultation process it was also determined that while these processes are being developed throughout this year, the State will provide a form whereby each individual applicant can briefly describe its written standards for the activities for which it applies, the performance standards set forth in Section 427 for selection criteria of the HEARTH Act will be utilized, and the continuum will continue to be required to endorse applicants from within its area in an effort to ensure compliance with its participation and HMIS requirements.

Part I—Program Description

Purpose

The 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 HEARTH 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

Emergency Solutions Grant

The Governor's Office, Office of Economic Opportunity will administer the ESG or Emergency Solutions Grant Program, which replaced the previous Emergency Shelter Grant program and incorporates elements of the Homelessness Prevention and Rapid Re-housing Program (HPRP). While still providing support for emergency shelters and services to the homeless, the new ESG Solutions Program focuses more funding on preventing initial and recurrent homelessness, shortening the duration of homelessness, assisting in the transition from homelessness to independent living, and providing outreach, needs assessment and other services for unsheltered homeless.

South Carolina estimates it will receive a 2014 allocation of \$2,334,776. The plan for distributing funds was determined through consultation with the Continuums of Care, as follows: 7.5% for administration and the remaining 92.5% split evenly between street outreach and emergency shelter activities and homelessness prevention and rapid re-housing. This results in an estimated distribution plan as shown below.

ESG Distribution Plan		
Activity	Percentage of Total ESG Allocation	Estimated Amount*
Emergency shelter and street outreach at 60%	46.25%	\$1,079,833.90
Homeless prevention and re-housing	46.25%	\$1,079,833.90
Program Administration	7.50%	\$175,108.20
Total Estimated 2014 ESG Funds Available for Distribution	100%	\$2,334,776.00

*** The above percentages will be applied to the State's actual 2014 ESG allocation to arrive at the actual amounts for each of the funding categories above.*

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 re-housing.

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 11, 2014. Only completed applications received on or before the due date will be considered for funding. Faxes are not allowed.

State Goals, Action Steps, and Performance Standards

Goal 1: Provide preventive and rapid re-housing services to approximately 500 low-income individuals and families during Program Year (PY) 2014 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 12,000 homeless and/or chronically homeless individuals and families during PY 2014.

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.

Performance Standards: The State will be utilizing the performance standards set forth in the selection criteria as outlined in Section 427 of the HEARTH Act, which can directly correlate to the above mentioned goals and action steps. The HEARTH Act Section 427 establishes the following:

- the length of time individuals and families remain homeless;
- the extent to which individuals and families who leave homelessness experience additional spells of homelessness;

- the thoroughness of grantees in the geographic area in reaching homeless individuals and families;
- overall reduction in the number of homeless individuals and families;
- jobs and income growth for homeless individuals and families;
- success at reducing the number of individuals and families who become homeless;

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 (42U.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 Shelter 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, 2014. 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, 2015).

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. 2021);
 - (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 (42U.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 '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 '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 '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 '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 reliable 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 subgrantee 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 2014 Emergency Solutions Grant
Application Cover Page**

DATE:	
Organization Name:	
Organization Street Address:	
Street City/State/ZIP:	
Organization Mailing Address	
Mailing City/State/ZIP	
Executive Director/Title	
Contact Person/Title:	
Telephone Number:	
Fax Number:	
Email Address:	
Federal Employer I.D. #:	
DUNS # (required):	
CCR Cage #	
Applicant's Fiscal Year:	
Board Chair Name	
Board Chair Mailing Address City/State/ZIP	
AMOUNT OF FUNDS REQUESTED:	

APPLICATION & AUTHORIZED SIGNATURE FORM

2014 Emergency Solution Grant Annual Action Plan

BLOCK I. APPLICANT NAME AND MAILING ADDRESS

Name: _____ Address: _____ _____ _____	2013 ESG Funding Requested 2013 Matching Funds 2013 Total Application Budget 2012 ESG Funding Granted	_____ _____ _____ _____
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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: _____

Section 2: Past Performance (All previously funded applicants)

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:	

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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	

**Section 3: Statement of Need (Street Outreach/Shelter/Homelessness Prevention/
Rapid Re-Housing/HMIS)**

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.

Section 4: Agency Outcome Measures / Planned Accomplishments & National Objectives and Outcomes
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I. **Accomplishments Form** (planned outcomes)

Agency Outcome Measures: In accordance with 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 2014 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

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

B. 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.

Program Accomplishment Data (ESG Form 14)
EMERGENCY SHELTER (Rehabilitation, Essential, & Operations)

Please indicate the appropriate report submission with an "x"

	Planned (Application) Accomplishments April 11, 2014
	Actual Cumulative Unduplicative April 4, 2015
	Actual Cumulative Unduplicative Final by July 15, 2015

Agency Name and Physical Address

Accomplishment Narrative

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

- Create suitable living environment
- Provide decent affordable housing
- Create economic opportunities

Emergency Shelter Bed Capacity:
Transitional Shelter Bed Capacity:

Outcome

- Availability/accessibility
- Affordability
- Sustainability

SPECIAL CHARACTERISTICS--Activity Location (select all that apply):

- CDBG target area: A HUD approved Neighborhood Revitalization Strategy Area
- Local target area: locally designated non-CDBG strategy area targeted for assistance
- Disaster area: A Presidentially declared major disaster area
- Historic preservation: An area designated for historic preservation by local, state, or federal officials
- 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.

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EMERGENCY SHELTER (Rehabilitation, Essential, & Operations)

Number Served with Financial Assistance by Housing Type		Total Number of Persons		
	Total		Male	Female
Barracks		Unaccompanied 18 and Over		0
Group/Large House		Unaccompanied Under 18		0
Scattered Site Apartment:				
Single Family Detached House:				
Single Room Occupancy				
Mobile Home/Trailer				
Hotel/Motel:				
Other:				
Total:	0			

Annual Number of Family Households with Children Headed By Single Parents		Total	
		Male	Female
Single Parent 18 and Over			0
Single Parent Under 18			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 Am.			
Other Multi-Racial:			
TOTAL:	0	0	

Subpopulations Served		Total
Chronically Homeless (Emergency Shelter Only)		
Severely Mentally Ill		
Chron. Substance Abuse		
Other Disability		
Veterans		
Persons with HIV/AIDS		
Victims of Domestic Violence		
Elderly		
Total		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
Homelessness Assistance		
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

Activity Costs (ESG + Other Funds)		Amount
Total		0

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Program Accomplishment Data (ESG Form 14)
STREET OUTREACH (Essential Services)

Please indicate the appropriate report submission with an "x"

<input type="checkbox"/>	Planned (Application) Accomplishments April 11, 2014
<input type="checkbox"/>	Actual Cumulative Unduplicative April 4, 2015
<input type="checkbox"/>	Actual Cumulative Unduplicative Final by July 15, 2015

Agency Name and Physical Address:

Accomplishment Narrative:

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	<input type="text"/>
Annual Number Children Served	<input type="text"/>
Total	<input type="text"/>

Persons Served with Non-financial Services	
	Total
Annual Number Adults and Children Served	<input type="text"/>

* This number should also match annual number served by race.

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Program Accomplishment Data (ESG FORM 14)
 HOMELESSNESS PREVENTION (Housing stabilization/Relocation services to "at risk for homeless persons")

Please indicate the appropriate report submission with an "x"

	Planned (Application) Accomplishments April 11, 2014
	Actual Cumulative Unduplicative April 4, 2015
	Actual Cumulative Unduplicative Final by July 15, 2015

Agency Name and Physical Address:

Accomplishment Narrative:

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:

Public Agency
 Faith Based Non-Profit
 Other Non-Profit

ESGP Objective and Outcome (Choose one objective and one outcome)

Objective

- Create suitable living environment
- Provide decent affordable housing
- Create economic opportunities

Emergency Shelter Bed Capacity:
 Transitional Shelter Bed Capacity:

Outcome

- Availability/accessibility
- Affordability
- Sustainability

SPECIAL CHARACTERISTICS--Activity Location (select all that apply):

- CDBG target area: A HUD approved Neighborhood Revitalization Strategy Area
- Local target area: locally designated non-CDBG strategy area targeted for assistance
- Disaster area: A Presidentially declared major disaster area
- Historic preservation: An area designated for historic preservation by local, state, or federal officials
- 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

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HOMELESSNESS PREVENTION (Housing stabilization/Relocation services to "at risk for homeless persons")		Total
		0
Number Served with Financial Assistance by Housing Type		0
	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
	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 Am.:	
	Other Multi-Racial:	
	TOTAL:	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		
Unaccompanied 18 and Over		
Unaccompanied Under 18		
Annual Number of Family Households with Children Headed By Single Parents		
Single Parent 18 and Over		
Single Parent Under 18		
Annual Number of Family Households		
Two Parents 18 and Over with Children		
Two Parents Under 18 with Children		
Family Households with No Children		
Total Number Served		
Total Number of Persons		
Total Number of Households		
ESG Funds		Amount
Homelessness Prevention		
Homelessness Prevention Services		
Homelessness 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

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Program Accomplishment Data (ESG FORM 14)
 RAPID RE-HOUSING (housing relocation and stabilization services to homeless persons)

Please indicate the appropriate report submission with an "x"

	Planned (Application) Accomplishments April 11, 2014
	Actual Cumulative Unduplicative April 4, 2015
	Actual Cumulative Unduplicative Final by July 15, 2015

Agency Name and Physical Address:

Accomplishment Narrative:

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

ESGP Objective and Outcome (Choose one objective and one outcome)

Objective

- Create suitable living environment
- Provide decent affordable housing
- Create economic opportunities

Emergency Shelter Bed Capacity:
 Transitional Shelter Bed Capacity:

Outcome

- Availability/accessibility
- Affordability
- Sustainability

SPECIAL CHARACTERISTICS- Activity Location (select all that apply):

- CDBG target area: A HUD approved Neighborhood Revitalization Strategy Area
- Local target area: locally designated non-CDBG strategy area targeted for assistance
- Disaster area: A Presidentially declared major disaster area
- Historic preservation: An area designated for historic preservation by local, state, or federal officials
- 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

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RAPID RE-HOUSING (housing relocation and stabilization services to homeless persons)		Total
		0
		0

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	

Total Number of Persons			
	Male	Female	Total
Unaccompanied 18 and Over			
Unaccompanied Under 18			0
Total			0

Annual Number of Family Households with Children Headed By Single Parents			
	Male	Female	Total
Single Parent 18 and Over			
Single Parent Under 18			
Total			

Annual Number of Family Households			
	Male	Female	Total
Two Parents 18 and Over with Children			
Two Parents Under 18 with Children			
Family Households with No Children			
Total			

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 Am.		
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

ESG Funds		Amount
Homelessness Prevention		
Homelessness Prevention Services		
Homelessness 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

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Program Accomplishment Data (ESG FORM 14)
 PREVENTIVE & REHOUSING SPECIFICS AND EMERGENCY/TRANSITIONAL SHELTER EVOLUTION

Preventive Outcomes	
Annual Number of Households Served:	<input type="text"/>
# of Households that Maintained Permanent Housing for 3 Months	<input type="text"/>
# of Individuals that Maintained Permanent Housing for 3 Months	<input type="text"/>
# of Households that Maintained Permanent Housing for 6 Months	<input type="text"/>
# of Individuals that Maintained Permanent Housing for 6 Months	<input type="text"/>
Average Cost per Client Receiving One-time only FA	<input type="text"/>
Rapid Rehousing Outcomes	
Annual Number of Households Served:	<input type="text"/>
# of Households that Maintained Permanent Housing for 3 Months	<input type="text"/>
# of Individuals that Maintained Permanent Housing for 3 Months	<input type="text"/>
# of Households that Maintained Permanent Housing for 6 Months	<input type="text"/>
# of Individuals that Maintained Permanent Housing for 6 Months	<input type="text"/>
Average Cost per Client Receiving One-time only FA	<input type="text"/>

Homeless Number Served and Demographics: RESIDENTIAL (EMERGENCY OR TRANSITIONAL SHELTERS)		Unsheltered Homeless	
Annual Number of Adults Served:	<input type="text"/>	Annual Number of Adults Served:	<input type="text"/>
Annual Number of Children Served:	<input type="text"/>	Annual Number of Children Served:	<input type="text"/>
	Sub-Total: <input type="text"/>		Sub-Total: <input type="text"/>
	#Total		#Hispanic
White	<input type="text"/>	White	<input type="text"/>
Black/African American:	<input type="text"/>	Black/African American:	<input type="text"/>
Asian:	<input type="text"/>	Asian:	<input type="text"/>
American Indian/Alaskan Native:	<input type="text"/>	American Indian/Alaskan Native:	<input type="text"/>
Native Hawaiian/Other Pacific Islander:	<input type="text"/>	Native Hawaiian/Other Pacific Islander:	<input type="text"/>
American Indian/Alaskan Native & White:	<input type="text"/>	American Indian/Alaskan Native & White:	<input type="text"/>
Asian & White:	<input type="text"/>	Asian & White:	<input type="text"/>
Black/African American & White:	<input type="text"/>	Black/African American & White:	<input type="text"/>
Am.Indian/Alaskan Native & Black African Am.:	<input type="text"/>	Am.Indian/Alaskan Native & Black African Am.:	<input type="text"/>
Other Multi-Racial:	<input type="text"/>	Other Multi-Racial:	<input type="text"/>
TOTAL:	<input type="text"/>	TOTAL:	<input type="text"/>
# of emergency shelter residents:	<input type="text"/>	# of unsheltered entering emergency shelter:	<input type="text"/>
# of emergency shelter residents exiting to transitional shelter:	<input type="text"/>	# of unsheltered entering transitional shelter:	<input type="text"/>
# of emergency shelter residents exiting to permanent housing:	<input type="text"/>	# of unsheltered entering permanent housing:	<input type="text"/>
# of transitional shelter residents:	<input type="text"/>		
# of transitional shelter residents exiting to permanent housing:	<input type="text"/>		

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

Standard policies and procedures for delivering case management services and any forms developed to record the participant's services

Standard/Policy for terminating assistance that recognizes and sets forth the process for a participant's right to grieve a termination to independent parties. **Insert copy of termination and grievance policy.**

Standard procedures for conducting lead and habitability inspections if applicable:

Emergency Shelter: _____

Homeless

Prevention: _____ Rapid

Re-housing: _____

Confidentiality

The subrecipient must develop, implement and maintain written standards in accordance with this section, procedures to ensure that:

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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.

Conflict of Interest policy and disclosures of potential conflicts that exist

Standard for the Homeless participation policy that complies with 576.405. **Insert Board Chair Roster with an asterisk by the name of homeless/formerly person or the plan to meet the policy.**

Standard policies and procedures to ensure that requirements of 576.406 Faith-based activities are adhered to

Street Outreach Component

Standards for targeting people living in a place not meant for human habitation, such as cars, parks, sidewalks abandoned buildings, or on the street and providing essential services related to street outreach

Shelter Component

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

Prohibition Standards

Policies and procedures for discharge planning and involuntary family separation by emergency shelters assisted under ESG.

Homeless Prevention Component

Policies and procedures for determining and prioritizing which eligible families and individuals will receive homelessness prevention

Prohibition Standard

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Policies and procedures for prohibiting program income from any eligible participant assisted under ESG.

Standard policies and procedures for determining and ensuring the correctness of AMI calculation

Standards for determining what percentage or amount of rent and utilities costs each program participant must pay while receiving homelessness prevention assistance

Insert copy of rental assistance agreement for rental assistance.

Standard policies and procedures for completing re-evaluations for Homeless Prevention 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).

Rapid Rehousing Component

Policies and procedures for determining and prioritizing which eligible families and individuals will receive rapid rehousing assistance

Prohibition Standard

Policies and procedures for prohibiting program income from any eligible participant assisted under ESG.

Insert copy of rental assistance agreement for rental assistance.

Standards for determining what percentage or amount of rent and utilities costs each program participant must pay while receiving homelessness prevention or rapid re-housing assistance

Standards 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

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

Standard policies and procedures for completing re-evaluations and ensuring the correctness of AMI calculations for Rapid Re-housing. The evaluation 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).

Section 7: 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 8: Fidelity Bond/Independent Audit/Financial Management Standards
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Financial Management Standards

The financial management system used by the applicant is to provide for an annual audit, if required, in accordance with 24 CFR part 44 for Local Governments and private, nonprofit organizations are subject to the audit requirements in OMB Circular A-110 and OMB Circular A-133, as applicable, which states that,

“Subrecipients that expend \$500,000 or more in a year of Federal funds shall have a single or program-specific audit for that year. Entities that expend less than \$500,000 are exempt from federal requirements for that year, but all [financial and program] records are to be available for the grant period under audit for review by appropriate officials of the federal applicant and the pass-thru entity [the State of South Carolina, Governor’s Office of Economic Opportunity].”

2014 Emergency Solutions Grant Annual Action Plan

The subrecipient agrees to ensure the grant is administered in accordance with the requirements of this part and the guidelines and requirements for Local Governments outlined in OMB Circular A-102 and A-87 as they relate to the acceptance and use of ESG funds, and for nonprofit organizations as outlined in OMB Circular A-110 and A-122 and all other applicable federal and state requirements in effect for the period for which it receives grant funding; to include OEO fiscal controls and accounting procedures.

Place the required documents directly behind this section.

Section 9 A Certification and Supporting Documentation

A. The following documentation must be included in this section for the application to be considered.
(1) Letter of commitment from the Board of Directors
(2) Certification of Local Government
(3) Combined Certifications
(4) IRS Federal 501 C- 3 Tax Exempt letter
(5) S. C. Secretary of State registration letter as Non- Profit
(6) Employee Confidentiality document
(7) Map showing location of Shelters (s)
(8) Lease agreement or Proof of Ownership
(9) Most recent certified Audit
B. Provide the following documentation that is applicable.
(1) DHEC inspections
(2) Fire Inspections
(3) Lead Inspections
(4) Employment information for staff that will provide ESG activities.
(5) Section 106 Project Review Form & Preliminary Environmental Review Checklist

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 HPRR-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 goals and action steps in compliance with the performance standards.
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 Solutions 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 receive a request for application notice

<u>Region</u>	<u>Capacity</u>
<u>The Upstate - (Anderson, Cherokee, Greenville, Greenwood, Laurens, Pickens, Oconee, Spartanburg, Union, York counties)</u>	
1. MEG’s House for Abused Women & Children (Greenwood)	26 Women and Children
2. Safe Harbor, Inc. (Greenville)	54 Women
3. SHARE, Inc. (Greenville)	37 Men, Women, and Children
4. The Salvation Army of Greenville (Greenville)	130 Men and Women
5. Safe Passage (York)	22 Women
6. Pilgrim’s Inn (York)	28 Families
7. Laurens County SAFE Home	23 Women and Children
8. A Place For Us Ministries	400 Women and Children
9. Safe Homes Rape Crisis Coalition (Spartanburg)	50 Women and Children
10. The Haven, Inc. (Spartanburg)	30 Men, Women, and Children
11. Upstate Homeless Coalition (Greenville)	20+ Families
12. Our Daily Rest	Men and Women
13. SPIHN	20 Families

Region **Capacity**

The Midlands - (Aiken, Fairfield, Lexington, Orangeburg, Richland, Sumter counties)

14. Cumbee Center (Aiken)	25 Women and Children
15. The Salvation Army of Aiken (Aiken)	28 Men and Women
16. Sistercare (Lexington)	64 Women and Children
17. Alston Wilkes Society (Richland)	18 Male Veterans
18. The Cooperative Ministry (Richland)	N/A Families Goods and Services
19. The Family Shelter (Richland)	32 Families
20. The Salvation Army of Columbia (Richland)	132 Women and Men
21. The Women’s Shelter (Richland)	34 Women
22. Citizens Against Spouse Abuse (CASA) (Orangeburg)	24 Women and Children
23. Samaritan House (Sumter)	15 Individuals
24. Wateree CAA (Sumter)	45 Individuals
25. The Haven Men’s Shelter (Rock Hill)	12 Men
26. Jannie R. Jackson Women’s Center (Richland)	15 Women and Children
27. Family Promise of Lancaster	75 Individuals
28. Midlands Housing Alliance	Men and Women
29. United Way of Kershaw County	Men and Women
30. United Way of the Midlands	Men, Women and Children
31. Trinity Housing/St. Lawrence Place	20 Families

Region **Capacity**

The Pee Dee - (Chesterfield, Dillon, Florence, Horry counties)

32. Pee Dee Coalition Against Domestic & Sexual Abuse (Florence)	25 Women and Children
33. Pee Dee Community Action Agency (Florence)	22 Families
34. Citizens Against Spouse Abuse (CASA) (Horry)	22 Women and Children
35. Veterans Transitional Center, Inc.	200 Families
36. House of Hope of the Pee Dee	Men, Women, and Children
37. Center for Women and Children	23 Women and Children
38. Helping Hand of Myrtle Beach	Men, Women and Children
39. ECHO	Individuals

Region **Capacity**

The Lowcountry - (Beaufort, Charleston, Colleton, Dorchester counties)

40. Child Abuse Prevention Association/Open Arms (Beaufort)	18 Children
41. Citizens Opposed To Domestic Abuse (Beaufort)	32 Women and Children
42. Carolina Youth Development (N. Charleston)	50 Children
43. The Good Neighbor Center (Charleston)	18 Families
44. Crisis Ministries (Charleston)	250 Families

2014 Emergency Solutions Grant Annual Action Plan

45. Salvation Army of Charleston (Charleston)	38 Men only
46. Dorchester Interfaith Outreach Ministries (Dorchester)	12 Families
47. Lowcountry Community Action Agency (Walterboro)	12 Families
48. The ACCESS Network, Inc.	300 Families
49. Family Services, Inc.	Men, Women and Children
50. Our Lady of Mercy Community Outreach Services, Inc.	50 Women and Children
51. Family Promise of Beaufort	20 Families
52. Charleston Trident Urban League	Men, Women and Children

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 Solutions Grants Program will provide benefits to approximately 20,000 households annually in the areas of facility repair, operations, and services. Approximately 300 households will be assisted annually with homelessness prevention/rapid re-housing assistance

The Governor’s Office of Economic Opportunity will administer the Emergency Solutions Grants Program and award approximately twenty (20) to thirty-two (32) grants annually



Sign

3-19-19

Date

Program Specific Requirements

HOPWA

Housing Opportunities for Persons with AIDS



SF 424

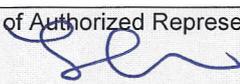
The SF 424 is part of the CPMP Annual Action Plan. SF 424 form fields are included in this document. Grantee information is linked from the 1CPMP.xls document of the CPMP tool.

SF 424

Complete the fillable fields (blue cells) in the table below. The other items are pre-filled with values from the Grantee Information Worksheet.

Date Submitted: 3/20/2014	Applicant Identifier	Type of Submission	
Date Received by state	State Identifier	Application	Pre-application
Date Received by HUD	Federal Identifier	<input type="checkbox"/> Construction	<input type="checkbox"/> Construction
		<input checked="" type="checkbox"/> Non Construction	<input type="checkbox"/> Non Construction
Applicant Information			
Jurisdiction: State of South Carolina		UOG Code	
Street Address Line 1: 2600 Bull Street		Organizational DUNS: 808385892	
Street Address Line 2		Organizational Unit: State Government	
City: Columbia	State: South Carolina	Department: SC DHEC	
ZIP 29201	Country U.S.A.	Division: Bureau of Disease Control, STD/HIV	
Employer Identification Number (EIN):		County	
57-6000286		Program Year Start Date (04/01) - 2014	
Applicant Type:		Specify Other Type if necessary:	
HOPWA Formula Grant		Specify Other Type	
Program Funding		U.S. Department of Housing and Urban Development	
Catalogue of Federal Domestic Assistance Numbers; Descriptive Title of Applicant Project(s); Areas Affected by Project(s) (cities, Counties, localities etc.); Estimated Funding			
Community Development Block Grant		14.218 Entitlement Grant	
CDBG Project Titles:		Description of Areas Affected by CDBG Project(s)	
CDBG Grant Amount:	\$Additional HUD Grant(s) Leveraged	Describe	
Additional Federal Funds Leveraged		Additional State Funds Leveraged	
Locally Leveraged Funds		Grantee Funds Leveraged	
Anticipated Program Income:		Other (Describe)	
Total Funds Leveraged for CDBG-based Project(s):			
Home Investment Partnerships Program		14.239 HOME	
HOME Project Titles:		Description of Areas Affected by HOME Project(s)	
HOME Grant Amount:	Additional HUD Grant(s) Leveraged	Describe	
Additional Federal Funds Leveraged		Additional State Funds Leveraged	
Locally Leveraged Funds		Grantee Funds Leveraged	
Anticipated Program Income		Other (Describe):	

Total Funds Leveraged for HOME-based Project(s)			
Housing Opportunities for People with AIDS		14.241 HOPWA	
HOPWA Project Titles: Statewide HOPWA Program		Description of Areas Affected by HOPWA Project(s): All areas of SC outside of Columbia, Charleston, Greenville, Charlotte and Augusta MSAs	
HOPWA Grant Amount: \$1,387,200	Additional HUD Grant(s) Leveraged	Describe	
Additional Federal Funds Leveraged		Additional State Funds Leveraged	
Locally Leveraged Funds		Grantee Funds Leveraged	
Anticipated Program Income		Other (Describe)	
Total Funds Leveraged for HOPWA-based Project(s):			
Emergency Shelter Grants Program		14.231 ESG	
ESG Project Titles:		Description of Areas Affected by ESG Project(s):	
ESG Grant Amount:	Additional HUD Grant(s) Leveraged	Describe	
Additional Federal Funds Leveraged		Additional State Funds Leveraged	
Locally Leveraged Funds		Grantee Funds Leveraged	
Anticipated Program Income		Other (Describe)	
Total Funds Leveraged for ESG-based Project(s) :			
Congressional Districts of: All SC Districts		Is application subject to review by state Executive Order 12372 Process?	
Applicant Districts	Project Districts		
Is the applicant delinquent on any federal debt? If "Yes" please include an additional document explaining the situation.		<input type="checkbox"/> Yes	This application was made available to the state EO 12372 process for review on DATE
		<input checked="" type="checkbox"/> No	Program is not covered by EO 12372
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> N/A	Program has not been selected by the state for review

Person to be contacted regarding this application		
First Name: Leigh	Middle Initial	Last Name: Oden
Title: Program Manager	Phone: 803-898-0650	Fax: 803-898-0573
eMail: odenl@dhec.sc.gov	Grantee Website	Other Contact
Signature of Authorized Representative 		Date Signed 3/24/2014

HOPWA Certifications

The HOPWA grantee certifies that:

Activities -- Activities funded under the program will meet urgent needs that are not being met by available public and private sources.

Building -- Any building or structure assisted under that program shall be operated for the purpose specified in the plan:

1. For at least 10 years in the case of assistance involving new construction, substantial rehabilitation, or acquisition of a facility,
2. For at least 3 years in the case of assistance involving non-substantial rehabilitation or repair of a building or structure.



Signature/Authorized Official

3/24/14

Date

Director of Public Health

Title

South Carolina
Housing Opportunities for Persons with AIDS (HOPWA) Program
FY 2014 Annual Action Plan
December 30, 2013
Revised March 24, 2014

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 2014 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 2014, the South Carolina HOPWA program will fund the following counties: Chester, Lancaster, Oconee, Union, Abbeville, Greenwood, McCormick, Barnwell, Allendale, Hampton, Colleton, Jasper, Beaufort, Chesterfield, Marlboro, Darlington, Florence, Dillon, Marion, Williamsburg, Horry, Georgetown, Bamberg, Orangeburg, Lee, Sumter, Clarendon, Newberry, Anderson, Spartanburg and Cherokee. The funding for FY 2014 is estimated \$1,387,200. The following amounts are estimated allocations to these programs:

1) Short-term Rent, Mortgage and Utility	\$ 156,247
2) Supportive Services	\$ 612,081
3) Permanent Housing Placement Services	\$ 30,069
3) Tenant Based Rental Assistance	\$ 491,141
4) Operating Costs	\$ 100,000
5) Sponsor Administrative Expenses	\$ 81,619
6) Grantee Administrative Expenses	<u>\$ 41,512</u>
Total Award	\$1,512,670

(this includes \$125,470, of prior years money)

During FY 2014 state HOPWA funds are expected to provide approximately 230 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 40 clients. It is estimated that over 120 persons will receive tenant based rental assistance. A supportive housing facility will be supported to provide housing and services to approximately 10 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

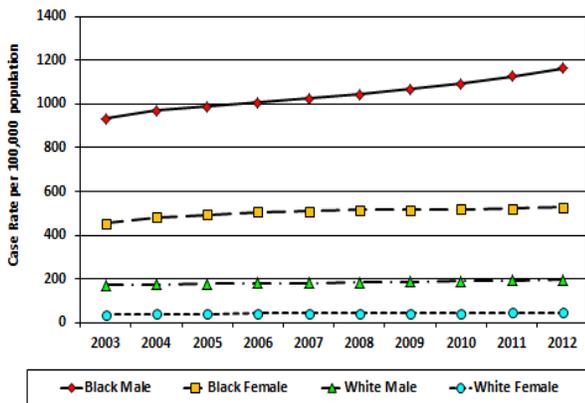
According to the SC Epidemiological Profile, during 2011, South Carolina ranked 8th among states, the District of Columbia, and U.S. dependent areas with an AIDS case rate of 13.7 per 100,000 population. The epidemic is continuing to grow in South Carolina with an average of 59

cases of HIV infection reported each month during the past year. The number of people living with HIV/AIDS at the end of each year has increased 32 percent from 2003 to 2012.

The SC Epi Profile includes only persons diagnosed in South Carolina when calculating prevalence, and therefore report approximately 15,294 persons to be living with HIV (including AIDS) who are residents of SC; while calculations using current residence estimate approximately 17,394 persons living with HIV/AIDS in SC. *Note: S.C.'s Epi Profile data used for Figures 1 – 7 analyzes HIV disease trends using the total of HIV cases including persons with AIDS.*

Figure 1 shows the number of persons living with HIV disease (including AIDS) by race and gender. The data source for the narrative summary below is S.C. eHARS , SCDHEC. All data are provisional.

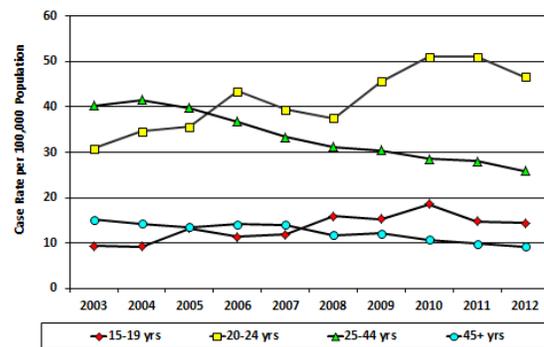
Figure 1: S.C. HIV/AIDS prevalence rates by race/gender, 2003-2012



African Americans continue to be disproportionately impacted with HIV, especially African American men. African Americans comprise 28 percent of the state’s total population, yet 72 percent of the total people living with HIV are African-American. Approximately three of four persons living with HIV/AIDS and newly reported with AIDS are African American, and about 17.8% of newly reported AIDS cases are white/Caucasian. Over three percent (3.2%) of persons living with HIV are Hispanic, slightly lower than new (incident) AIDS cases (4.7%).

Figure 2, from SC Epi Profile data, compares the case rates by age and by year of diagnosis. Since 2009, the rate for people 20-24 years of age has been consistently higher than any other age group and is continuing to grow; the rate for people age 20-24 in 2012 decreased eight percent compared to 2011’s rate; however, the rate for 2012 is 25 percent higher than the rate in 2008. Conversely, since 2003, the rate for those 25-44 years of age has been steadily decreasing; the rate for people age 25-44 decreased seven percent compared to 2011 and 16 percent compared to 2008. The rate for people 15-24 years of age, after a sharp increase in 2011, has dropped to below 2008’s rate.

Figure 2: S.C. HIV/AIDS Incidence case rate by year of diagnosis and age, 2003-2012



Figures 3 & 4 below compare the numbers of recently diagnosed cases of HIV (including AIDS) in South Carolina during 2011 and 2012. Looking at numbers diagnosed, SC shows increases in the numbers of White men, women, and Hispanic women diagnosed with HIV/AIDS from 2011-2012. The number for African American men and women, and Hispanic men diagnosed during the same time period decreased. For the number of HIV/AIDS cases by age groups, only the 25-29 years old had an increase, all other age groups (15-19, 20-24, 30-44, and 45+) had decreases from 2011-2012.

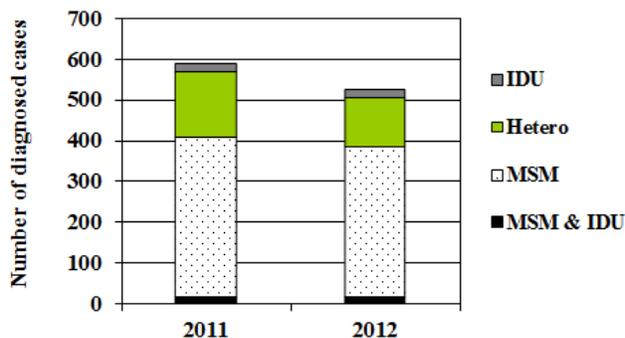
Figure 3: Number of S.C. HIV/AIDS cases by race/ethnicity/gender, diagnosed 2011-2012

Race/Ethnicity/Gender	CY 2011	CY 2012
Black men	419	379
Black women	146	121
White men	104	131
White women	28	30
Hispanic men	38	24
Hispanic women	4	7

Figure 4: Number of S.C. HIV/AIDS cases by age, diagnosed 2011-2012

Age	CY 2011	CY 2012
15-19 years	47	44
20-24 years	175	162
25-29 years	98	99
30-44 years	238	212
45+ years	191	180

Figure 5: Number of S.C. HIV/AIDS cases by exposure category, diagnosed 2011-2012



By exposure category, the HIV/AIDS epidemic in South Carolina continues to be primarily men who have sex with men representing 38.9% of prevalent and 45% of incident cases among persons with reported risk, and heterosexual risk about 25.4% of prevalent HIV (not AIDS), 30.3% of AIDS prevalence, and 24% of AIDS incident cases among persons with reported risk. Injecting drug use is not a major transmission category, comprising 5.6% AIDS incident cases. The combined risks of men who have sex men and injecting

drug use comprised 2.9% of new diagnosed cases and 3.6% of persons living with HIV & AIDS. Comparing recently diagnosed HIV/AIDS cases by exposure category (Fig. 5), shows similar proportions for 2011 and 2012.

As noted in Figure 6 and 7 below, there are more cases of HIV/AIDS in urban areas compared to rural areas. There are no differences to note in the numbers of cases between 2011 and 2012. Figure 7 shows the demographic proportions for urban areas are reflective of the state, while Rural areas have a markedly higher disproportion of African-Americans at 75%. Where, as stated above, 72 percent of the total people living with HIV are African-American.

Figure 6: Number of S.C. HIV/AIDS cases by race/ethnicity and gender, by Urban/Rural diagnosed 2011-2012

	CY 2011		CY 2012	
	Urban	Rural	Urban	Rural
Black	402	163	351	149
White	104	28	122	39
Hispanic	35	7	22	9
Male	421	151	392	149
Female	130	50	110	50
Total	551	201	502	199

Figure 7: Percent of S.C. HIV/AIDS cases by race/ethnicity and gender, by Urban/Rural diagnosed 2011-2012

	CY 2011		CY 2012	
	Urban	Rural	Urban	Rural
Black	73%	81%	70%	75%
White	19%	14%	24%	20%
Hispanic	6%	3%	4%	5%
Male	76%	75%	78%	75%
Female	24%	25%	22%	25%
Total	100%	100%	100%	100%

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 numbers 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 10% of HIV/AIDS diagnoses in South Carolina. An additional 50% of cases are a result of male-to-male sexual contact, and 35% are due to heterosexual sex (SC Epidemiological Profile). 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 (Greenson 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.

The statewide planning process for the updated 2012 Statewide Coordinated Statement of Need (SCSN) identified the following strategies for addressing the needs of the homeless:

1. Expand the service portfolio to include housing resources (e.g., HUD), partner with local housing agencies, and outreach and engagement with the homeless population.
2. Refer homeless clients to community and social services providers for life-skills trainings related to education, employment, clothing accessibility, and other basic needs.
3. Identify shelters that are supportive places for PLWHA, and contact shelters known to not accept PLWHA to educate them about HIV issues and, when applicable, inform them of legal requirements to accept PLWHA.
4. Offer cultural competency training to providers working with the homeless population.

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 medical 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 59 new HIV diagnoses in South Carolina each month. 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 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. The 2012 Statewide Coordinated Statement of Need (SCSN) again identified housing as one of the issues most critically impacting HIV infected persons. Lack of transportation, inadequate housing, and unemployment has long been recognized as interrelated barriers for PLWHA who are in care. Many PLWHA struggle to meet short-term basic needs that are more pressing than keeping a clinic appointment or adhering to a medication regime. 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 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 2014 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 Department 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 supportive housing. The Laurel, a supportive care facility for persons living with HIV, which opened in Greenville during 2007, will be funded with operating costs in FY2014. 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 April 1, 2012 - March 31, 2013, HOPWA project sponsors provided short-term rent, mortgage and utility assistance to 248 persons with HIV/AIDS. One hundred fifty-two units of tenant based rental assistance were provided. Fourteen individuals were served by facility based housing assistance. Supportive services were provided to 993. And 58 were provided housing placement services.

3. Selection of Project Sponsors

Through a grants request for applications process, DHEC distributes the funds competitively 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 2014

Strategy 1: Provide 230 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 230 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%

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%

Strategy 3: Provide 120 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%

Strategy 4: Support innovative housing efforts including approximately 10 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%

Strategy 5: Provide 40 eligible persons with Permanent Housing Placement Services for the purpose of reducing the risk of homelessness for PLWHA.

Implementation: Support permanent housing placement services in the form of housing and utility deposits for qualifying PLWHA.

Outcomes: Percentage of PLWHA exiting this program that transition to permanent or temporarily stable housing.

Target: 75%
