



City of Tucson

Emergency Solutions Grant Program (ESG) Policies and Procedures

March 2023

City of Tucson

Housing and Community Development Department

310 N. Commerce Park Loop, Tucson, AZ 85745

www.tucsonaz.gov/hcd



**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

Contents

INTRODUCTION AND OVERVIEW	5
1.1 Applicability	5
1.2 Relationship to Tucson-Pima Collaboration to End Homelessness (TPCH) Continuum of Care Governing Documents	6
1.3 Emergency Solutions Grant (ESG) Program Background.....	6
1.4 Definitions	6
1.5 The COT ESG Funding Process	7
1.6 COT ESG Philosophy and Approach	7
1.6.1 Housing First.....	8
1.6.2 Housing-Focused Program Alignment	10
1.6.3 Real Time, Quality Data	11
1.6.4 Equity and Inclusion	13
1.6.5 Community-Wide Collaboration	13
1.6.6 Continuum of Care and Coordinated Entry Involvement.....	13
2 ESG PROGRAM COMPONENTS AND ELIGIBLE ACTIVITIES	14
2.1 Eligible Activities	14
2.2 Ineligible Activities and Uses of ESG Funds.....	14
2.3 Consolidated Plan Priority Needs	15
2.4 Annual Action Plans (AAPs).....	15
3 PROGRAM ADMINISTRATION, Indirect Costs, AND ACTIVITY DELIVERY	17
3.1 Program Administration (§ 576.108)	17
3.1.1 Indirect Costs (§ 576.109).....	17
3.2 Activity Delivery Costs	17
3.3 ESG Matching Funds Requirements (§ 576.201).....	18
3.4 Subrecipient Management	19
3.4.1 Written Agreements.....	19
4 EVALUATING AND DOCUMENTING ELIGIBILITY (§ 576.400).....	23
4.1 Homeless Definition (§ 576.2)	23

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

4.2	At-risk of Homelessness Definition (§ 576.2)	23
4.2.1	Category 1: Individuals and Families	23
4.2.2	Category 2: Unaccompanied Children and Youth	25
4.2.3	Category 3: Families with Children and Youth	25
4.3	Prioritizing Individuals and Families and assessing and Reassessing Housing and Services Needs	26
4.3.1	Diversion	27
5	STREET OUTREACH COMPONENT (§ 576.101)	28
5.1	Eligible Program Participants	28
5.2	Essential Services	28
5.2.1	Engagement	28
5.2.2	Case Management	29
5.2.3	Emergency Health Services	29
5.2.4	Emergency Mental Health Services	29
5.2.5	Transportation	30
5.2.6	Services for Special Populations	30
6	EMERGENCY SHELTER COMPONENT (§ 576.102)	31
6.1	Eligible Program Participants	31
6.1.1	Admission, Referral, Diversion and Discharge	31
6.2	Essential Services	31
6.2.1	Case Management	31
6.2.2	Child Care	32
6.2.3	Education	32
6.2.4	Employment Assistance and Job Training	33
6.2.5	Outpatient Health Services	33
6.2.6	Legal services	33
6.2.7	Life Skills Training	34
6.2.8	Mental Health Services	34
6.2.9	Substance Abuse Treatment	35
6.2.10	Transportation	35

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

6.2.11	Services for Special Populations	35
6.3	Shelter Operations.....	36
6.4	Shelter Facility Rehabilitation or Conversion	36
6.4.1	Ineligible Activities.....	37
6.4.2	Minimum Use Period.....	37
6.4.3	Required Capacity	37
6.5	Assistance Under the Uniform Relocation Assistance Act (URA)	38
7	HOMELESSNESS PREVENTION (§ 576.103) AND RAPID REHOUSING (§ 576.104) COMPONENTS.....	39
7.1	Eligible Program Participants – Homelessness Prevention	39
7.1.1	Prioritizing Individuals and Families for Assistance	39
7.2	Eligible Program Participants – Rapid Rehousing.....	40
7.2.1	Maximum Amount and Length of Assistance	40
7.3	Housing Relocation and Stabilization Services (§ 576.105).....	40
7.3.1	Financial Assistance	40
7.3.2	Stabilization Services	41
7.4	Rental Assistance (§ 576.106)	42
7.4.1	Occupancy and Rent Standard	42
7.4.2	Rental Assistance Agreement and Lease	43
7.4.3	Rental Arrears Only - Rental Assistance Agreement and Lease	45
7.4.4	Rent Reasonableness and Fair Market Rent (FMR)	46
7.4.5	Participant Monthly Contribution to Rent and Utilities	47
7.4.6	Eligibility Recertification – Homelessness Prevention	48
7.4.7	Eligibility Recertification – Rapid Rehousing.....	48
7.4.8	Additional Requirements for Project-based Rental Assistance.....	48
7.5	Housing Stability Case Management	49
8	HOMELESS MANAGEMENT INFORMATION SYSTEM (HMIS) (§ 576.107)	50
8.1	TPCH HMIS Policies and Procedures	51
8.2	Comparable Database Requirements	52
9	GENERAL PROGRAM AND CROSS-CUTTING REQUIREMENTS.....	54

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

9.1	2 CFR 200 Uniform Administrative Requirements (§ 576.407)	54
9.2	Affirmatively Furthering Fair Housing (§ 576.500)	54
9.2.1	Affirmative Outreach	54
9.2.2	Limited English Proficiency	54
9.2.3	Nondiscrimination and Equal Access	55
9.3	Confidentiality (§ 576.500)	55
9.4	Conflict of Interest (§ 576.404)	56
9.5	Data Requirements (§ 576.107)	57
9.6	Educational Rights	57
9.7	Environmental Review (§ 576.407)	58
9.8	Family Admission and Non-Separation	58
9.9	Habitability Standards (§ 576.403)	58
9.9.1	Permanent Housing	58
9.9.2	Shelters	59
9.10	Homeless Participation (§ 576.405)	59
9.11	Income Certification	60
9.12	Lead-Based Paint	60
9.13	Obligation and Expenditure Deadline (§ 576.203)	61
9.14	Termination and Grievance Procedures (§ 576.402)	61
9.15	Violence Against Women Act (VAWA) (§ 576.409)	61

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

INTRODUCTION AND OVERVIEW

This policy manual and desk guide describes the City of Tucson Housing and Community Development Department's (COT HCD) policies and procedures for the administration of U.S. Department of Housing and Urban Development (HUD) Emergency Solutions Grant (ESG) Program funds. These policies and procedures apply to all organizations administering COT ESG funds including, but not limited to:

- Not-for-profit and/or government organizations administering ESG funds through a subrecipient agreement (subrecipients);
- COT HCD program and administrative staff responsible for implementation, coordination, or management of ESG funds and/or activities; and
- COT divisions or departments administering ESG funds obligated through an inter-departmental memorandum of understanding (SCOs).

This manual is meant to be a supplement to the ESG regulations and HUD guidance. It is not exhaustive regarding all considerations affecting the use of ESG funds. Where a conflict of language or omission of requirements occurs, the requirements of Federal Notices and U.S. Department of Housing and Urban Development (HUD) ESG and cross-cutting regulations and any amendments will prevail.

The City of Tucson may add, remove, or change policies, procedures or forms in this manual. Entities administering COT ESG funds are required to comply with these policies as published, including subsequent revisions. Entities administering COT ESG funds are also required to:

- Maintain organizational policies and procedures that demonstrate internal systems and controls sufficient to ensure compliance with ESG regulations and the policies and procedures contained in this manual; and
- Comply with any project-specific and/or general conditions outlined in the ESG funding subaward (subrecipient agency) or memorandum of understanding (City of Tucson departments).

1.1 APPLICABILITY

These policies and procedures apply only to ESG funds administered by the COT either directly or through its subrecipients, contractors, and partners utilizing ESG funds passed through to such entities by the COT. Organizations serving the COT service area may also receive ESG funding from the Arizona Department of Economic Security (ADES) and/or Pima County. ADES and Pima County maintain separate written standards for the administration of ESG funds.

City of Tucson ESG Program Policies and Procedures (Written Standards)

1.2 RELATIONSHIP TO TUCSON-PIMA COLLABORATION TO END HOMELESSNESS (TPCH) CONTINUUM OF CARE GOVERNING DOCUMENTS

These COT ESG Program policies and procedures overlap significantly with the Tucson-Pima Collaboration to End Homelessness (TPCH) governing documents, including the TPCH Written Standards, Coordinated Entry Policies and Procedures, HMIS Policies and Procedures and TPCH System Performance Measures. These documents are referenced throughout these policies and procedures and are found at <https://tpch.net/about/tpch-governing-documents/>.

1.3 EMERGENCY SOLUTIONS GRANT (ESG) PROGRAM BACKGROUND

The Emergency Shelter Grant Program (predecessor to the Emergency Solutions Grant Program) was originally established by the Homeless Housing Act of 1986, in response to the growing issue of homelessness among individuals, families, and children in the United States. In 1987, the Emergency Shelter Grant Program was authorized by Subtitle B of Title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11371-11378). On May 20, 2009, President Obama signed the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act which reauthorized the U.S. Department of Housing and Urban Development (HUD) Homeless Assistance programs. The HEARTH Act renamed the Emergency Shelter Grant Program, now known as the Emergency Solutions Grant Program, to better reflect the variety of solutions authorized for implementation under the program.

1.4 DEFINITIONS

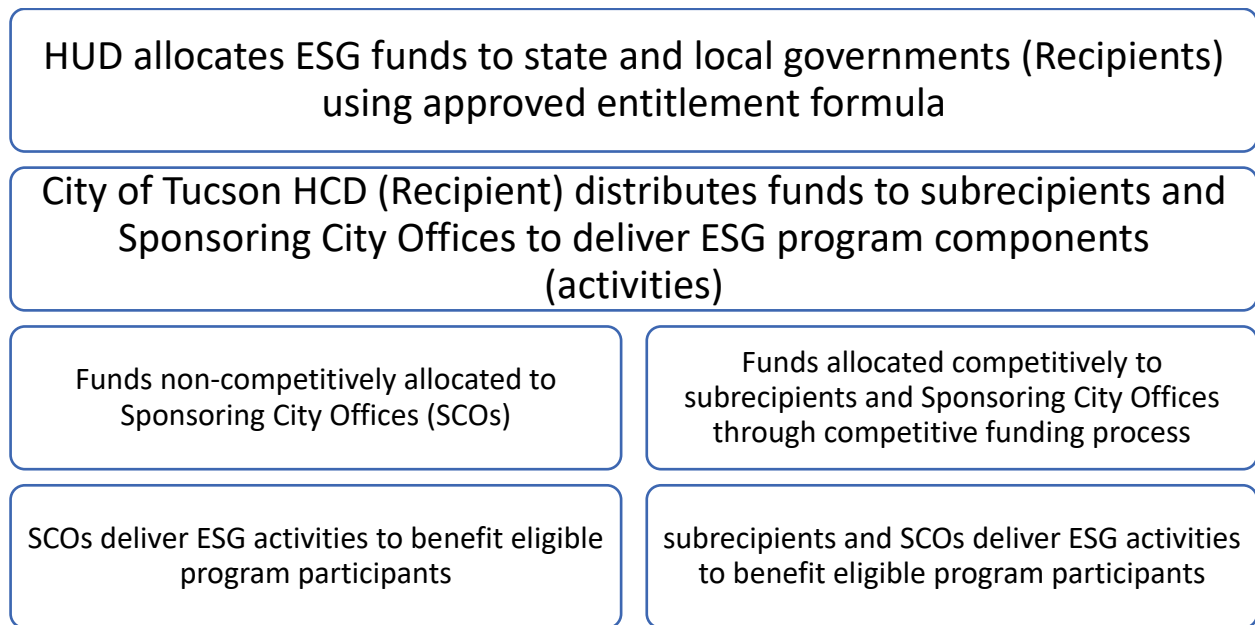
These definitions explain the roles and structure of the COT ESG program. Additional definitions relevant to ESG program components or activities, and other aspects of ESG can be found in the corresponding sections of this manual.

1. **Recipient** – The ESG recipient is the entity that receives ESG funding directly from HUD. In the context of this manual, the City of Tucson is the recipient.
2. **Subrecipient** – Organizations that receive City of Tucson ESG funds and are not a City of Tucson Department, Division, or Office.
3. **Sponsoring City Office (SCO)** – COT Departments, Divisions or Offices, including the Housing First Division, that administer or deliver ESG program activities. Sponsoring City Offices are required to comply with subrecipient requirements regardless of whether ESG funds were awarded through a competitive or noncompetitive process.

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

4. **Program Participant** – Individuals and families experiencing or at risk of experiencing homelessness who receive ESG services from subrecipients and Sponsoring City Offices.
5. **Program Component** – ESG regulations permit the implementation of five types of eligible projects, known as program components. These include street outreach, emergency shelter, rapid rehousing, homelessness prevention, and Homeless Management Information System (HMIS) component types.

1.5 THE COT ESG FUNDING PROCESS



1.6 COT ESG PHILOSOPHY AND APPROACH

The COT HCD's approach to implementing ESG is rooted in five evidence-based philosophies and guidelines. These philosophies and guidelines reflect the COT's values, underpin these policies and procedures, and reflect the City's expectations of ESG subrecipients and SCOs:

1. Housing First;
2. Housing-Focused Program Alignment
3. Real-Time, Quality Data
4. Equity and Inclusion
5. Community-Wide Collaboration

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

1.6.1 Housing First

The City of Tucson endorses a Housing First approach aimed at quickly and successfully connecting individuals and families experiencing homelessness to permanent housing without preconditions or barriers to entry, such as sobriety, treatment, or mandatory service participation. Supportive services must be offered to maximize housing stability and prevent returns to homelessness, but participants are not required to participate in such services in order to receive or maintain assistance.

The Housing First philosophy recognizes stable housing as a foundational necessity to address underlying challenges to long-term stability, health, wellness, and financial security. subrecipients and SCOs administering ESG permanent housing projects (rapid rehousing) must do so using a Housing First approach which incorporates all core elements of the Housing First model as described in Exhibit 2.1 – Core Elements of Housing First.

EXHIBIT 2.1 - CORE ELEMENTS OF HOUSING FIRST	
Immediate access to permanent housing with no housing readiness requirements	The Housing First approach involves providing program participants with assistance in finding and obtaining safe, secure, and permanent housing as quickly as possible. The key to the Housing First philosophy is that individuals are not required to demonstrate that they are ‘ready’ for housing. Housing is not conditional on sobriety or abstinence. Program participation is also voluntary. This approach runs in contrast to what has been the orthodoxy of ‘treatment first’ approaches whereby people experiencing homelessness are placed in emergency services and must address specific personal issues (addictions, mental health) before being deemed ‘ready’ for housing.
Consumer choice and self-determination	The Housing First model offers a rights-based, participant-centered approach that emphasizes client choice in terms of housing and supports. Housing - Participants are able to exercise choice regarding the location and type of housing they receive (e.g. neighborhood, congregate setting, scattered site, etc.). Choice may be constrained by local availability and affordability.

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

EXHIBIT 2.1 - CORE ELEMENTS OF HOUSING FIRST	
	Services – Participants have choices in terms of what services they receive, and when to start using services. Service participation is 100% voluntary (excluding mandatory monthly case management participation in homelessness prevention and rapid rehousing programs).
Recovery orientation	Housing First practice is not simply focused on meeting basic participant needs – Housing First is not Housing Only. A recovery orientation focuses on individual well-being, and ensures that program participants have access to a range of supports that enable them to nurture and maintain social, recreational, educational, occupational and vocational activities.
Individualized and participant-driven supports	<p>A participant-centered approach recognizes that individuals are unique, and so are their needs. Once housed, some people will need minimum supports while other people will need supports for the rest of their lives (this could range from case management to assertive community treatment). Supports may address housing stability, health and mental health needs, and life skills.</p> <p>It is important to remember that a central philosophy of Housing First is that people have access to the supports they need, if they choose. Access to housing is not conditional upon accepting a particular kind of service.</p>
Social and community integration	<p>Part of the Housing First strategy is to help people integrate into their community and this requires socially supportive engagement and the opportunity to participate in meaningful activities. If people are housed and become or remain socially isolated, the stability of their housing may be compromised. Key features of social and community integration include:</p> <ul style="list-style-type: none">• Separation of housing and supports (except in the case of supportive housing)• Housing models that do not stigmatize or isolate clients. This is one reason why scattered site approaches are preferred.

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

EXHIBIT 2.1 - CORE ELEMENTS OF HOUSING FIRST

	<ul style="list-style-type: none">• Opportunities for social and cultural engagement are supported through employment, vocational and recreational activities.
--	--

1.6.2 Housing-Focused Program Alignment

Although ESG street outreach, homelessness prevention, and emergency shelter programs do not provide permanent housing subject to Housing First requirements, all ESG-funded subrecipients and SCOs are required to maintain a Housing Focused Program Alignment that applies the underlying principles of Housing First to emergency services as described in Exhibit 2.2 below.

EXHIBIT 2.2 – HOUSING FOCUSED PROGRAM ALIGNMENT

Housing Focused Case Management	Case management and complementary supportive services are timely and targeted to overcome barriers to obtaining and maintaining permanent housing. Program services are not designed to “fix” participants but instead to help participants define and achieve housing permanency goals.
Low Barrier Services	<p>Projects do not require service participation, sobriety, abstinence, or service participation in order to obtain or maintain ESG assistance. Projects pro-actively eliminate identification and other barriers to the greatest extent possible, and provide a welcoming service environment in areas frequented by and accessible to potential program participants.</p> <p>The City of Tucson prohibits the use of breathalyzing, drug testing, family separation, identification requirements not specifically required under federal program rules, or service participation agreements as a requirement to receive or maintain ESG services. Additionally, the City requires ESG-funded projects to permit companion animals and/or develop formal operating agreements with a local animal welfare program to arrange for safe, temporary care of a participant’s companion animals during their period of stay in ESG-funded shelters. Such operating agreements shall</p>

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

EXHIBIT 2.2 – HOUSING FOCUSED PROGRAM ALIGNMENT	
	provide for the resident’s regular and unsupervised access to visitation with their companion animal and the immediate and unconditional return of companion animals to the participant upon exit from the shelter unless prevented to do so by court order.
Progressive Engagement	Assistance is tailored to each individual or household’s needs and assessing what works best for them, with their specific strengths, and in their specific situation. Assistance is provided at the minimum dosage needed to address presenting challenges and increased as needed to avoid housing loss and promote stability.
Trauma-Informed Approach	Service models reflect the widespread impact of trauma on victims and understand potential paths for healing; recognize the signs and symptoms of trauma in staff, clients, and others involved with the system; and respond by integrating knowledge about trauma into policies, procedures, practices, and settings.
Harm Reduction	Program models incorporate pro-active education and services aimed at reducing the harm associated with risky behaviors such as substance use without requiring abstinence.
Evidence-based and Evidence-informed Approaches	Program models incorporate approaches and skills, such as motivational interviewing, asset- and strengths-based practices, individual choice, critical time intervention, and other evidence-based and evidence-informed practices.

1.6.3 Real Time, Quality Data

Real-time, quality data allows organizations and communities to understand the scale of homelessness, determine whether strategies are effective, and improve programs, policies, and systems. Real-time, quality data can:

1. Capture information around racial, ethnic, geographic, and other inequities and disparities;
2. Improve accountability and transparency;

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

3. Create a complete picture of homelessness to understand whether strategies are driving down the number of people experiencing homelessness;
4. Create a shared understanding of individual housing needs, available housing options, and strategic resource allocation (e.g., using a real-time, by-name list);
5. Equip organizations with shared information so that they can coordinate resources, develop strategic plans, and build adequate systems;
6. Allow organizations to understand exactly how their services interact with each other and with other systems (e.g., inflow into and outflow out of homelessness);
7. Streamline access to services and service delivery;
8. Prevent inefficiencies, such as retroactive data entry and data user errors;
9. Be used as a tool to implement evidence-based practices;
10. Promote informed policy, program, and funding decision-making; and
11. Be leveraged to build cross-sector partnerships

ESG projects must adhere to the applicable data timeliness standards established by the Tucson Pima Collaboration to End Homelessness (TPCH) as it relates to the Homeless Management Information System (HMIS) data entry. Such requirements are articulated in the TPCH Written Standards, HMIS Policies and Procedures, and Coordinated Entry Policies and Procedures.

ESG shelter projects must maintain real-time data entry (within 1-2 hours) for shelter entrance and exits, and must establish public visibility of shelter bed availability through the HMIS Community Point/Shelter Point functionality to enable direct shelter referral and coordination by community agencies, outreach workers, Coordinated Entry access points, COT staff, and first responders, as well as self-referral by individuals and families in need of shelter assistance.

City of Tucson ESG Program Policies and Procedures (Written Standards)

1.6.4 Equity and Inclusion

The COT HCD is committed to addressing systemic racism and disparate outcomes that are evident among people experiencing and at risk of homelessness in our city and region. HCD works with area agencies focused on racial justice to ensure ESG policies align with existing and planned racial justice efforts. Additionally, HCD is committed to using data to quantify ESG outcomes based on racial and ethnic demographics (including individuals and families served, housed, and still experiencing homelessness), and providing targeting assistance and tools that subrecipients and SCOs can use to measure the impacts of equity and inclusion efforts. These measurements are fully incorporated into HCD's grantmaking, subrecipient and program monitoring, and program evaluation efforts.

1.6.5 Community-Wide Collaboration

Data consistently show that collaboration is central to ending homelessness. For that reason, HCD is committed to working alongside ESG subrecipients and SCOs, other non-profits and local governments, the Continuum of Care, mainstream service and housing providers, and other internal and external stakeholders. HCD encourages collaboration among ESG subrecipients and SCOs, including coordination of services and active participation within the Continuum of Care. To ensure required coordination, ESG subrecipients must participate in the local Coordinated Entry system and contribute data to the statewide HMIS.

1.6.6 Continuum of Care and Coordinated Entry Involvement

These ESG written standards are strategically aligned with the Continuum of Care standards and Coordinated Entry system. All ESG-funded programs and activities must participate in the Coordinated Entry system and maintain documentation evidencing participation. The Coordinated Entry system allows for collaboration between homeless services providers and housing programs, and allows for a formal prioritization process for referrals to ensure the most vulnerable persons are matched quickly and efficiently to programs that best fit their needs.

2 ESG PROGRAM COMPONENTS AND ELIGIBLE ACTIVITIES

Prior to recommending an activity for funding to the Mayor and City Council, the City of Tucson Housing and Community Development Department (COT HCD) will review the subrecipient activity application to determine whether it:

1. Is an eligible activity;
2. Addresses a priority need identified in the city's current 5-year Consolidated Plan; and
3. Meets the criteria and requirements specified for the activity in any city-issued request for proposals or applications, or notice of funding availability.

2.1 ELIGIBLE ACTIVITIES

Prior to approval of ESG funding for an activity, COT HCD will require a complete subrecipient or city department application to determine activity eligibility. The process of selecting projects is described in each Call for Projects, Request for Proposals or other solicitation. When selected for funding, an activity is given a title and may be given an internal identification number. In some cases, COT HCD may non-competitively award ESG funds to a Sponsoring City Office (SCO), including the Housing First Division.

ESG-eligible activities fall within six categories, each of which is described in a chapter of this manual.

1. Street Outreach (§576.101);
2. Emergency Shelter (§576.102);
3. Homelessness Prevention (§576.103);
4. Rapid Rehousing (§576.104);
5. Homeless Management Information System (HMIS) (§576.107); and
6. Administration (§576.108 and §576.109).

2.2 INELIGIBLE ACTIVITIES AND USES OF ESG FUNDS

Ineligible activities include:

1. Replacement of existing mainstream resources;
2. Payments made directly to program participants;
3. Payments on a mortgage or land contract;

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

4. Payment of rent for eligible individuals or families for the same period of time and for the same costs assisted through any other federal, state, or local housing subsidy program. Financial assistance, such as payment of security deposits, is allowed if that cost is not eligible under the other subsidy program;
5. Pet deposits;
6. Payments on credit card bills, other consumer debt, or other obligations, including child support or garnishments;
7. Cash assistance;
8. Purchase of gifts cards for participants for any purpose;
9. Payment for costs of discharge planning programs in mainstream institutions such as hospitals, nursing homes, jails, or prisons;
10. Improvements to sanctuaries, chapels, or other rooms used principally as a place of worship; and
11. Payment for religious activities. While organizations that are religious or faith-based are eligible to receive ESG funds, religious activities must be conducted separately, in time and location, from ESG-funded activities and participation must be voluntary for program participants.

2.3 CONSOLIDATED PLAN PRIORITY NEEDS

Every five years the city completes a Consolidated Plan that identifies priority needs that will be addressed by HUD CPD resources. Proposed ESG activities must address a priority need identified in the city's current Consolidated Plan.

2.4 ANNUAL ACTION PLANS (AAPs)

The Consolidated Plan is carried out through Annual Action Plans (AAPs). The AAPs provide a concise summary of the actions, activities, and specific federal and non-federal resources that will be used during the coming year to address the priority needs and specific goals identified in the Consolidated Plan. The AAP essentially serves as the annual application for HUD CPD entitlement funds, including ESG.

Annual Action Plans encompass federal program years (PY), which are different than city fiscal years. For example, the PY2023 AAP covers program funds that will be received by the city in fiscal year 2024 (July 1, 2023 through June 30, 2024). Annual Action Plans are generally submitted in IDIS by May 15th of each year for the fiscal year beginning July 1st. An AAP cannot be submitted until after the program allocation amounts are known, so the actual timing of the

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

AAP submission depends on when the federal budget is passed, the timing of HUD program allocation calculations, and HUD guidance.

3 PROGRAM ADMINISTRATION, INDIRECT COSTS, AND ACTIVITY DELIVERY

3.1 PROGRAM ADMINISTRATION (§ 576.108)

The COT may utilize up to 7.5% of its annual allocation for program administration, planning and reporting activities:

1. General management, oversight and coordination, including:
 - a. Reasonable costs of overall program management, coordination, monitoring, and evaluation.
 - b. Consolidated Plans, Annual Action Plans, and Consolidated Annual Performance Evaluation Reports.

Administrative activities do not include staff and overhead costs directly related to carrying out eligible ESG components or activities.

The City of Tucson does not pass Program Administration funding through to subrecipients as a standard practice. Any deviation from this practice must be approved by the Housing and Community Development Department Director as it results in a direct reduction in Program Administration funds available for direct use by the COT in its administration of the ESG program.

3.1.1 Indirect Costs (§ 576.109)

Indirect costs may be charged to and recovered by subrecipients and SCOs within each eligible ESG program component (street outreach, homelessness prevention, rapid rehousing, emergency shelter). The charges and cost recovery must be charged and recovered according to a current federally negotiated indirect cost agreement or the de minimis indirect cost rate subject to the limitations and conditions established by [2 CFR 200, Subpart E](#) and [HUD's Indirect Cost Toolkit for CoC and ESG Programs](#). Such costs are not subject to the 7.5% administrative cap as clarified in HUD's Indirect Toolkit for CoC and ESG Programs.

3.2 ACTIVITY DELIVERY COSTS

Staff and overhead costs directly related to carrying out eligible ESG activities are considered activity delivery costs and are charged to the actual activity being carried out. When charged as activity delivery costs, the staff and overhead costs are not subject to the 7.5% administrative cost cap.

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

To be treated as an activity delivery cost, the cost must be attributed to implementing an eligible ESG activity and approved as part of the written agreement. Activity delivery costs include, but are not limited to:

1. Staff time devoted to implementing or carrying out a specific ESG activity, such as reaching out to people experiencing unsheltered homelessness, delivering services in an emergency shelter setting, assisting people at risk of homelessness, and providing case management services to individuals receiving rapid rehousing assistance.
2. Travel costs incurred specifically for an ESG activity such as traveling to locations where people experiencing homelessness congregate or accompanying program participants on public transportation.
3. Materials necessary to carry out an activity, such as paper for program participant applications.

When allocating staff and overhead costs to ESG activities, staff must consistently maintain timesheets that document the hours directly allocated to each activity.

3.3 ESG MATCHING FUNDS REQUIREMENTS (§ 576.201)

ESG funds must be matched dollar for dollar. The COT contributes a portion of the required match, and requires subrecipients and SCOs to also contribute. Specific match requirements are detailed in each call for projects, request for proposals, or solicitation. Eligible sources of matching funds include:

1. Other federal funds for which ESG is not used as match;
2. The fair market value of buildings donated for ESG use for not less than 10 years as evidenced by a recorded deed or use restriction;
3. Building depreciation or fair rental charges for the land for buildings donated by third parties, for each year the building is used in the ESG program;
4. Cash contributions expended for allowable subrecipient and SCO ESG costs including the contracted reimbursement rate for ESG-eligible services provided to persons enrolled in the ESG program and billed to Medicaid or another fee for service contract;
5. Noncash contributions, including:
 - a. Materials, buildings, and leases calculated at fair market value;

City of Tucson ESG Program Policies and Procedures (Written Standards)

- b. Services provided by individuals, valued at rates consistent with those ordinarily paid for similar work by subrecipient or SCO staff or consistent with those ordinarily paid by other employers for similar work;
- c. Real property, equipment, goods, or services that would have been indirect costs, when 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;
- d. Eligible ESG costs paid with ESG program income.

3.4 SUBRECIPIENT MANAGEMENT

Subrecipient management includes monitoring and written agreements. The COT HCD maintains and follows a separate document that describes the application and monitoring procedures for ESG-funded activities. The COT subrecipient Management and Monitoring Policies and Procedures are used for ESG subrecipient monitoring. This chapter focuses on written agreements with subrecipients and SCOs utilizing ESG funds.

3.4.1 Written Agreements

The Housing and Community Development Department (HCD) utilizes written agreements to manage activities approved for funding using Emergency Solutions Grant (ESG) funds. Written agreements are used with organizations that are not city departments (subrecipients), and Memorandums of Understanding (MOU) are used with SCOs.

When selected for funding, subrecipients will receive an initial award letter, while city departments will receive an email from the assigned project coordinator.

Receipt of an award letter or email notice does not imply approval of all proposed activities or specific costs. The proposed activities and budget are subject to negotiation and modification.

3.4.1.1 Subrecipient Written Agreement and Sponsoring City Office MOU Negotiation

The written agreement/MOU negotiation process includes:

1. Defining project objectives and measurable outcomes;
2. Finalizing the program budget;
3. Finalizing the implementation schedule; and
4. Identifying special conditions to be included in the written agreement.

City of Tucson ESG Program Policies and Procedures (Written Standards)

While the negotiation process is underway, no funds can be obligated until after:

1. Execution of a Grant Agreement between HUD and the COT;
2. Completion of an Environmental Review; and
3. Execution of the written agreement or MOU.

3.4.1.2 Written Agreement/MOU Contents

The written agreement or MOU is the legal document governing the administration of the ESG funding. Each written agreement or MOU consists of provisions common to ESG, generally referred to as 'boilerplate' language, as well as provisions specific to the activity or project, including:

- Amount of funding;
- Termination, modification and amendment;
- Method of payment;
- Minimum 'match' requirements;
- Policy requirements;
- Activity or project budget;
- Activity or project implementation schedule;
- Requirement to comply with applicable laws and regulations;
- Scope of work;
- Incorporation by reference of HCD policies and procedures; and
- The subrecipient or SCO application.

3.4.1.3 De-obligation, Recapture, and Amendments

ESG funds must be used according to the written agreement or MOU budget, scope of work, and schedule of completion. When there are deviations from these provisions, HCD may:

1. De-obligate funds;
2. Recapture funds; or
3. Amend the Written agreement or MOU.

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

3.4.1.3.1 De-obligation of Funds

De-obligation is the action of removing funds from a written agreement or MOU because:

1. The scope of work is completed using less ESG funds than anticipated and leaving a balance of unexpended funds;
2. An activity was changed or cancelled (for reasons other than performance) resulting in excess funding; and/or
3. Expenditures are disallowed.

When HCD de-obligates funds, it will reallocate funding to another ESG-funded activity that has demonstrated need for additional funding.

3.4.1.3.2 Recapture of Funds

Recapture is the action of removing funds from a written agreement or MOU because:

1. HCD has determined that ESG funds were not used in compliance with the written agreement, MOU, or federal regulations; or
2. The subrecipient or SCO fails to perform according to the performance criteria outlined in the scope of work, schedule and/or other specified performance criteria.

When HCD recaptures ESG funds, it will reallocate funding to another ESG-funded activity that has demonstrated need for additional funding.

3.4.1.3.3 Written Agreement and MOU Amendments

Either party may request modifications in the scope of services, or terms and conditions of the written agreement or MOU. Proposed modifications that are mutually agreed upon will be incorporated by written amendment. Amendments are required for:

1. Scope of work changes;
2. Changes to the activity or project location or beneficiaries;
3. Introduction of new activity or project funding;
4. Changes in staff or a project team member; and
5. Schedule changes.

Changes must be requested in writing at least thirty days prior to implementation of the change. All change requests must specifically state the reason(s) for the request and documentation/justification supporting the change. HCD will accept no more than two revisions

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

to the project schedule before de-obligating or recapturing funds. De-obligation and recapture shall be determined on a case-by-case basis.

Some changes will require a minor or substantial amendment to the Annual Action Plan before allowing the subrecipient or city department to proceed with proposed changes. Minor amendments can generally be accomplished within thirty days. Substantial amendments will take not less than sixty days. Changes that will require an Annual Action Plan substantial amendment are:

1. Changes in the use of ESG funding from one eligible activity to another in an amount greater than twenty percent (20%) of the annual ESG allocation, including project deletions, and reprogramming funds from one activity or project to another.
2. Funding an activity not described in the Annual Action Plan.

When a substantial amendment is made to the Consolidated Plan or Annual Action Plan after its formal adoption, the city will:

1. Provide reasonable public notice of the proposed amendment(s) in a newspaper of general circulation to enable review and comment by the public for at least thirty (30) days.
2. Make the amendment available for public review and comment, and post the amendment on the city website.
3. Conduct a public hearing on the subject of the proposed amendment.
4. Obtain City Council approval of the amendment.
5. Submit the amendment to HUD for approval.

3.4.1.4 Contract Termination

If a subrecipient or SCO is unable or fails to comply with any of the provisions of the written agreement or MOU, the written agreement or MOU may be terminated. Subrecipients and SCOs may be required to return all or a portion of funding to the city. Individual written agreements or MOUs will detail the specifics of termination.

4 EVALUATING AND DOCUMENTING ELIGIBILITY (§ 576.400)

Individuals and families are eligible ESG participants when they meet either one of the category definitions of homeless or one of the category definitions of at-risk of homelessness. Documentation of eligibility is required.

4.1 HOMELESS DEFINITION (§ 576.2)

There are four ESG category definitions of homeless that may document participant eligibility. Definitions for each category and documentation requirements are found in the TPCH Written Standards, which may be accessed at <https://tpch.net/about/tpch-governing-documents/>.

1. Literally homeless (Category 1);
2. Imminent risk of homelessness (Category 2);
3. Homeless under other Federal statutes (Category 3); or
4. Fleeing or attempting to flee domestic violence (Category 4).

4.2 AT-RISK OF HOMELESSNESS DEFINITION (§ 576.2)

There are three category definitions of at-risk of homelessness that may document participant eligibility:

1. Individuals and Families;
2. Unaccompanied Children and Youth; or
3. Families with Children and Youth.

4.2.1 Category 1: Individuals and Families

1. Has an annual income below 30% of median household income, adjusted for household size; and
2. Does not have sufficient resources or support networks immediately available to prevent them from moving to an emergency shelter or another place defined in Category 1 of the “homeless” definition; and
3. Meets one of the following conditions:
 - a. Has moved because of economic reasons 2 or more times during the 60 days immediately preceding the application for assistance; or
 - b. Is living in the home of another because of economic hardship; or

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

- c. Has been notified that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance; or
- d. Lives in a hotel or motel and the cost is not paid for by charitable organizations or by Federal, State, or local government programs for low-income individuals; or
- e. Lives in an SRO or efficiency apartment unit in which there reside more than 2 persons or lives in a larger housing unit in which there reside more than one and a half person per room; or
- f. Is exiting a publicly funded institution or system of care; or
- g. Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the City of Tucson-Pima County Consortium Consolidated Plan.

4.2.1.1 Required Documentation (§ 576.500)

For individuals and families that qualify as at-risk of homelessness because they are extremely low-income, lack sufficient resources, and meet one of the qualifying conditions, required documentation includes:

1. Annual income certification verification following 24 CFR Part 5.609 evidencing household income is below 30% of the AMI, adjusted for housing size; and
2. The program participant's certification on a form specified by HUD that the program participant has insufficient financial resources and support networks, which may include:
 - a. Source documents (e.g., notice of termination from employment, unemployment compensation statement, bank statement, health-care bill showing arrears, utility bill showing arrears); or
 - b. To the extent source documents are unobtainable, a written statement by a third party (e.g., former employer, public administrator, relative) or written certification by intake staff of the oral verification by the relevant third party; or
 - c. To the extent that source documents and third-party verification are unobtainable, a written statement by intake staff describing the efforts taken to obtain the required evidence; and
3. Source documents that evidence one or more qualifying conditions; or

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

4. To the extent source documents evidencing one or more qualifying conditions are unobtainable written statement by a third party (e.g., former employer, property owner, hotel or motel manager, public administrator) or written certification by intake staff of the oral verification by the relevant third party; or
5. To the extent that source documents and third-party verification are unobtainable, a written statement by intake staff describing the efforts taken to obtain the required evidence.

4.2.2 Category 2: Unaccompanied Children and Youth

A child or youth who does not qualify as homeless under the homeless definition, but qualifies as homeless under another Federal statute.

4.2.2.1 Required Documentation (§ 576.500)

For individuals that qualify as at-risk of homelessness because they are a child or youth who does not qualify as homeless under the homeless definition, but qualifies as homeless under another Federal statute, required documentation includes:

1. 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.

4.2.3 Category 3: Families with Children and Youth

An unaccompanied youth who does not qualify as homeless under the homeless definition, but qualifies as homeless under section 725(2) of the McKinney-Vento Homeless Assistance Act, and the parent(s) or guardian(s) or that child or youth if living with him or her.

4.2.3.1 Required Documentation (§ 576.500)

For families with children and youth that qualify as at-risk of homelessness because they are unaccompanied youth who does not qualify as homeless under the homeless definition, but qualify as homeless under section 725(2) of the McKinney-Vento Homeless Assistance Act, and the parent(s) or guardian(s) or that child or youth if living with him or her, required documentation includes:

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

1. 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.

4.3 PRIORITIZING INDIVIDUALS AND FAMILIES AND ASSESSING AND REASSESSING HOUSING AND SERVICES NEEDS

Subrecipients and SCOs may request to target funds to a specific segment of individuals or families otherwise eligible for ESG assistance. If approved, targeting of ESG funds will be included in the written agreement. If no targeting is approved, the COT ESG Program will use the TPCCH Coordinated Entry Policies and Procedures to prioritize individuals and families for assistance.

Subrecipients and SCOs, regardless of approved population targeting, must use the TPCCH Coordinated Entry Policies and Procedures to guide assessment and reassessment of housing and services needs. The TPCCH Coordinated Entry Policies and Procedures may be accessed at <https://tpch.net/about/tpch-governing-documents/>.

The Coordinated Entry system is a client-centered process of standardized access and assessment and uniform referral priorities for coordinated referral and housing placement. The system is designed to ensure that people experiencing homelessness or at imminent risk of homelessness receive appropriate assistance with both immediate and long-term housing and service needs.

The Coordinated Entry system employs a phased approach to assessment, which segments the collection of participant information into the following stages:

- Initial Triage – resolving the immediate housing crisis, identifying whether the CoC crisis response system is the appropriate system to address the potential participant's immediate needs.
- Diversion and/or Prevention Screening – the examination of existing participant resources and options that could be used to avoid entering the homeless system of care.

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

- Crisis Services Intake – information necessary to enroll the participant in a crisis response project such as emergency shelter or other homeless assistance projects.
- Initial Assessment – information to identify a participant’s housing and service needs with the intent to resolve participant’s immediate housing crisis.
- Comprehensive Assessment – information necessary to refine, clarify, and verify a participant’s housing and homeless history, barriers, goals, and preferences. Assessment information supports the evaluation of participant’s vulnerability and prioritization for assistance.
- Next Step/Move-On Assessment – information revealed or known after an Initial Assessment is conducted when that new information may suggest a revised referral strategy. Alternatively, reevaluating participants who have been stably housed for some time and who may be ready for less intensive housing and service strategies.

4.3.1 Diversion

Diversion is a service that helps individuals and families find safe and appropriate alternatives to using shelters and housing projects by trying to resolve problems through natural supports. The TPCH Coordinated Entry Policies and Procedures emphasize diversion and provides tools that must be followed when first interacting with an individual or family requesting assistance.

5 STREET OUTREACH COMPONENT (§ 576.101)

Street outreach includes Essential Services related to reaching out to unsheltered homeless individuals and families, connecting them with emergency shelter, housing, or critical services, and providing them with urgent, non-facility-based care. Subrecipient and SCO street outreach activities are limited to those approved in the COT written agreement.

5.1 ELIGIBLE PROGRAM PARTICIPANTS

Eligible program participants are individuals and families who are unsheltered and are either literally homeless (Category 1) or fleeing or attempting to flee domestic violence (Category 4) and also meet the criteria for Category 1. Program participants must be:

1. Living on the streets or another place not meant for human habitation; and
2. Unwilling or unable to access services in emergency shelter.

5.2 ESSENTIAL SERVICES

Street Outreach Essential Services include engagement, case management, emergency health and mental health services, transportation, and services for special populations.

5.2.1 Engagement

Engagement Services are activities to locate, identify, and build relationships with unsheltered homeless people to offer immediate support, intervention, and connections with homeless assistance programs and/or mainstream social services and other housing programs. Eligible costs include:

- Conducting an initial assessment of needs and eligibility;
- Providing crisis counseling;
- Addressing urgent physical needs, such as providing meals, blankets, clothes, or toiletries;
- Actively connecting and providing information and referrals to needed services; and
- Cell phone costs of outreach workers.

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

5.2.2 Case Management

Case Management activities focus on assessing housing and service needs and arranging, coordinating and/or monitoring the delivery of individualized services. Eligible costs include:

- Assessment and intake including using coordinated entry;
- Conducting initial evaluations including verifying and documenting eligibility;
- Counseling;
- Developing, securing, and coordinating services;
- Helping obtain Federal, State, and local benefits;
- Monitoring and evaluating program participant progress;
- Providing information and referrals to other providers; and
- Developing an individualized housing stabilization plan that leads to the attainment of stable permanent housing.

When an individual or family is provided case management services as part of street outreach is housed within 30 days using rapid rehousing assistance, the case management services should be charged to the rapid rehousing component.

5.2.3 Emergency Health Services

Emergency health services are eligible activities to the extent that other appropriate services and treatment are unavailable or inaccessible within the community. An example of customary emergency health services is outpatient treatment of urgent medical conditions by licensed medical professionals in community-based settings (e.g.; streets, parks, and campgrounds) to eligible participants unwilling or unable to access emergency shelter or an appropriate healthcare facility. Eligible costs include:

- Assessing health problems and developing treatment plans;
- Assistance in understanding health needs;
- Providing directly or assisting to obtain appropriate emergency medical treatment; and
- Providing medication and follow-up services.

5.2.4 Emergency Mental Health Services

Emergency mental health services are eligible activities to the extent that other appropriate services and treatment are unavailable or inaccessible within the community; i.e.; outpatient treatment of urgent mental health conditions by licensed professionals in community-based

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

setting (e.g.; streets, parks, and campgrounds) to those eligible participants unable or unwilling to access emergency shelter or an appropriate health care facility. Eligible costs include:

- Crisis intervention;
- Prescription of psychotropic medications;
- Explanation about the use and management of medications; and
- Combinations of therapeutic approaches to address multiple problems.

5.2.5 Transportation

Travel expenses incurred by outreach workers, social workers, medical professionals or other service agency employees during the provision of allowable street outreach services are eligible costs, including:

- Transporting unsheltered people to emergency shelters or other service facilities;
- Public transportation for participants;
- Mileage allowance for outreach workers using their own vehicles to visit program participants;
- Purchasing or leasing a vehicle for use in conducting outreach activities, including the cost of gas, insurance, taxes, and maintenance for the vehicle; and
- Costs of staff to accompany or assist program participants to use public transportation.

5.2.6 Services for Special Populations

Services for special populations are essential services that have been tailored to address the special needs of homeless youths, victims of domestic violence, dating violence, sexual assault, or stalking, including services offered by rape crisis centers, domestic violence shelters, and persons living with HIV/AIDS. Eligible costs include:

- Engagement;
- Case Management;
- Emergency Health Services;
- Emergency Mental Health Services; and
- Transportation.

6 EMERGENCY SHELTER COMPONENT (§ 576.102)

Emergency shelter is an appropriate facility that provides temporary or transitional shelter to eligible participants without a lease or occupancy agreement requirement. ESG funds can be used to provide essential services; shelter operations; and facility rehabilitation, renovation or conversion. Subrecipient and SCO emergency shelter activities are limited to those approved in the COT written agreement.

6.1 ELIGIBLE PROGRAM PARTICIPANTS

Eligible program participants are individuals and families who meet the HUD definition of homeless in Categories 1, 2, 3, and 4.

6.1.1 Admission, Referral, Diversion and Discharge

Emergency shelter providers may establish admission, referral and discharge policies at the shelter level. The TPCCH Coordinated Entry Policies and Procedures must be followed for emergency shelter admissions, referrals, diversion, and discharge.

Admission criteria may be established and approved at the shelter level as long as the criteria comply with Equal Access and Family Non-separation requirements. In addition to admission criteria, shelter providers may establish standards regarding length of stay, if any.

6.2 ESSENTIAL SERVICES

Emergency shelter essential services are services provided to individuals and families while in emergency shelters. Subrecipients and SCOs must have written standards for assessing, prioritizing, and reassessing individuals' and families' needs for essential services related to emergency shelter using the TPCCH Coordinated Entry Policies and Procedures. Services needs must be reassessed every 90 days.

6.2.1 Case Management

Case Management activities assess, arrange, coordinate, and monitor individualized services developed for program participants. Eligible costs include:

- Using coordinated entry;
- Conducting initial evaluations including, verifying and documenting eligibility;
- Counseling;

City of Tucson ESG Program Policies and Procedures (Written Standards)

- Developing, securing and coordinating services and obtaining Federal, State, and local benefits;
- Monitoring and evaluating program participant progress;
- Providing information and referrals to other providers;
- Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking; and
- Developing an individualized housing and service plan, including planning a path to permanent housing stability.

When an individual or family is provided case management services as part of emergency shelter and housed within 30 days using rapid rehousing assistance, the case management services should be charged to the rapid rehousing component.

6.2.2 Child Care

Child care may be provided only in licensed child care facilities for children under the age of 13, or for children with disabilities under the age of 18. Eligible costs include:

- Childcare costs;
- Providing meals and snacks; and
- Comprehensive, coordinated, and appropriate developmental activities.

6.2.3 Education

Education is instruction or training focused on obtaining and maintaining housing, consumer education, health education, substance abuse prevention, literacy, ESL, GED preparation and various life skills. Eligible costs include:

- Screening, assessment, and testing;
- Individual/group instruction;
- Tutoring;
- Books, supplies, and instructional materials;
- Counseling; and
- Referral to community resources.

City of Tucson ESG Program Policies and Procedures (Written Standards)

6.2.4 Employment Assistance and Job Training

Job Assistance services help participants to secure employment and placement in job training programs. Eligible costs include:

- Classroom, online, and/or computer instruction;
- On the job instruction;
- Job finding and skill building;
- Reasonable stipends to program participants in employment assistance and job training programs;
- Books and instruction materials;
- Employment screening; assessment or testing;
- Structured job seeking support;
- Special training and tutoring; including literacy training and pre-vocational training;
- Counseling or job coaching; and
- Referral to community resources.

6.2.5 Outpatient Health Services

Outpatient Health Services are eligible activities to the extent that other appropriate services and treatment are unavailable or inaccessible within the community. Eligible costs include:

- Assessing health problems and developing treatment plans;
- Assistance in understanding health needs;
- Providing directly or assisting to obtain appropriate medical treatment, preventive medical care, health maintenance services, including emergency medical services;
- Providing medication and follow-up services; and
- Providing preventive and non-cosmetic dental care.

6.2.6 Legal services

Legal advice and representation are eligible activities to the extent that other appropriate services and treatment are unavailable or inaccessible within the community. Legal services are limited to those that interfere with a program participant's ability to obtain and retain housing. Legal issues would include child support, guardianship, paternity, emancipation, legal separation, orders of protection and other civil remedies for victims of domestic violence,

City of Tucson ESG Program Policies and Procedures (Written Standards)

dating violence, sexual assault, and stalking, appeal of veterans and public benefit claim denials, and resolution of outstanding criminal warrants. Eligible costs include:

- Hourly fees for legal advice and representation by licensed attorneys and certain other fees-for-service;
- Project participant intake, preparation of cases for trial, provision of legal advice, representation at hearings, and counseling; and
- Filing fees and other necessary court costs.

Legal services to address immigration, citizenship, and mortgage issues are not eligible. Legal services may not be paid on a retainer- or contingency-fee basis.

6.2.7 Life Skills Training

Life Skills Training teaches critical life management skills that may never have been learned or may have been lost during the course of physical or mental illness, domestic violence, substance use, and homelessness. Allowable services must support the program participant to function independently in the community, including:

- Budgeting resources;
- Managing money;
- Managing a household;
- Resolving conflict;
- Shopping for food and needed items;
- Improving nutrition;
- Using public transportation; and
- Parenting.

6.2.8 Mental Health Services

Mental Health Services are eligible activities to the extent that other appropriate services and treatment are unavailable or inaccessible within the community. Services are direct outpatient treatment of mental health conditions by licensed professionals. Eligible costs include:

- Crisis intervention;
- Individual, household, or group therapy sessions;

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

- Prescription of psychotropic medications and explanation about the use and management of medications; and
- Combinations of therapeutic approaches to address multiple problems.

6.2.9 Substance Abuse Treatment

Substance Abuse Treatment is an eligible activity to the extent that other appropriate services and treatment are unavailable or inaccessible within the community. Services must be provided by licensed or certified professionals, and be designed to prevent, reduce, eliminate or deter relapse of substance abuse or addictive behaviors. Inpatient detoxification and other inpatient drug or alcohol treatment are not eligible costs. Eligible costs include:

- Project participant intake and assessment;
- Outpatient treatment for up to 30 days;
- Group and individual counseling; and
- Drug testing.

6.2.10 Transportation

Transportation activities include travel by program participants to and from medical care, employment, childcare or other facilities that provide eligible essential services. Eligible costs include:

- Staff travel costs incurred to provide essential services or visit program participants;
- Public transportation for participants; and
- Purchasing or leasing a vehicle used for transport of participants and/or staff serving participants, including the cost of gas, insurance, taxes, and maintenance for purchased or leased vehicles.

6.2.11 Services for Special Populations

Services for Special Populations means otherwise eligible essential services that are tailored to address the special needs of homeless youth, victims of domestic violence, dating violence, sexual assault, or stalking. Services for special populations include those provided to persons living with HIV/AIDS in emergency shelter, and services offered by rape crisis centers, domestic violence shelters and other organizations with a documented history of effective work concerning domestic violence, dating violence, sexual assault, or stalking. Eligible costs include:

- Case management;
- Childcare;

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

- Education services;
- Employment assistance and job training;
- Outpatient Health services;
- Legal services;
- Life Skills training;
- Mental health services;
- Substance abuse treatment services; and
- Transportation.

6.3 SHELTER OPERATIONS

Shelter operations includes the necessary costs of operating and maintaining emergency shelter or providing hotel or motel vouchers when no emergency shelter is available. Eligible costs include:

- Minor or routine maintenance;
- Facility rent;
- Security;
- Fuel;
- Equipment;
- Insurance;
- Utilities;
- Food;
- Furnishings;
- Supplies necessary for shelter operation; and
- Hotel/Motel vouchers.

6.4 SHELTER FACILITY REHABILITATION OR CONVERSION

Facilities owned by a nonprofit organization or government entity that will be used as emergency shelter for a minimum period of time may be rehabilitated or converted using ESG funds. Eligible costs include:

- Labor;

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

- Materials;
- Tools; and
- Other related costs, including soft costs.

6.4.1 Ineligible Activities

ESG funds may not be used for the acquisition of buildings or for new construction of emergency shelter facilities.

6.4.2 Minimum Use Period

The minimum use period for emergency shelter rehabilitation or conversion is calculated based on the appraised value of the property before and after rehabilitation or conversion. For rehabilitation activities the minimum use period is calculated using the before-rehabilitation value. For conversion activities the minimum use period is calculated using the after-rehabilitation value. Value must be based on an appraisal or similarly-documented value assessment.

Activity	Criteria	Minimum Use Period
Conversion	≤ 75% of the after-conversion value	3 years
	> 75% of the after- conversion value	10 years
Rehabilitation	≤ 75% of the before-rehabilitation value	3 years
	> 75% of the before-rehabilitation value	10 years

The use period begins the day the facility is first occupied by an eligible individual or family after completion. The COT secures the use period with a Land Use Restriction Agreement, Covenants, Conditions and Restrictions and a Deed of Trust.

6.4.3 Required Capacity

To carry out an ESG-funded Emergency Shelter conversion or rehabilitation, the City department or nonprofit organization must demonstrate capacity to manage the development process, including:

1. Permitting;
2. Contractor procurement and oversight;

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

3. Cross-cutting Federal regulations;
4. Construction and site inspections; and
5. General project management.

6.5 ASSISTANCE UNDER THE UNIFORM RELOCATION ASSISTANCE ACT (URA)

Relocation of any kind for an ESG-funded activity will trigger assistance under the Uniform Relocation Assistance Act (URA). Approval from the COT Housing and Community Development Department Director is required before the COT, subrecipients, or SCOs engage in or commit to any activities that may result URA assistance.

Any tenant, business or farm that is required to move temporarily or permanently due to an ESG-funded rehabilitation or conversion must be treated as permanently displaced and provided relocation assistance and payments consistent with the URA. This requirement includes tenants, businesses or farms that temporarily move belongings, temporarily move to another unit in the same building or complex, and tenants whose lease is not renewed, except for cause.

The subrecipient or SCO must keep records documenting compliance with the displacement, relocation, and acquisition requirements of the ESG program as defined in 24 CFR 576.408.

7 HOMELESSNESS PREVENTION (§ 576.103) AND RAPID REHOUSING (§ 576.104) COMPONENTS

The homelessness prevention and rapid rehousing components share many of the same eligible activities, yet participant eligibility is different. Eligible homelessness prevention and rapid rehousing activities include housing relocation and stabilization services, financial assistance, and short- and/or medium-term rental assistance necessary to prevent the individual or family from moving to emergency shelter, a place not meant for human habitation, or another place described in in [paragraph \(1\) of the homeless definition \(literal homelessness\)](#).

The costs of homelessness prevention are only eligible to the extent that the assistance is necessary to help the program participant regain stability in their current housing or move into other permanent housing and achieve stability in that housing. Subrecipient and SCO homelessness prevention and rapid rehousing activities are limited to those approved in the COT written agreement.

7.1 ELIGIBLE PROGRAM PARTICIPANTS – HOMELESSNESS PREVENTION

Eligible homeless prevention program participants are individuals and families who are not literally homeless. Eligible participants must:

1. Have annual household income below 30% of the area median income; and
2. Meet the HUD definition of:
 - a. At-risk of homelessness (any category); or
 - b. Homeless in Categories 2, 3, or 4.

7.1.1 Prioritizing Individuals and Families for Assistance

The COT requires subrecipients and SCOs to utilize the following TPCH Guidelines for ESG homelessness prevention and rapid rehousing activities:

1. TPCH Coordinated Entry Policies and Procedures for homelessness prevention activities; and
2. TPCH Written Standards for rapid rehousing activities.

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

7.2 ELIGIBLE PROGRAM PARTICIPANTS – RAPID REHOUSING

Eligible rapid rehousing program participants are individuals and families who are literally homeless or are fleeing or attempting to flee domestic violence and living in an emergency shelter or are literally homeless. Initially, program participants must meet the HUD definition of homeless in Category 1 or 4. There is no initial income limit or requirement. To retain rapid rehousing assistance after re-assessment or recertification, program participants must evidence income below 30% of the area median income.

7.2.1 Maximum Amount and Length of Assistance

Participants in ESG homelessness prevention and rapid rehousing assistance activities may receive not more than 24 months of assistance within any three-year period. In no case may a participant be provided more assistance than necessary to be stably housed.

7.3 HOUSING RELOCATION AND STABILIZATION SERVICES (§ 576.105)

Eligible housing relocation and stabilization services include financial assistance and services.

7.3.1 Financial Assistance

Financial assistance necessary to stabilize the household in their current housing or other permanent housing includes:

- One-time payment of up to six months of rental arrears, including late fees and charges;
- Short-term (up to 3 months) or medium term (4 to 24 months) rental assistance;
- Lease break fees when necessary for a participant who meets the criteria for an emergency transfer under the Violence Against Women Act (VAWA);
- For participants who will move to other permanent housing to achieve stability:
 - Rental application fee charged by the landlord to all applicants for tenancy;
 - Security deposit, equal to not more than 2 month's rent;
 - Last month's rent, paid to landlord at the time the security deposit and first month's rent are paid. The amount must not exceed one month's rent and is included in calculating the program participant's total rental assistance;
 - Moving costs, including truck rental, hiring a moving company, and temporary storage fees. Storage fees may be up to 3 month's rent, providing costs are not incurred until after program participation begins and before move-in. Moving costs may not include arrearage temporary storage fees;

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

- Standard utility deposits for gas, electric, water, and/or sewer required by the utility company for all customers;
- Utility payments for gas, electric, water and/or sewer, including up to 6 months of utility payments in arrears, per service. Utility payments 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.

7.3.1.1 Limitations on Financial Assistance

There are multiple limitations on financial assistance provided to program participants:

- Program participants may not receive more than 24 months of rental or utility assistance in any 3-year period. Rental assistance includes last months' rent. Utility assistance includes up to 6 months of arrears per eligible utility. A partial utility payment counts as a full month.
- Except for a one-time payment of rental arrears, rental assistance cannot also be provided to a program participant who is receiving tenant-based rental assistance through other public sources.
- Rental assistance may not be provided to a program participant who has received replacement housing payments under the URA during the period of time covered by the URA payments.

7.3.2 Stabilization Services

Housing stabilization services are:

- Housing search and placement including assessment of project participant housing barriers, needs, and preferences; housing search and landlord recruitment, assistance with rental applications and agreements, ensuring housing compliance with habitability and other housing related requirements;
- Housing Stability Case Management including project participant eligibility and service needs assessment, development of individualized housing and service plans, conducting required re-evaluations and follow-up, and coordinating access to other federal, state and local benefits;
- Mediation services to prevent the tenant from losing their housing including mediation between tenant and landlord, household members, neighbors or others impacting the tenant's housing stability;

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

- Legal Services pertaining to certain legal matters as identified in 24 CFR 576.102(a)(1)(vi) that are necessary to resolve in order for program participant to obtain or maintain stable housing; and
- Credit Repair including credit counseling, household budgeting, money management, obtaining credit reports and resolving credit related barriers to housing stability.

7.4 RENTAL ASSISTANCE (§ 576.106)

Rental Assistance can be either tenant-based or project-based. Tenant-based rental assistance allows program participants to select a housing unit. If the participant chooses to move to another location within the service area, the rental assistance can follow them to the new unit. Project-based rental assistance requires the subrecipient or a contracted agency to identify permanent housing units that meet ESG requirements. subrecipients enter into a rental assistance agreement with the owner to reserve the unit and provides the unit at a subsidized rent, through a sublease or occupancy agreement, to eligible program participants.

For program participants living in housing with project-based rental assistance, the lease must have an initial term of one year.

7.4.1 Occupancy and Rent Standard

Occupancy standards provide consistent criteria for determining the size of the permanent housing unit for which a program participant is eligible. The occupancy standard limits the amount of gross unit rent to the Fair Market Rent (FMR) established for the unit size determined by the occupancy standard, in turn establishing the maximum amount of assistance that may be provided.

The subrecipient or SCO must determine the appropriate number of bedrooms for each ESG-eligible household, using the following guidelines:

Voucher Size	Minimum & Maximum Persons in Household
1 bedroom	1-2
2 bedrooms	3-4
3 bedrooms	5-6
4 bedrooms	7-8
5 bedrooms	9-10

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

The following requirements apply when determining the appropriate unit size:

1. Size must provide the smallest number of bedrooms needed for all members without overcrowding.
2. Size must be consistent with space requirements under the Housing Quality Standards.
3. Size must be applied consistently for all households of like size and composition.
4. A child who is temporarily away from the home because of placement in foster care is considered a member of the household in determining the size.
5. A pregnant woman will be treated as two people in determining the size.
6. Small children (less than 2 years of age) may share a one-bedroom unit with a single parent.
7. Live-in aides will be allocated a separate bedroom; no additional bedrooms will be provided for the live-in aide's family.
8. Two elderly or disabled household members may be given separate bedrooms.
9. Foster children in the care of the participant will be included in determining unit size.
10. Single person households will be allocated a studio or one bedroom.

Adult only households receiving ESG assistance may be supported to maintain co-living relationships with other households provided that each household maintains a separate lease and a structured process established or approved by the COT is followed to support roommate matching activities based on participant preferences and needs. This approach is strongly encouraged to support long-term housing stability among adult only households with limited earning potential.

7.4.2 Rental Assistance Agreement and Lease

Both a rental assistance agreement between the subrecipient and landlord and a lease between the program participant and landlord are required to provide short- and medium-term rental assistance.

7.4.2.1 Rental Assistance Agreement

Subrecipients must make rental assistance payments only to a landlord with whom the subrecipient has entered into a rental assistance agreement. The rental assistance agreement sets out the terms under which rental assistance will be paid. A rental assistance agreement is a separate document from the rental lease. There is no requirement that the term of the lease

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

coincide with the term of the rental assistance agreement as long as they are both in effect during the time ESG-funded rental assistance is provided.

The rental assistance agreement must set forth the terms under which rental assistance will be provided, including the following:

- The landlord must provide the subrecipient a copy of any notice to the program participant to vacate the housing unit, or any complaint issued under state or local law to commence an eviction action against the program participant;
- The payment due date, grace period, and late payment penalty requirements must be the same as documented in the program participant's lease;
- If the subrecipient incurs late payment penalties for the rental assistance, the subrecipient will pay the penalties. Note that subrecipients must use non-ESG funds for any penalties or fees paid;
- If the subrecipient requires the program participant to pay a portion of the monthly rental cost, the amount of rent to be paid by the subrecipient and the amount of rent to be paid by the program participant;
- If rental arrears are being paid by the subrecipient, the number of months covered, any other terms and conditions of the payment.

7.4.2.1.1 Rental Assistance Agreement Termination

The subrecipient must terminate the rental assistance agreement and provide no further rental assistance payments when:

- The program participant moves out of the leased housing unit;
- The lease terminates and is not renewed; or
- The program participant becomes ineligible to receive ESG rental assistance.

7.4.2.2 Lease

The lease must set forth the terms under which the program participant will occupy the unit.

The lease must comply with Arizona law and must not contain any of the following provisions:

- *Agreement to be sued.* Agreement by the tenant to be sued, to admit guilt or to a judgment in favor of the owner in a lawsuit brought in connection with the lease
- *Treatment of property.* Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties (Note: This prohibition does not apply to an

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with state law.)

- *Excusing owner from responsibility.* Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent
- *Waiver of notice.* Agreement by the tenant that the owner may institute a lawsuit without notice to the tenant
- *Waiver of legal proceedings.* Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties
- *Waiver of right to appeal court decision.* Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease
- *Tenant chargeable with cost of legal actions regardless of outcome.* Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant (Note: The tenant may be obligated to pay costs if the tenant loses.)
- *Payment of additional rent or fees to owner.* Agreement by the tenant to pay additional rent or fees to the owner out of pocket once occupancy takes place

7.4.3 Rental Arrears Only - Rental Assistance Agreement and Lease

If rental arrears are being paid by the subrecipient, the subrecipient must certify that:

- The program participant is eligible;
- The landlord has provided sufficient evidence of the rent arrears; and
- That payment of such arrears is necessary for the participant to obtain permanent housing and maintain stability in that housing.

If the only cost being paid with ESG funds is rent arrears, a rental assistance agreement is needed, but a current lease is not.

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

7.4.4 Rent Reasonableness and Fair Market Rent (FMR)

Before entering into a rental assistance agreement, the subrecipient must ensure the gross unit rent is reasonable and does not exceed the Fair Market Rent (FMR). Gross rent is the amount due under the lease plus any tenant-paid utilities. If the gross rent for the unit exceeds either the rent reasonableness standard or FMR, the subrecipient is prohibited from using ESG funds for any portion of the rent, even if the program participant is willing and/or able to pay the difference.

The rent standard may not exceed the HUD-published Fair Market Rent (FMR) or HUD-approved exception rent as published by the PHA for the voucher size allocated to the family. The rent standard includes both rent and utilities (gross rent). Utilities included in gross rent are electricity, fuel (e.g., natural gas, oil), water, sewer, and trash removal. Telephone, internet, and cable are not included. When determining whether a proposed unit is within the rent standard, subrecipients and SCOs need to know the amount of several costs, including:

1. Rent being requested by the owner;
2. Basic utilities included in the rent to the owner; and
3. Basic utilities to be paid separately in addition to the rent paid to the owner.

When choosing the applicable rent standard for a beneficiary household, subrecipients and SCOs must refer to the Occupancy Standards to determine the number of bedrooms a household qualifies for, then select the corresponding rent standard. A household may occupy a unit that is smaller or larger than specified by the Occupancy Standards, but in such instances, subrecipients and SCOs must use the rent standard for the lower of either the number of bedrooms allowed by the Occupancy Standards or the actual number of bedrooms in the proposed unit. For example, if a household qualifies for a one-bedroom unit, but occupies a two-bedroom unit, the project sponsor must use the rent standard for a one-bedroom unit. Similarly, if a household qualifies for a two-bedroom unit, but occupies a one-bedroom unit, the project sponsor must use the rent standard for a one-bedroom unit.

The gross rent must also be reasonable in relation to rents for comparable unassisted units in the private market and must not be in excess of rents charged by the owner for comparable unassisted units. Subrecipients and SCOs should not assume that if the gross rent of an assisted unit is within the established rent standard that the rent being charged for the unit is reasonable. It is possible that a unit may be within the established rent standard, but not considered rent-reasonable. Subrecipients and SCOs must document for each unit that a reasonable rent is being charged compared to other units in the private market and must verify, if applicable, that the rent charged for the unit is reasonable compared to the rent of other

City of Tucson ESG Program Policies and Procedures (Written Standards)

comparable unassisted units owned by the same owner. Proposed units must be compared with two similar units. Subrecipients and SCOs should account for unit location, size, type, age, amenities, and utilities provided by the owners. Proposed units should be compared to:

1. Units with similar bedrooms, bathrooms, and square feet.
2. Similar unit types (e.g., house, duplex, apartment, etc.).
3. Units with similar amenities (appliances, patios, etc.).
4. Units in the same neighborhood.

Subrecipients and SCOs must review rent standards annually and adjust them if necessary to correspond with annual updates to FMRs or exception rents. When the rent standard changes, newly-leased units and units leased upon household recertification must not have rents that exceed the new standard.

7.4.4.1.1 Utility Allowances

When determining whether a unit meets the FMR requirement, tenant-paid utilities must be included in the calculation of gross rent. A utility allowance is a projection of the monthly utilities costs the program participant will pay. The COT maintains a utility allowance chart that takes into account the number of bedrooms and types of utilities in a unit (e.g.; gas and/or electric, water, sewer, and trash). Any utilities included in the rent payment must not also be included in the utility allowance calculation. Telephone, cable or satellite television service, and internet service are not counted as utility costs. The COT utility allowance may be found at https://www.tucsonaz.gov/files/hcd/S8_Landlords/2021_Utility_Allowance_Schedules.pdf.

7.4.5 Participant Monthly Contribution to Rent and Utilities

Participants in ESG homelessness prevention and rapid rehousing activities must pay not more than the maximum amount of monthly household income defined in the TPCH Written Standards, which apply to ESG programs. This standard may be accessed at <https://tpch.net/about/tpch-governing-documents/>.

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

7.4.6 Eligibility Recertification – Homelessness Prevention

Recertification of eligibility for homeless prevention assistance is required every 90 days and must be documented in the participant file. The recertification must verify the participant household continues to:

- Have annual income at or below 30% of the AMI, adjusted for household size; and
- Lack the resources or support necessary to retain or obtain appropriate permanent housing.

At the time of recertification, the participant contribution to rent and utilities must be modified to reflect any changes in income.

7.4.7 Eligibility Recertification – Rapid Rehousing

Recertification of eligibility for rapid rehousing assistance is required not less than every twelve months and any time the subrecipient or SCO becomes aware of change to the household's income and/or composition. Recertification must be documented in the participant file. The recertification must verify the participant household:

- Has annual income at or below 30% of the AMI, adjusted for household size; and
- Lacks the resources or support necessary to retain or obtain appropriate permanent housing

At the time of recertification, the participant contribution to rent and utilities must be modified to reflect any changes in income.

7.4.8 Additional Requirements for Project-based Rental Assistance

A subrecipient or SCO may enter into a rental assistance agreement with an owner to reserve a unit for an eligible ESG participant. The subrecipient or SCO then subsidizes the rent subject to the following requirements:

1. The rental assistance agreement may cover one or more permanent housing units in the same building.
2. Each unit covered by the rental assistance agreement must be occupied by eligible program participants.
3. The subrecipient or SCO 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

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

program participant's lease and must be included when determining that program participant's total rental assistance.

4. The subrecipient or SCO 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 or SCO may pay the next month's rent, *i.e.*, the first month's rent for a new program participant.
5. 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 SCO 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 or SCO 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.
6. 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.
7. The subrecipient or SCO may not commit ESG funds to be expended beyond the expenditure deadline in their COT written agreement or memorandum of understanding.

7.5 HOUSING STABILITY CASE MANAGEMENT

Housing stability case management is designed to ensure that program participants maintain permanent housing stability after ESG assistance ends. ESG funds may be used to pay the cost of assessing, arranging, coordinating and monitoring the delivery of individualized housing stabilization services to a program participant:

1. Already in permanent housing, for up to 24 months; or
2. While still literally homeless and seeking housing using Rapid Rehousing assistance, for up to 30 days.

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

- a. *If after 30 days the program participant has not yet secured housing, the housing stability case management must be recategorized as either a street outreach or emergency shelter service. If the case management is recategorized, it is subject to the cap on street outreach and emergency shelter expenditures.*

While providing homelessness prevention or rapid rehousing assistance to a program participant, the subrecipient must:

- Develop a participant-driven plan to assist the program participant to retain permanent housing after the ESG assistance ends. The plan must take into account the program participant's current or expected income and expenses; other public or private assistance for which the program participant will be eligible and is likely to receive; the relative affordability of available housing, and any other considerations relevant to the program participant's situation.; and
- Require the program participant (except participants who are eligible due to their status as fleeing or attempting to flee violence) to meet with a case manager not less than once per month to evaluate progress towards and reassess goals.

Eligible case management activities and costs include:

- Coordinated entry assessment;
- Conducting initial evaluation, including verification and documentation of eligibility;
- Developing, securing and coordinating services;
- Obtaining federal, state, and local benefits;
- Monitoring and evaluating participant's progress in the program;
- Developing an individualized, project participant driven housing stability service plan; and
- Conducting re-evaluations of participant's eligibility and types and amounts of assistance needed.

8 HOMELESS MANAGEMENT INFORMATION SYSTEM (HMIS) (§ 576.107)

ESG subrecipients and SCOs are required to utilize the Homeless Management Information System (HMIS). ESG funds can be used for costs of contributing data to the HMIS, including the costs of:

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

- Purchasing or leasing computer hardware;
- Purchasing software or software licenses;
- Purchasing or leasing equipment, including telephones, fax machines, and furniture;
- Obtaining technical support;
- Leasing office space;
- Paying charges for electricity, gas, water, phone service, and high-speed data transmission necessary to operate or contribute data to the HMIS;
- Paying salaries for operating HMIS, including:
 - Completing data entry;
 - Monitoring and reviewing data quality;
 - Completing data analysis;
 - Reporting to the HMIS Lead;
 - Training staff on using the HMIS or comparable database; and
 - Implementing and complying with HMIS requirements;
- 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;
- Paying staff travel costs to conduct intake; and
- Paying participation fees charged by the Tucson Pima Collaboration to End Homelessness' HMIS Lead, if applicable. At the time of this publication, TPCH does not charge participation fees for ESG grantees and request for budget authority for such costs are therefore unallowable.

8.1 TPCH HMIS POLICIES AND PROCEDURES

The Tucson-Pima Collaboration to End Homelessness HMIS Policies and Procedures must be followed for ESG. These policies and procedures may be found at <https://tpch.net/about/tpch-governing-documents/>. To ensure an effective, efficient, and secure system, the policies and procedures include:

1. General parameters for the system;
2. Confidentiality and security practices;
3. Network operations; and

4. HMIS user training availability.

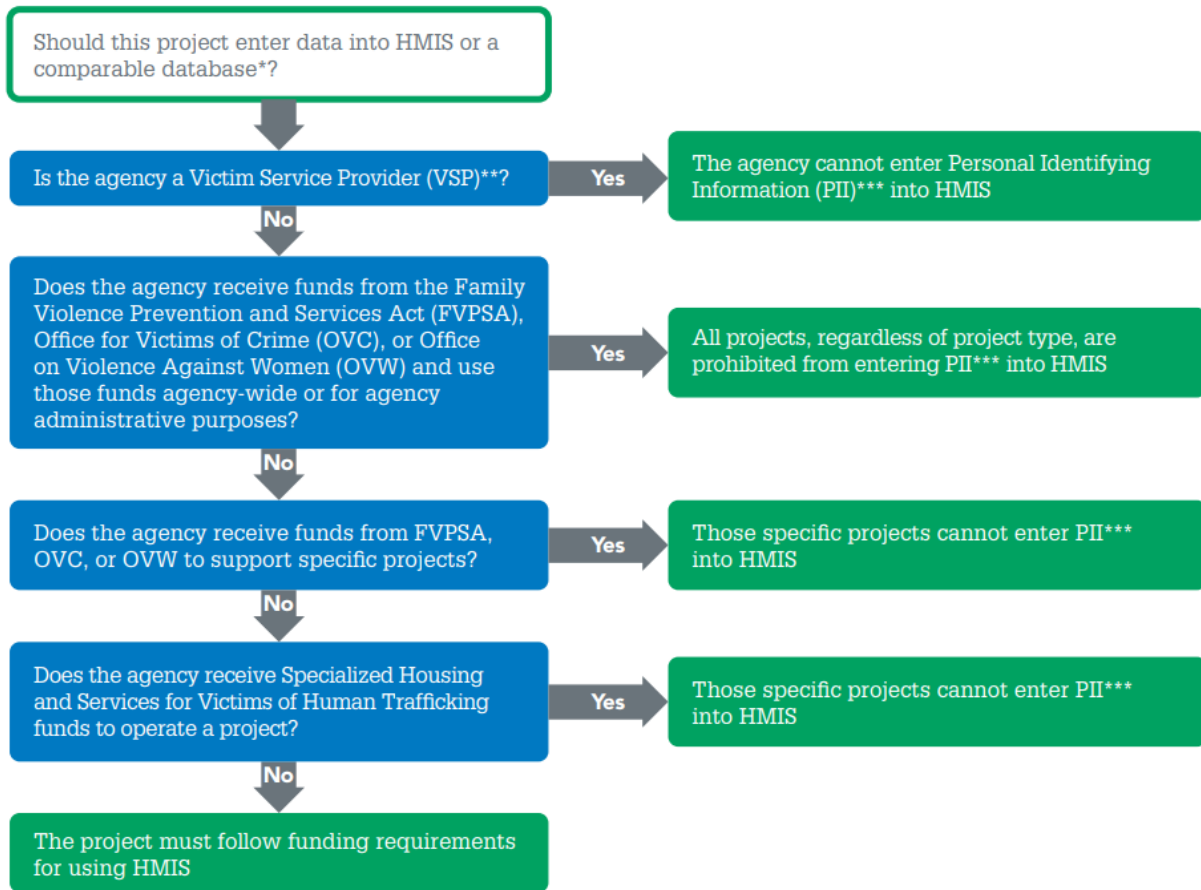
8.2 COMPARABLE DATABASE REQUIREMENTS

A comparable database is a relational database that meets HMIS data standards and the minimum standards of HMIS privacy and security, including HUD's most recent reporting standards and comma-separated (CSV) format specifications. A comparable database may be used by a Victim Service Provider. A Victim Service Provider is a subrecipient that is a private nonprofit organization whose primary mission is to provide services to victims of domestic violence, data violence, sexual assault, or stalking, including Human Trafficking. Neither HUD nor the COT have authorized the use of a comparable database for any projects/organizations which do not meet the requirements outlined in the HMIS Comparable Database Decision Tree.

The determination as to whether a project shall be required to enter data into the HMIS or to use a comparable database shall be made by the COT with information provided by the subrecipient or SCO and in consultation with the Tucson Pima Collaboration to End Homelessness' HMIS Lead Agency. The COT will utilize HUD's [HMIS comparable database decision tree](#) when determining whether the subrecipient will enter program or project data into HMIS or a comparable database.

The decision tree may also be found at <https://files.hudexchange.info/resources/documents/HMIS-When-to-Use-a-Comparable-Database.pdf>

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**



The Tucson Pima Collaboration to End Homelessness' HMIS Lead Agency (Pima County Department of Community and Workforce Development) is responsible for the oversight and certification of all comparable databases utilized within the COT's service area. Agencies authorized to utilize a comparable database are required to meet specifications and requirements provided by the HMIS Lead.

All costs associated with the use of a comparable database are the responsibility of the Victim Services Provider. Costs which meet HMIS component eligibility as described above are eligible for ESG funding provided that such costs are included within the approved COT project budget and grant agreement.

9 GENERAL PROGRAM AND CROSS-CUTTING REQUIREMENTS

The following general program and cross-cutting requirements apply to all ESG-funded activities, subrecipients and SCOs.

9.1 2 CFR 200 UNIFORM ADMINISTRATIVE REQUIREMENTS (§ 576.407)

ESG subrecipients must comply with the financial management, audit and procurement requirements of 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Additional guidance is included in the COT subrecipient management and monitoring policies and procedures and the regulations are found at <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1>.

9.2 AFFIRMATIVELY FURTHERING FAIR HOUSING (§ 576.500)

Subrecipients and SCOs must affirmatively further fair housing opportunities for classes protected under the Fair Housing Act, including race, color, national origin, religion, sex, disability, and familial status.

9.2.1 Affirmative Outreach

Affirmative outreach procedures must include:

1. Marketing the program to all eligible persons, including persons with disabilities and persons with limited English proficiency;
2. Making buildings and communications that facilitate applications and service delivery accessible to persons with disabilities;
3. Providing fair housing counseling services or referrals to fair housing agencies;
4. Informing participants of how to file a housing discrimination complaint, including providing the toll-free number for the Housing Discrimination Hotline: 1800-669-9777; and
5. Recruiting landlords and service providers in areas that expand housing choice to program participants.

9.2.2 Limited English Proficiency

ESG subrecipients and SCOs must be prepared to respond appropriately to the needs of the diverse communities they serve. This response includes:

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

1. Ensuring that every person receives high-quality care regardless of their cultural, ethnic, linguistic, or religious background or beliefs; and
2. Making services available in the preferred language of the program participants and, whenever possible, by persons who reflect the culture and/or linguistic traditions of the participant. Translation services must be made available to all participants at no cost to the participant and programmatic forms must be provided in participants' preferred language upon request.

9.2.3 Nondiscrimination and Equal Access

Subrecipients and SCOs that operate single-sex/gender projects using ESG funds are required to provide all individuals, including transgender individuals and other individuals that do not identify with the sex/gender they were assigned at birth with access to programs, benefits, services and accommodations in accordance with their gender identify without being subjected to intrusive questioning or being asked to provide documentation.

In addition, the "Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity Final Rule," requires that ESG activities are open to all eligible individuals and families regardless of actual or perceived sexual orientation, gender identity, or marital status. Any group of people that present together for assistance and identify themselves as a family – regardless of relationship, age, disability, or other factors – are considered to be a family and must be served together. Subrecipients and SCOS cannot discriminate against a group of people presenting as a family based on the composition of the family, the age or disability of any family members, or the actual or perceived sexual orientation, gender identity, or marital status of any family members. The definition of "family" is flexible and, as such, HUD has broadly implemented the term "household" in place of "family."

9.3 CONFIDENTIALITY (§ 576.500)

Each subrecipient and SCO must have organization confidentiality policies demonstrating the organization will not release participant information to outside parties without informed consent except when compelled by the courts and/or for monitoring and audit by funding or other oversight bodies, including, at a minimum:

- All records containing personally identifying information of any individual or family who applies for and/or receives assistance will be kept secure and confidential;
- The address or location of any domestic violence, dating violence, sexual assault, or stalking shelter project assisted will not be made public, except with written authorization of the person responsible for the operation of the shelter; and

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

- 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 recipient or subrecipient and consistent with state and local laws regarding privacy and obligations of confidentiality.

9.3.1.1 Release of Information

Personally identifiable information is protected by federal laws (Privacy Act of 1974, as amended) and will be collected for the purpose of determining program eligibility, providing assistance or services, data collection, reporting, and monitoring. Participants may be asked to sign a Release of Information; however, refusal to sign an authorization to release information cannot be the basis for denying program services to otherwise eligible participants. Participant refusal to sign a Release of Information does not negate the inclusion of personally identifiable in secure reporting in HMIS or to the COT.

Personally identifiable information may be disclosed to or shared with the COT without written authorization when necessary to carry out the intent of an ESG activity for the benefit of the person applying for or receiving assistance. For all other purposes of collecting personally identifiable information, subrecipients must follow state and federal laws for the collection, use and sharing of project participant information.

9.4 CONFLICT OF INTEREST (§ 576.404)

Under ESG-funded Rapid Rehousing, a subrecipient may provide tenant-based rental assistance to a program participant that chooses a unit in which the subrecipient has an ownership interest. However, the subrecipient cannot exclusively direct a program participant to a unit it owns, nor can it carry out the initial evaluation to determine eligibility for the assistance - another agency must make that determination. The participant's file must include documentation that the program participant had a choice of other units.

A subrecipient must receive a HUD approved waiver to provide project- based assistance for a unit where the subrecipient has ownership interest. A waiver is also required to provide Homelessness Prevention rental assistance to a participant residing in a unit owned by the subrecipient. The waiver is necessary because the rental agreement is in the name of the subrecipient and it is not possible for the subrecipient to create such an agreement with itself. Waiver requests must be submitted to the COT for review and submission to HUD.

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

9.5 DATA REQUIREMENTS (§ 576.107)

To meet the federal requirements for HUD funding, the COT utilizes HMIS to collect client information, to prepare annual reports, and to report aggregate community-wide data as required. HUD requires that all HUD-funded projects participate in HMIS and comply with HUD Data and Technical Standards. Data requirements are frequently updated by HUD in concert with the US Departments of Health and Human Services and Veterans Affairs. HMIS data and technical standards are defined in the TPCH HMIS manual at <https://tpch.net/about/tpch-governing-documents/> and at <https://www.hudexchange.info/programs/hmis/hmis-data-and-technical-standards/>.

9.6 EDUCATIONAL RIGHTS

ESG subrecipients and SCOs may not make decisions regarding the educational participation of children receiving services and may not require or limit educational decision-making of parents/guardians except where required to do so by Federal or State regulation or statute. ESG subrecipients and SCOs assisting families with children or unaccompanied youth must:

1. Take into account the educational needs of children when placing families in housing and, to the maximum extent practicable, place families with children as close as possible to their school of origin so as not to disrupt children's education;
2. Inform families with children and unaccompanied youth of their educational rights, including providing written materials, and providing linkage to McKinney Vento Liaisons (including assistance with enrollment if needed) as part of intake procedures;
3. Not require children and unaccompanied youth to enroll in a new school as a condition of receiving services;
4. Allow parents or the youth (if unaccompanied) to make decisions about school placement;
5. Not require children and unaccompanied youth to attend after-school or educational programs that would replace/interfere with regular day school or prohibit them from staying enrolled in their original school;
6. Post notices of educational rights at each program site that serves homeless children and families in appropriate languages; and
7. Designate a staff member who will be responsible for:
 - a. Ensuring that homeless children and youth in their programs are in school and are receiving all educational services to which they are entitled;

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

- b. Coordinating with the local McKinney Vento Educational Coordinator and Liaison, the appropriate school district, the CoC, and other mainstream providers as needed; and
- c. Facilitating unaccompanied youth who have not obtained a high school diploma or certificate of General Educational Development (GED) to obtain such a credential and ensuring that unaccompanied youth are connected to appropriate services in the community.

9.7 ENVIRONMENTAL REVIEW (§ 576.407)

ESG activities are subject to the 24 CFR Part 58 environmental review requirements. Subrecipients and SCOs may not undertake any ESG activity or expend ESG program funds, including costs that will be reimbursed with ESG funding, until environmental clearance has been obtained. When an ESG activity includes conversion or substantial rehabilitation, a Phase I environmental report may also be required.

9.8 FAMILY ADMISSION AND NON-SEPARATION

Families may not be involuntarily separated. The age and gender of a child under age 18 must not be used as a basis for denying any family's admission to a project that receives ESG funds. The gender, sexual orientation and/or marital status of a parent or parents will also not be used as a basis for denying any family's admission to a project that receives ESG funds.

9.9 HABITABILITY STANDARDS (§ 576.403)

All housing units and shelter facilities supported with ESG funds must meet HUD Habitability Standards. The habitability standards are different from HUD's Housing Quality Standards (HQS). The habitability standards checklist may be found at:

<https://www.hudexchange.info/resource/3766/esg-minimum-habitability-standards-for-emergency-shelters-and-permanent-housing/>

9.9.1 Permanent Housing

The housing unit must meet habitability standards before the lease is signed and the household moves in when the household is moving. For households already residing in a unit, the unit must meet habitability standards before financial or rental assistance can be provided.

Minimum habitability standards for permanent housing include requirements for:

- structure and materials;
- personal space and security;

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

- interior air quality;
- water supply;
- sanitary facilities;
- heating and cooling operating equipment;
- natural and electrically produced light;
- area for food preparation;
- safe and sanitary project maintenance; and
- fire safety.

9.9.2 Shelters

In addition to established housing codes, habitability standards for shelters in which ESG funds are used for conversion or rehabilitation, include requirements regarding:

- structure and materials;
- access to and within the shelter;
- personal space and security;
- interior air quality;
- water supply;
- sanitary facilities;
- heating and cooling operating equipment;
- natural and electrically produced light;
- area for food preparation;
- safe and sanitary facility maintenance; and
- fire safety/smoke detectors.

9.10 HOMELESS PARTICIPATION (§ 576.405)

ESG-funded projects must provide regular opportunities for individuals who are currently or have previously experienced homelessness, including current and former program participants, to participate meaningfully in policies and decisions regarding facilities, services and other ESG-funded assistance. At a minimum, all subrecipients and SCOs must maintain at least one individual experiencing homelessness on the organization's Board of Directors and/or, in the case of SCOs, oversight Commission or other appropriate advisory body. In addition,

City of Tucson ESG Program Policies and Procedures (Written Standards)

subrecipients must involve individuals and families experiencing homelessness in the day-to-day operations of the organization and in the evaluation and continuous quality improvement activities related to the organization's ESG activities. This requirement may be met through employment, volunteer opportunities, lived experience advisory/action councils, regular focus groups, and/or rehabilitation, maintenance and facility operations.

9.11 INCOME CERTIFICATION

When providing homelessness prevention or rapid rehousing assistance, subrecipients and SCOs must follow the income certification requirements of 24 CFR 5.609 and are encouraged to use the CPD Income Eligibility and Income Limits tool found at <https://www.hudexchange.info/incomecalculator/>.

Full guidance regarding income determinations is also found in Chapter 6 and related appendices of the City of Tucson Housing Choice Voucher Administrative Plan at https://www.tucsonaz.gov/files/hcd/2022_HCV_Admin_Plan.pdf.

9.12 LEAD-BASED PAINT

When a living space or housing unit assisted with ESG financial assistance funds was built prior to 1978, the living space or housing unit is subject to federal lead-based paint disclosure requirements. A living space or housing unit is exempt from this requirement only when the living space or housing unit is a 0-bedroom unit or is limited for occupancy by elderly persons or persons with disabilities over the age of 6.

Before entering into a lease agreement, landlords must:

1. Give an EPA-approved information pamphlet on identifying and controlling lead-based paint hazards ("Protect Your Family From Lead In Your Home" pamphlet, currently available in English, Spanish, Vietnamese, Russian, Arabic, Somali) at https://www.hud.gov/program_offices/healthy_homes/enforcement/disclosure;
2. Disclose any known information concerning lead-based paint or lead-based paint hazards, including the location of the lead-based paint and/or lead-based paint hazards, and the condition of the painted surfaces;
3. Provide any records and reports on lead-based paint and/or lead-based paint hazards that are available to the landlord (for multi-unit buildings, this requirement includes records and reports concerning common areas and other units, when such information was obtained as a result of a building-wide evaluation); and

**City of Tucson ESG Program
Policies and Procedures (Written Standards)**

4. Include an attachment to the lease that includes a Lead Warning Statement and confirms that the seller or landlord has complied with all notification requirements. This attachment must be provided in the same language used in the rest of the contract, and must be signed and dated by the landlord, tenant, and subrecipient agency representative.

9.13 OBLIGATION AND EXPENDITURE DEADLINE (§ 576.203)

The COT HCD will commit ESG program funds for eligible activities within 180 days of executing a program-year grant agreement with HUD. Commitment may be evidenced by a subrecipient award letter or written agreement, and SCO MOU, or a procurement contract.

The COT will ensure that ESG program year funds are expended within 24 months of executing a program-year grant agreement with HUD.

9.14 TERMINATION AND GRIEVANCE PROCEDURES (§ 576.402)

ESG participants may be voluntarily or involuntarily terminated from assistance, when the participant violates written program requirements or conditions of assistance or occupancy. When terminating assistance to any participant for violation of requirements, subrecipients and SCOs must provide a formal process that recognizes the rights of households receiving assistance to due process of law. This must consist of:

1. Serving the household with a written notice containing a clear statement of the reasons for termination (failure to participate in supportive services and/or maintain sobriety is not an eligible cause for termination);
2. Permitting the participant to have a review of the decision, in which the participant is given the opportunity to confront opposing witnesses, present written objections, and be represented by their own counsel, before a person other than the person (or a subordinate of that person) who made or approved the termination decision; and
3. Providing prompt written notification of the final decision to the household.

9.15 VIOLENCE AGAINST WOMEN ACT (VAWA) (§ 576.409)

The Violence Against Women Act (VAWA) provides protections and remedies for program applicants and participants who are survivors of domestic violence, dating violence, sexual assault, or stalking. Despite the name of this law, VAWA protections and remedies are available regardless of sex, gender identity, or sexual orientation. An applicant or beneficiary of the ESG Program may not be denied admission to, denied assistance under, terminated from participation in, or evicted from the unit on the basis or as a direct result of the fact that the

City of Tucson ESG Program Policies and Procedures (Written Standards)

applicant or beneficiary is or has been a survivor of domestic violence, dating violence, sexual assault, or stalking, if the applicant or beneficiary otherwise qualifies for admission, assistance, participation, or occupancy.

The COT ESG program uses the VAWA policies, procedures and forms identified in the Housing Choice Voucher Administrative Plan. These policies and forms are available in Spanish and include a certification form, emergency transfer form, emergency transfer plan, lease addendum, and notice of occupancy rights. Policies, procedures and forms are found at: https://www.tucsonaz.gov/files/hcd/2022_HCV_Admin_Plan.pdf.

1. Subrecipients and SCOs must enter the agreement number or a neutral program name in each document used to attribute its use to the ESG program and participant confidentiality.
2. Owners must use the VAWA Lease Addendum to lease a unit to an eligible individual. The Addendum incorporates eviction prohibitions, lease construction provisions, and the confidentiality of documentation submitted by survivors requesting emergency transfers and of each survivor's housing location. The Addendum provides that the survivor may terminate the lease without penalty if the survivor has met the requirements for emergency transfer. Additionally, owners must provide the VAWA Notice of Occupancy Rights and VAWA Certification Form with any notification of eviction they provide to the household.