

Monitoring & Technical Assistance Guide for Homeless Programs: Emergency Solutions Grant (ESG)

Lake County Community Development

- ✚ **Ensuring homeless funding is used effectively to assist homeless individuals & families to achieve self-sufficiency**
- ✚ **Complying with Federal Regulations and program requirements to maintain and expand funding**
- ✚ **Building grantee capacity & improving program performance to end homelessness in Lake County**

#	Requirement	Minimum Standard
Documentation Requirements		
1)	Program maintains adequate documentation to demonstrate participants were homeless prior to entry into the program in accordance to 24 CFR 583.5. (Exhibit A contains HUD definitions of homeless & required documentation.)	All client files reviewed meet the minimum documentation requirements in accordance to 24 CFR 583.5 to demonstrate participants are homeless prior to entry into the program. The program has a procedure in place which indicates an order of preference for homelessness verification including 3 rd party, in-house verification and self-declaration in accordance with 576.500 (c).
2)	Program maintains adequate documentation to demonstrate participants in the ESG program do not exceed the allowable time limits: <ul style="list-style-type: none"> • Rapid Rehousing = 9 months • Shelter = 6 months • Homelessness prevention = 3 months¹ 	All client files reviewed demonstrate that participants do not exceed allowable time limits or less than 15% of files reviewed exceed the allowable time limits with written approval from Lake County or HUD or the program has a documented plan of correction to ensure all new and current clients have the necessary documentation.
Program Design & Policies		
3)	At least one homeless or formerly homeless person participates in a policy-making function within the program in accordance to 24 CFR 576.405 and, to the maximum extent practicable, involve the homeless in operating the program.	At least one homeless or formerly homeless person meaningfully serves on the grantee's Board of Directors or similar entity that considers and sets policies for the program.
4)	Program follows, to the maximum extent practicable, policies and procedures to ensure participants do not immediately become homeless when leaving the program (FOR PROGRAMS THAT ARE DESIGNED TO SERVE CLIENTS 6 WEEKS OR LONGER ONLY).	Program follows written plans to help residents acquire housing upon leaving the program and 80% of client files demonstrate diligent efforts to secure suitable housing.

¹ Rental assistance is limited to 3 months and payment of rental arrears is limited to three months.

#	Requirement	Minimum Standard
Supportive Services		
5)	Case Management includes a timely in person assessment of need as well as the development of an Individualized Service Plan (ISP) that includes identification of need, services to be provided and auspices under which they are to be provided, the amount, scope, and duration of services, and client goals. Rapid rehousing programs must leverage the VI-SPDAT assessment that is performed on all Lake County individuals by PADS Lake County.	90% of client files reviewed have an Individual Service Plan (ISP) that includes identification of need, services to be provided and auspices under which they are to be provided, the amount, scope, and duration of services, and client goals. In addition, clients receive a copy of their ISP signed by both the caseworker and client and at least one staff visit per month is documented for the duration of the individual's participation. <i>Effective August 30, 2015</i> , ESG rapid rehousing assistance can only be provided to participants receiving a VI-SPDAT score of 5, 6, 7, 8, or 9.
6)	Program follows a written policy to systematically identify participants eligible for mainstream benefits, help participants enroll in all mainstream benefits for which they may be eligible, & ensure participants continue to receive benefits and effectively use those benefits to maintain self-sufficiency.	Program follows a written policy to screen clients for mainstream benefits during intake, help participants enroll in all mainstream benefits for which they may be eligible, & ensure participants continue to receive benefits and effectively use those benefits to maintain self-sufficiency.
7)	Program provides follow-up of clients for a minimum of 6 months after leaving the program. In homeless prevention programs, participants may only receive ESG prevention assistance once in a 24-month period.	In 75% of client files reviewed, the program demonstrates significant attempts to follow-up with clients within 6 months after leaving the program. In homeless prevention programs, procedures are in place to ensure that ESG assistance is provided only once in a 24-month period.
Housing		
8)	Housing is clean, secure, and in accordance to HUD Housing Quality Standards (HQS) 24 CFR 576.403. Please see Exhibit B for detailed ESG Habitability Standards.	See Exhibit B.
Financial		
9)	Program follows written policies and procedures to maintain adequate oversight and control of its finances to ensure accurate, current, and complete disclosure of financial results.	Program follows written procedures to record financial transactions, determine the reasonableness and allowability of costs, separate duties to ensure no one individual has authority over an entire financial transaction, and routinely compare expenditure & budget.

#	Requirement	Minimum Standard
10)	Expenditures are eligible under the grant agreement / program regulations, are correctly classified, are supported by the general ledger, timesheets, payroll register, invoices, contracts, purchase orders, & receipts, and payment vouchers are submitted at least quarterly.	Payment vouchers are submitted at least quarterly and all expenditures reviewed are eligible, correctly classified, & have sufficient supporting documentation to demonstrate expenditures were incurred & justified.
11)	Program maintains time sheets that demonstrate salaries that are chargeable to more than one funding source or salaries shared among more than one budget line item are accurately allocated.	For all HUD funded positions, the program maintains time sheets that are signed and dated by the staff member and their supervisor. Time is recorded as actual time engaged in HUD activities (not percentages) and corresponds with billing information.
12)	Program demonstrates meeting minimal match requirements of ESG (100%) 24 CFR 576.201.	Program leverage reports and vouchers provide adequate supporting documentation to demonstrate meeting cash or in-kind match requirements, including the specific amount and source of cash match.
13)	Program conducts an annual audit by an independent auditor that does not reveal findings or weaknesses that raise concerns about the agency's ability to sustain itself or meet grant obligations.	Most recent annual audit states that financial statements accurately reflect the actual revenues, assets, expenditures, & liabilities and the grantee quickly resolved any audit deficiencies, compliance findings, questioned costs, or recommendations.
14)	Program maintains a responsible financial plan and fundraising strategy updated annually and does not use HUD funds to replace State or Local government funds.	Program follows a written financial & fundraising plan updated annually and does not use HUD funds to replace local funds.
15)	Program follows written standards and guidelines for procurement to ensure that they are obtained as economically as possible through an open and competitive process, and that purchases are managed with good administrative practices and sound business judgment & prohibits conflicts of interest.	Program follows written procurement procedures that specify the steps taken to avoid the purchase of unnecessary items, some form of cost/price analysis for goods and services over a reasonable amount established by the program, and a system in place for tracking property and other assets bought or leased through grant funds.
16)	Homelessness prevention and rapid rehousing programs must have written criteria describing how the participant's share of rent and/or utilities is determined. In the case of repaid rehousing, the subsidy amount must be just enough for participants to maintain housing, with the subsidy declining over time.	Written standards exist for determining the share of rent and utilities covered by each program participant.

#	Requirement	Minimum Standard
Progress and Reporting		
17)	Program accurately enters all client information and entry/exit information into the ServicePoint Homeless Management Information System within 5 days of services being provided. Recipients must adhere to the ESG Performance Measurement standards defined in Exhibit C.	Program enters all client data and entry/exit information into ServicePoint within 5 days of services being provided and program holds valid consent to service and release of information forms as necessary. As part of ESG Monitoring, the program's Data Quality HMIS report will be reviewed (where applicable).
18)	Program is progressing as planned in the original application – outcome goals and proposed number of clients served are achievable and within reach.	Progress is in line with outcome goals set in application, and actual clients served is in line with proposed number.
19)	Quarterly reports are submitted on time with accurate and quality data.	Quarterly reports are submitted on time with accurate and quality data.
20)	Program is clearly meeting a goal in the Consolidated Plan, and has quantifiable data available for performance reporting.	Program demonstrates evidence that Consolidated Plan goal is being met and produces quantifiable quality data for performance reporting.



Homeless Definition

CRITERIA FOR DEFINING HOMELESS	Category 1	Literally Homeless	(1) Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning: <ul style="list-style-type: none"> (i) Has a primary nighttime residence that is a public or private place not meant for human habitation; (ii) Is living in a 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 and local government programs); <u>or</u> (iii) Is exiting an institution where (s)he has resided for 90 days or less <u>and</u> who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution
	Category 2	Imminent Risk of Homelessness	(2) Individual or family who will imminently lose their primary nighttime residence, provided that: <ul style="list-style-type: none"> (i) Residence will be lost within 14 days of the date of application for homeless assistance; (ii) No subsequent residence has been identified; <u>and</u> (iii) The individual or family lacks the resources or support networks needed to obtain other permanent housing
	Category 3	Homeless under other Federal statutes	(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: <ul style="list-style-type: none"> (i) Are defined as homeless under the other listed federal statutes; (ii) Have not had a lease, ownership interest, or occupancy agreement in permanent housing during the 60 days prior to the homeless assistance application; (iii) Have experienced persistent instability as measured by two moves or more during in the preceding 60 days; <u>and</u> (iv) Can be expected to continue in such status for an extended period of time due to special needs or barriers
	Category 4	Fleeing/ Attempting to Flee DV	(4) Any individual or family who: <ul style="list-style-type: none"> (i) Is fleeing, or is attempting to flee, domestic violence; (ii) Has no other residence; <u>and</u> (iii) Lacks the resources or support networks to obtain other permanent housing



Homeless Definition

RECORDKEEPING REQUIREMENTS



<p>Category 1</p> <p>Literally Homeless</p>	<ul style="list-style-type: none"> • Written observation by the outreach worker; <u>or</u> • Written referral by another housing or service provider; <u>or</u> • Certification by the individual or head of household seeking assistance stating that (s)he was living on the streets or in shelter; • For individuals exiting an institution—one of the forms of evidence above <u>and</u>: <ul style="list-style-type: none"> ○ discharge paperwork <u>or</u> written/oral referral, <u>or</u> ○ written record of intake worker’s due diligence to obtain above evidence <u>and</u> certification by individual that they exited institution 	
	<p>Category 2</p> <p>Imminent Risk of Homelessness</p>	<ul style="list-style-type: none"> • A court order resulting from an eviction action notifying the individual or family that they must leave; <u>or</u> • For individual and families leaving a <u>hotel</u> or <u>motel</u>—evidence that they lack the financial resources to <u>stay</u>; <u>or</u> • A documented and verified oral statement; <u>and</u> • Certification that no subsequent residence has been identified; <u>and</u> • Self-certification or other written documentation that the individual lack the financial resources and support necessary to obtain permanent housing
	<p>Category 3</p> <p>Homeless under other Federal statutes</p>	<ul style="list-style-type: none"> • Certification by the nonprofit or state or local government that the individual or head of household seeking assistance met the criteria of homelessness under another federal statute; <u>and</u> • Certification of no PH in last 60 days; <u>and</u> • Certification by the individual or head of household, and any available supporting documentation, that (s)he has moved two or more times in the past 60 days; <u>and</u> • Documentation of special needs <u>or</u> 2 or more barriers
	<p>Category 4</p> <p>Fleeing/ Attempting to Flee DV</p>	<ul style="list-style-type: none"> • <i>For victim service providers:</i> <ul style="list-style-type: none"> ○ An oral statement by the individual or head of household seeking assistance which states: they are fleeing; they have no subsequent residence; and they lack resources. Statement must be documented by a self-certification or a certification by the intake worker. • <i>For non-victim service providers:</i> <ul style="list-style-type: none"> ○ Oral statement by the individual or head of household seeking assistance that they are fleeing. This statement is documented by a self-certification or by the caseworker. Where the safety of the individual or family is not jeopardized, the oral statement must be verified; <u>and</u> ○ Certification by the individual or head of household that no subsequent residence has been identified; <u>and</u> ○ Self-certification, or other written documentation, that the individual or family lacks the financial resources and support networks to obtain other permanent housing.

ESG Minimum Habitability Standards for Emergency Shelters and Permanent Housing

Introduction

The Emergency Solutions Grants (ESG) Program interim rule, at 24 CFR 576.403, establishes minimum standards for safety, sanitation, and privacy in emergency shelters funded with ESG, and minimum habitability standards for permanent housing funded under the Rapid Re-housing and Homelessness Prevention components of ESG. This document explains when the minimum standards apply.

Note: This document does not describe how to conduct an inspection, nor does it address the lead-based paint requirements, which can be found at 24 CFR part 35.

Minimum Standards for Emergency Shelters

Whenever ESG funds are used under the Emergency Shelter component for renovation or shelter operations, the building must meet the minimum standards for safety, sanitation, and privacy provided in §576.403(b), also listed in Appendix A. If cash or non-cash contributions (e.g. funds or staff time) used for renovation or shelter operations are to be contributed to the recipient's ESG program as match, the emergency shelter must meet the minimum standards, because all matching contributions must meet all requirements that apply to the ESG funds provided by HUD (§576.201(c)).

Note: The same standards apply regardless of the amount of ESG funds involved. For example, a shelter that receives \$1,000 in ESG funds to replace a water heater is subject to the same standards as a shelter that receives \$80,000 for operating costs.

The recipient or subrecipient must be sure to maintain documentation of compliance with the minimum standards for Emergency Shelter activities in the program's records.

Renovation

Any building for which ESG funds are used for conversion, major rehabilitation, or other renovation must meet:

- The minimum safety, sanitation, and privacy standards under §576.403(b); **and**
- State or local government safety and sanitation standards, as applicable.

In addition:

- If the recipient established any other standards that add to or exceed HUD's minimum standards, the recipient/subrecipient must ensure that the shelter meets these standards.
- An inspection to ensure that the building meets all of the minimum standards must be completed when the renovation is complete and before the shelter is occupied.
- The shelter should follow the minimum standards for as long as the minimum period of use requirement is in place for the facility (10 years for major rehabilitation and conversion, or 3 years for other renovation).

- The recipient should be involved in planning the renovation up front to ensure that the renovation work will result in the shelter meeting the minimum standards.

Shelter Operations

Any emergency shelter that receives ESG funds for shelter operations (including minor repairs) must meet the minimum safety, sanitation, and privacy standards under §576.403(b).

In addition:

- If the recipient established any other standards that add to or exceed HUD’s minimum standards, the recipient/subrecipient must ensure that the shelter meets these standards.
- The shelter must be inspected on-site to ensure that it meets the minimum standards before ESG funds are provided for shelter operations.
- The shelter must meet all standards for the entire period during which ESG funds are provided for operating the emergency shelter. For example, if operating assistance is provided for 24 months, the shelter must remain in compliance with the minimum standards for those 24 months.
- If the shelter fails to meet the minimum standards, ESG funds (under either shelter operations or renovation) may be used to bring it up to the minimum standards.
- If the shelter continues to receive ESG shelter operating funds over a period of time, then a periodic, on-site inspection must be conducted each time the shelter receives funds. For example, if the shelter receives an annual allocation of funds from the ESG recipient, an inspection must be conducted annually.
- If the recipient/subrecipient moves the shelter to a new site or structure, that new site or structure must meet all emergency shelter standards for the remaining period that ESG funds are used for operating expenses.

**Minimum Standards Do Not Apply to
Essential Services and HMIS Activities**

- The minimum standards for emergency shelters apply only when ESG funds are used for **shelter operations** and **conversion, major rehabilitation, or other renovation**.
- **Essential services** provided under the Street Outreach and Emergency Shelter components do not trigger either the minimum standards for emergency shelter or the minimum standards for permanent housing. This is because there is no unit to inspect; these services are provided for persons who are sleeping in emergency shelters or 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.
- Likewise, the minimum standards do not apply to an emergency shelter (or other organization) receiving ESG funds only for **HMIS** costs.

Minimum Standards for Permanent Housing

The recipient or subrecipient cannot use ESG funds to help a program participant **remain in** or **move into** housing that does not meet the minimum habitability standards under §576.403(c) (also listed in Appendix A).

This restriction applies to all activities under the Homelessness Prevention and Rapid Re-housing components, including rental assistance and housing relocation and stabilization services. In addition:

- If an eligible household needs homelessness prevention assistance to remain in its existing unit, the assistance can only be provided if that unit meets the minimum standards.
- If an eligible household needs homelessness prevention or rapid re-housing assistance to move to a new unit, the assistance can only be provided if the new unit meets the minimum standards. The unit the household is leaving does not need to be inspected.
- The housing must also comply with any other standards established by the recipient that exceed or add to these minimum standards.

Note: The same standards apply regardless of the amount of ESG funds involved. For example, the recipient or subrecipient must inspect the unit and confirm that it meets the ESG minimum habitability standards, even if the only ESG assistance being provided is for a security deposit or moving assistance.

The recipient or subrecipient must be sure to document compliance with the ESG habitability standards for Emergency Shelter activities in the program participant's file.

Homelessness Prevention

When ESG Rental Assistance and/or Housing Relocation and Stabilization Services are provided under the Homelessness Prevention component to help a program participant **remain in** or **move into** permanent housing, the ESG minimum habitability standards apply to either the current unit (if the program participant is staying in place) or to a new unit (if the program participant is moving). Even if only a minimal amount of Housing Relocation and Stabilization Services assistance—such utility arrears/payments (Financial Assistance) or housing stability case management (Services)—is provided under the Homelessness Prevention component to assist a program participant to stay in their unit, the habitability standards apply to the unit and must be documented in the program participant's file.

Example: Jonathan has a part-time job and a large amount of debt; he has not been paying his entire rent for the past few months. He has received an eviction notice, and he has no family or friends in the area that can help him. After he goes through the ESG intake assessment and is determined to be eligible, the case manager determines that he could benefit from credit counseling and a financial literacy course.

Scenario A: The credit counseling and financial literacy course is all the ESG assistance Jonathan needed to help him re-prioritize rent payments and get back on track. Even though he has received services only, because it is homelessness

prevention and the assistance is directly related to helping him remain in his unit, a habitability inspection is required.

Scenario B: First, the case manager attempts mediation with the landlord, but the landlord refuses to work with them and goes to court. Jonathan needs legal services to prevent the eviction and help him stay in the unit, along with payments of several months of rental arrears. Again, a habitability inspection must be completed because the ESG services and assistance are directly related to assisting him to stay in his unit.

Rapid Re-housing

When ESG Rental Assistance and/or Housing Relocation and Stabilization Services are provided under the Rapid Re-housing component to help a program participant move into a new permanent housing unit, the habitability standards apply to the unit into which they are moving and must be documented in the program participant's file. If Rapid Re-housing services are being provided before a unit has been identified, no habitability inspection is required until there is a unit to inspect. If assistance with arrears for a prior unit is needed as part of the rapid re-housing assistance, no habitability inspection is required for the old unit on which the arrears are owed, so long as the program participant will be rapidly re-housed in a different unit.

Example: Sarah and her 1 year-old daughter are staying in an emergency shelter, and an ESG subrecipient is assisting her to prepare for permanent housing, funded under the Rapid Re-housing component.

Scenario A: After developing a housing plan with her case manager, she receives housing stability case management to identify and address some of the issues preventing her from obtaining and remaining in housing, and housing search and placement assistance to assess housing barriers, to develop an action plan for locating housing, and to start the housing search process. The case manager also helps Sarah access other mainstream resources, including child care and food stamps, to help increase their stability when Sarah is able to find and rent an apartment on her own. In this scenario, there is not yet a unit to inspect, so no habitability inspection is required.

Scenario B: In addition to housing stability case management and housing search and placement assistance, the case manager is able to obtain funds from a local charity that will cover Sarah's security deposit and the first 2 months of rent in her own apartment. The case manager also spends time helping Sarah make moving arrangements. In this scenario, the unit she moves into must meet the habitability standards—even though no ESG financial assistance or rental assistance was provided—because the ESG-funded services were directly related to a helping the program participant move into a particular unit.

When and how often must inspections be conducted for Rapid Re-housing and Homelessness Prevention assistance?

The timing and frequency of inspections depends on the type of activity, as described below.

If the program participants need Homelessness Prevention assistance to stay in their current housing, the housing must be inspected and found to meet the minimum habitability standards before the recipient/subrecipient incurs ESG costs for any of the following:

- Providing any service to the program participant;
- Entering into a rental assistance agreement with the owner; or
- Making any payment on behalf of the program participant (e.g., rental or utility arrears, rental or utility payments, etc.).

Note: The interim rule states that ESG funds may not be used to help someone move into or remain in a unit that does not meet the habitability standards. However, in some situations (e.g. when providing legal services), homelessness prevention assistance to stay in a unit must be provided quickly—even before the habitability inspection can be completed. In these cases, a recipient/subrecipient could use *non-ESG funds* to pay for an eligible program participant’s rental arrears, rental assistance, or financial assistance, or provide services to keep an individual or family in their unit, **before an inspection is performed**, so long as the unit is inspected and determined to meet the habitability standards **before** any costs are charged to the ESG grant or matching funds. If the unit does not meet the habitability standards at the time of the inspection, recipients are prohibited from using ESG funds to pay for assistance provided before the unit meets the standards. In addition, funds spent before a unit meets the habitability standards may not be counted as match.

If the program participant needs Homelessness Prevention or Rapid Re-housing assistance to obtain housing, the unit into which the program participant is moving must be inspected before the program participant signs the lease and before the recipient/subrecipient provides any ESG rental assistance or housing relocation and stabilization services specific to the unit into which the program participant will be moving.¹

In all cases, if ESG funds are used for **ongoing** assistance (such as rental assistance, utility payments, etc.), the recipient/subrecipient must take reasonable measures to ensure the unit meets the minimum habitability standards for permanent housing for the duration of the assistance. If HUD monitors and discovers that a unit does not meet the minimum standards, then HUD may determine that the recipient is out of compliance with the ESG requirements.

For one-time assistance (such as rental arrears, a security deposit, etc.), the unit for which assistance is being provided—either for households that remain in place or for households that are moving to a unit—must meet the minimum standards for permanent housing at the time the assistance is provided (e.g., when the rental arrears payment is made).

¹ One exception to this is the rental application fee. If a program participant applies for several units, only the unit into which they ultimately decide to move must be inspected.

About the Standards

The minimum standards for emergency shelters and permanent housing, respectively, are listed in the regulation, at §576.403(b) and (c), and also in Appendix A of this document. Recipients/subrecipients must keep sufficient records to demonstrate that they are meeting the minimum standards.

Can we use different standards?

Recipients may establish standards more stringent than the ESG program's minimum standards for permanent housing and emergency shelter, or may allow the subrecipient to establish such standards, as long as all HUD-required standards are also met. For recipients that intend to apply more stringent standards, these standards should be described in a written policy to ensure that all individuals responsible for implementing the policy have access to consistent guidance.

It is important to note that the Housing Quality Standards (HQS) used for other HUD programs are different than the minimum standards for permanent housing and emergency shelter assisted with ESG funds. While in most respects HQS is more stringent and detailed than the ESG minimum standards for permanent housing and emergency shelter, the ESG standards for fire safety are more specific. Recipients/subrecipients who choose to use HQS instead of the ESG habitability standards should amend their checklists and notify inspectors that they must complete the more stringent inspection for fire safety. Appendix A illustrates the differences between the standards for permanent housing and emergency shelters, and compares those standards with HQS.

Does a certified inspector need to conduct inspections?

Unlike HQS inspections, which must be conducted by a certified inspector, inspections to determine that emergency shelters and permanent housing meet the ESG minimum standards do not need to be evaluated by a certified inspector. In general, ESG inspections may be conducted by:

- ESG program staff (recipient/subrecipient staff); or
- Staff from or hired by an agency of the recipient/subrecipient, such as a city department that is designated to conduct inspections, or a contractor hired for that task; or
- Staff from another subsidy program that is providing assistance and also requires an inspection (e.g., Section 8, Public Housing).

However, the inspection must determine whether all aspects of the ESG minimum habitability standards have been met for the particular unit assisted with ESG funds; **simply conducting an HQS inspection, a city housing code inspection, a sampling of units in a particular development, or another type of housing quality assessment is insufficient.**

How should compliance with minimum standards for emergency shelter or permanent housing be documented?

Recipients/subrecipients must document compliance with the ESG permanent housing and emergency shelter standards, as applicable, and this documentation must include inspection reports, as required under §576.500(j). Recipients (or subrecipients, if applicable) have discretion to establish their own approaches to documenting initial and ongoing compliance with the

standards. Procedures for ensuring such compliance must be included in the recipient's/subrecipient's written policies and procedures, as required under §576.500(a).

Documenting compliance with the appropriate minimum standards includes ensuring that inspection reports from the initial and any follow-up inspections are retained. In developing these policies and procedures, recipients should consider issues such as what action will be taken if conditions change or if a recipient/subrecipient has reason to believe the shelter or housing unit might not pass another inspection.

HUD is providing inspection checklists that may be used to document the results of on-site inspections for emergency shelters and for permanent housing. These can be found in the companion document, *ESG Minimum Standards for Emergency Shelter and Permanent Housing: Checklists* on HUD's OneCPD website (<http://onecpd.info/esg>). The checklists are models for documenting compliance with the appropriate standard; HUD is not requiring recipients/subrecipients to use this specific format. However, they do capture the information HUD requires.

Recipients/subrecipients may accept documentation of inspections conducted by staff affiliated with another subsidy program. However, as described above, since other programs' standards may be different (e.g., HQS standards differ slightly, as illustrated in Appendix A), in these cases, recipients/subrecipients must ensure that the other program's inspection protocol is adapted to adequately document compliance with all applicable ESG standards.

For permanent housing units, the completed checklist (or equivalent documentation) should be placed in the program participant's file. For an emergency shelter, the completed checklist (or equivalent documentation) should be placed in a file pertaining to the shelter. In either case, the documentation must be available during monitoring by HUD or the recipient.

Note: These records are subject to record retention requirement at 24 CFR 576.500(y) and the access to records requirements at 24 CFR 576.500(z).

Can ESG funds be used to pay for inspections?

Recipients/subrecipients may charge expenses associated with conducting emergency shelter and permanent housing inspections to the ESG grant. Inspection costs may be charged in different ways depending on the situation.

Charge to the Emergency Shelter component:

- As an emergency shelter renovation cost if a recipient/subrecipient pays for an inspection of its own shelter after completing a renovation to ensure the shelter meets the standards after the renovation.
- As a shelter operations cost if a recipient/subrecipient pays for an inspection of its own shelter while it is receiving and using funds for shelter operations.

Charge to the Rapid Re-housing or Homelessness Prevention component:

- As a housing search and placement cost if a recipient/subrecipient is helping a program participant remain in or move into a particular housing unit and inspects that housing unit to comply with the minimum standards for permanent housing.

Charge as an Administrative Cost:

- If the recipient is inspecting a shelter run by a subrecipient to ensure the shelter complies with the minimum standards for emergency shelter (e.g. as a part of a monitoring review).
- If the recipient is inspecting permanent housing occupied by program participants to ensure the subrecipient has complied with the minimum standards for permanent housing (e.g. as a part of a monitoring review).

What happens if HUD determines that the emergency shelter or permanent housing minimum standards have not been followed?

If HUD monitors and discovers that the recipient or subrecipient is out of compliance with the emergency shelter or permanent housing standards, HUD may require any of the remedial actions or sanctions set forth in §576.501(b).

Are the emergency shelter or permanent housing inspections the same as the lead-based paint inspections?

No. The requirements are both listed under 576.403 of the ESG Interim Rule, under “Shelter and Housing Standards,” but lead-based paint requirements must be assessed **in addition to** the minimum standards for emergency shelter and permanent housing standards. However, recipients/subrecipients may choose to conduct the inspection at the same time. For information about lead-based paint requirements, see 24 CFR part 35, subparts A, B, H, J, K, M, and R, which apply to all ESG-funded shelters and all housing occupied by ESG program participants.

Appendix A
Comparison of ESG Minimum Standards for Emergency Shelter and Permanent Housing and HQS
(Bold text highlights areas of the minimum standards different from HQS)

Minimum safety, sanitation, and privacy standards for emergency shelter §576.403(b) ⁱ	Minimum habitability standards for permanent housing §576.403(c) ⁱⁱ	Housing quality standards (HQS) §982.401
<p>(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 WaterSense products and appliances.</p>	<p>(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.</p>	<p>(g) Structure and materials —</p> <p>(1) Performance requirement. The dwelling unit must be structurally sound. The structure must not present any threat to the health and safety of the occupants and must protect the occupants from the environment.</p> <p>(2) Acceptability criteria.</p> <p>(i) Ceilings, walls, and floors must not have any serious defects such as severe bulging or leaning, large holes, loose surface materials, severe buckling, missing parts, or other serious damage.</p> <p>(ii) The roof must be structurally sound and weathertight.</p> <p>(iii) The exterior wall structure and surface must not have any serious defects such as serious leaning, buckling, sagging, large holes, or defects that may result in air infiltration or vermin infestation.</p> <p>(iv) The condition and equipment of interior and exterior stairs, halls, porches, walkways, etc., must not present a danger of tripping and falling. For example, broken or missing steps or loose boards are unacceptable.</p> <p>(v) Elevators must be working and safe.</p>
<p>(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.</p>		

Minimum safety, sanitation, and privacy standards for emergency shelter §576.403(b)ⁱ	Minimum habitability standards for permanent housing §576.403(c)ⁱⁱ	Housing quality standards (HQS) §982.401
<p>(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.</p>	<p>(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.</p>	<p>Space and security —</p> <p>(1) Performance requirement. The dwelling unit must provide adequate space and security for the family.</p> <p>(2) Acceptability criteria.</p> <p>(i) At a minimum, the dwelling unit must have a living room, a kitchen area, and a bathroom.</p> <p>(ii) The dwelling unit must have at least one bedroom or living/sleeping room for each two persons. Children of opposite sex, other than very young children, may not be required to occupy the same bedroom or living/sleeping room.</p> <p>(iii) Dwelling unit windows that are accessible from the outside, such as basement, first floor, and fire escape windows, must be lockable (such as window units with sash pins or sash locks, and combination windows with latches). Windows that are nailed shut are acceptable only if these windows are not needed for ventilation or as an alternate exit in case of fire.</p> <p>(iv) The exterior doors of the dwelling unit must be lockable. Exterior doors are doors by which someone can enter or exit the dwelling unit.</p>
<p>(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.</p>	<p>(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.</p>	<p>(h) Interior air quality —</p> <p>(1) Performance requirement. The dwelling unit must be free of pollutants in the air at levels that threaten the health of the occupants.</p> <p>(2) Acceptability criteria.</p> <p>(i) The dwelling unit must be free from dangerous levels of air pollution from carbon monoxide, sewer gas, fuel gas, dust, and other harmful pollutants.</p> <p>(ii) There must be adequate air circulation in the dwelling unit.</p> <p>(iii) Bathroom areas must have one openable window or other adequate exhaust ventilation.</p> <p>(iv) Any room used for sleeping must have at least one window. If the window is designed to be openable, the window must work.</p>

Minimum safety, sanitation, and privacy standards for emergency shelter §576.403(b)ⁱ	Minimum habitability standards for permanent housing §576.403(c)ⁱⁱ	Housing quality standards (HQS) §982.401
<p>(5) Water supply. The shelter’s water supply must be free of contamination.</p>	<p>(4) Water supply. The water supply must be free from contamination.</p>	<p>(i) Water supply —</p> <p>(1) Performance requirement. The water supply must be free from contamination.</p> <p>(2) Acceptability criteria. The dwelling unit must be served by an approvable public or private water supply that is sanitary and free from contamination.</p>
<p>(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.</p>	<p>(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.</p>	<p>(b) Sanitary facilities —</p> <p>(1) Performance requirements. The dwelling unit must include sanitary facilities located in the unit. The sanitary facilities must be in proper operating condition, and adequate for personal cleanliness and the disposal of human waste. The sanitary facilities must be usable in privacy.</p> <p>(2) Acceptability criteria.</p> <p>(i) The bathroom must be located in a separate private room and have a flush toilet in proper operating condition.</p> <p>(ii) The dwelling unit must have a fixed basin in proper operating condition, with a sink trap and hot and cold running water.</p> <p>(iii) The dwelling unit must have a shower or a tub in proper operating condition with hot and cold running water.</p> <p>(iv) The facilities must utilize an approvable public or private disposal system (including a locally approvable septic system).</p>
<p>(7) Thermal environment. The shelter must have any necessary heating/cooling facilities in proper operating condition.</p>	<p>(6) Thermal environment. The housing must have any necessary heating/cooling facilities in proper operating condition.</p>	<p>(e) Thermal environment —</p> <p>(1) Performance requirement. The dwelling unit must have and be capable of maintaining a thermal environment healthy for the human body.</p> <p>(2) Acceptability criteria.</p> <p>(i) There must be a safe system for heating the dwelling unit (and a safe cooling system, where present). The system must be in proper operating condition. The system must be able to provide adequate heat (and cooling, if applicable), either directly or indirectly, to each room, in order to assure a healthy living environment appropriate to the climate.</p> <p>(ii) The dwelling unit must not contain unvented room heaters that burn gas, oil, or kerosene. Electric heaters are acceptable.</p>

Minimum safety, sanitation, and privacy standards for emergency shelter §576.403(b)ⁱ	Minimum habitability standards for permanent housing §576.403(c)ⁱⁱ	Housing quality standards (HQS) §982.401
<p>(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.</p>	<p>(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.</p>	<p>(f) Illumination and electricity —</p> <p>(1) Performance requirement. Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. The dwelling unit must have sufficient electrical sources so occupants can use essential electrical appliances. The electrical fixtures and wiring must ensure safety from fire.</p> <p>(2) Acceptability criteria.</p> <p>(i) There must be at least one window in the living room and in each sleeping room.</p> <p>(ii) The kitchen area and the bathroom must have a permanent ceiling or wall light fixture in proper operating condition. The kitchen area must also have at least one electrical outlet in proper operating condition.</p> <p>(iii) The living room and each bedroom must have at least two electrical outlets in proper operating condition. Permanent overhead or wall-mounted light fixtures may count as one of the required electrical outlets.</p>

Minimum safety, sanitation, and privacy standards for emergency shelter §576.403(b)ⁱ	Minimum habitability standards for permanent housing §576.403(c)ⁱⁱ	Housing quality standards (HQS) §982.401
<p>(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.</p>	<p>(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.</p>	<p>(c) Food preparation and refuse disposal —</p> <p>(1) Performance requirement.</p> <p>(i) The dwelling unit must have suitable space and equipment to store, prepare, and serve foods in a sanitary manner.</p> <p>(ii) There must be adequate facilities and services for the sanitary disposal of food wastes and refuse, including facilities for temporary storage where necessary (e.g., garbage cans).</p> <p>(2) Acceptability criteria.</p> <p>(i) The dwelling unit must have an oven, and a stove or range, and a refrigerator of appropriate size for the family. All of the equipment must be in proper operating condition. The equipment may be supplied by either the owner or the family. A microwave oven may be substituted for a tenant-supplied oven and stove or range. A microwave oven may be substituted for an owner-supplied oven and stove or range if the tenant agrees and microwave ovens are furnished instead of an oven and stove or range to both subsidized and unsubsidized tenants in the building or premises.</p> <p>(ii) The dwelling unit must have a kitchen sink in proper operating condition, with a sink trap and hot and cold running water. The sink must drain into an approvable public or private system.</p> <p>(iii) The dwelling unit must have space for the storage, preparation, and serving of food.</p> <p>(iv) There must be facilities and services for the sanitary disposal of food waste and refuse, including temporary storage facilities where necessary (e.g., garbage cans).</p>
<p>(10) Sanitary conditions. The shelter must be maintained in a sanitary condition.</p>	<p>(9) Sanitary conditions. The housing must be maintained in a sanitary condition.</p>	<p>(m) Sanitary condition —</p> <p>(1) Performance requirement. The dwelling unit and its equipment must be in sanitary condition.</p> <p>(2) Acceptability criteria. The dwelling unit and its equipment must be free of vermin and rodent infestation.</p>

Minimum safety, sanitation, and privacy standards for emergency shelter §576.403(b)ⁱ	Minimum habitability standards for permanent housing §576.403(c)ⁱⁱ	Housing quality standards (HQS) §982.401
<p>(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.</p>	<p>(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.</p>	<p>(n) Smoke detectors performance requirement —</p> <p>(1) Except as provided in paragraph (n)(2) of this section, each dwelling unit must have at least one battery-operated or hard-wired smoke detector, in proper operating condition, on each level of the dwelling unit, including basements but excepting crawl spaces and unfinished attics. Smoke detectors must be installed in accordance with and meet the requirements of the National Fire Protection Association Standard (NFPA) 74 (or its successor standards). If the dwelling unit is occupied by any hearing-impaired person, - smoke detectors must have an alarm system, designed for hearing-impaired persons as specified in NFPA 74 (or successor standards).</p> <p>(2) For units assisted prior to April 24, 1993, owners who installed battery-operated or hard-wired smoke detectors prior to April 24, 1993 in compliance with HUD's smoke detector requirements, including the regulations published on July 30, 1992, (57 FR 33846), will not be required subsequently to comply with any additional requirements mandated by NFPA 74 (i.e., the owner would not be required to install a smoke detector in a basement not used for living purposes, nor would the owner be required to change the location of the smoke detectors that have already been installed on the other floors of the unit).</p>
<p>See endnote ⁱⁱⁱ.</p>	<p>See endnote ⁱⁱⁱ.</p>	<p>(j) Lead-based paint performance requirement. The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at part 35, subparts A, B, M, and R of this title apply to units assisted under this part.</p>
		<p>(k) Access performance requirement. The dwelling unit must be able to be used and maintained without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire (such as fire stairs or egress through windows).</p>

Minimum safety, sanitation, and privacy standards for emergency shelter §576.403(b)ⁱ	Minimum habitability standards for permanent housing §576.403(c)ⁱⁱ	Housing quality standards (HQS) §982.401
		<p>(1) Site and Neighborhood —</p> <p>(1) Performance requirement. The site and neighborhood must be reasonably free from disturbing noises and reverberations and other dangers to the health, safety, and general welfare of the occupants.</p> <p>(2) Acceptability criteria. The site and neighborhood may not be subject to serious adverse environmental conditions, natural or manmade, such as dangerous walks or steps; instability; flooding, poor drainage, septic tank back-ups or sewage hazards; mudslides; abnormal air pollution, smoke or dust; excessive noise, vibration or vehicular traffic; excessive accumulations of trash; vermin or rodent infestation; or fire hazards.</p>

ⁱ The minimum safety, sanitation, and privacy standards for emergency shelter apply to emergency shelters receiving ESG funds for renovation (including conversion and major rehabilitation) and/or operating costs. In addition, any building for which Emergency Solutions Grant (ESG) funds are used for conversion, major rehabilitation or other renovation must meet also state or local government safety and sanitation standards, as applicable. The recipient may also establish standards that exceed or add to these minimum standards.

ⁱⁱ ESG funds cannot be used to help a program participant remain or move into housing that does not meet these minimum habitability standards. The recipient may also establish standards that exceed or add to these minimum standards.

ⁱⁱⁱ Although the minimum standards for emergency shelter and permanent housing do not cover lead-based paint requirements, the recipient or subrecipient must follow the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations in 24 CFR part 35, subparts A, B, H, J, K, M, and R, with respect to shelters assisted under ESG and housing occupied by program participants.

Performance Measures

Performance measures for ESG projects were developed in consultation with the Continuum of Care to align with the strategies to end homelessness in Lake County, the existing reporting requirements of the CoC and the data available in the homeless management information system.

Lake County developed the following performance measures, in consultation with the Continuum of Care, to help accomplish the following goals:

- Measure program performance
- Align program evaluation between ESG and the CoC
- Measure the County's progress toward homeless services goals as outlined in the Consolidated Plan, Annual Action plan and reported to HUD in the Consolidated Annual Performance and Evaluation Report (CAPER)

Participation in the Homeless Management Information System (HMIS) is required by ESG regulation for all projects receiving ESG funding. Therefore, all performance measures must be tracked in and run out of HMIS, locally known as ServicePoint.

The required ESG performance measures are as follows:

For all programs:

- Average length of stay
- Percentage of households with exits to permanent destinations
- Percentage of adult participants who maintain or increase their income

For Homeless Prevention Programs (except legal services) and Rapid Rehousing Programs:

- Percentage of households who remain in permanent housing six months after their exit from the program