City of Chattanooga
Department of
Economic and Community Development

Application Instructions for Community Development Block Grant (CDBG) FY 2019-2020 Funding

Application Deadline:
February 4, 2019
No Later Than 4:00p.m.

Submit One(1) Original Hardcopy to:
City of Chattanooga
Department of Economic & Community Development
Attn: Community Development
101 E. 11th Street, Suite 200
Chattanooga, TN 37402

Submit One (1) Electronic Version to:
comdev@chattanooga.gov and copy rpartap@chattanooga.gov

Application Instructions for FY 2019-2020 CDBG

Please read the instructions and review the application carefully before completing and submitting. Some items have changed.

A separate application must be completed for each different project/program/activity. Applications received after the deadline will not be considered for funding. Failure to submit complete, required documents may also result in the request being disqualified. If an item is not applicable, please indicate with "N/A."

To be considered for funding, all required documents must be completed and one (1) hardcopy and one (1) electronic copy submitted no later than Monday, February 4, 2019, by 4:00 pm.

NO AGENCY IS GUARANTEED FUNDING. EACH YEAR'S REQUEST IS EVALUATED SOLELY ON ITS OWN MERIT. THE LEVEL OF AWARD IS SUBJECT TO THE AVAILABILITY OF FUNDS. Past funding is not a guarantee the City will fund a program or service in the future. The City reserves the right to increase or decrease any or all funding requests to maximize effectiveness or to satisfy budget parameters.

Required Documents:

1. ***A Cover Letter specifying:***
   a. The name and address of the non-profit organization;
   b. The agency's mission;
   c. The funding amount being requested, name of program/project/activity, and specific, proposed use of funds;
   d. The program Federal Objective/Outcomes along with a City Results Area; and
   e. The name, address, and telephone number of a specific contact person within the organization that be contacted for additional information, if necessary.

2. ***Completed Application Form, including Application Checklist***

3. ***Required Attachments/Supplemental Information:***
   a. Agency-wide, board approved most recent Annual Operating Budget
   b. Charter of the non-profit organization filed with Tennessee Secretary of State. If the Name on the Charter does not match the Agency's current name, please ensure any amendments or merger documents filed with the State are provided;
   c. Document indicating Non-Profit Tax Exemption Status for the non-profit organization under the Internal Revenue Code, such as an IRS Determination Letter;
   d. Most recent IRS Form 990 as filed with the IRS;
   e. The most recent **Annual Audit** (if applicable) of the non-profit organization, prepared by an independent Certified Public Accountant in accordance with Generally Accepted Auditing Standards. Fiscal Year 2018 Audited Financial Statements are preferred. If 2018 annual audit is not yet available, then please provide the most recent audit (2017), as well as an engagement statement noting when the 2018 audit will be completed and submitted to the City.
   f. If the agency is not required to file Form 990 with the IRS or have an independent audit report due to other funding requirements, annual financial statements prepared by the agency or compiled by an accountant must be submitted with request

   g. Provide a list of full time, part time, and contract employees associated with the project/program; staff biographies/resumes, description of their roles in the project/program; and job descriptions.
   h. List of the Board of Directors, including position, contact information, and number of years served;
   i. Board approval for application submittal for the specified project(s);
   j. If project involves construction, project write-up and a certified cost estimate from qualified contractor, engineer, or architect – as applicable;
   k. Certification regarding debarment; and
   l. Certification of Conflict of Interest

Under item 3, (Required Attachments/Supplemental Information), for City of Chattanooga and Hamilton County government, only a, g, and j are applicable and a departmental/project budget is acceptable.

Hardcopy

1. For each application, agencies must submit one (1) original hardcopy of application and attachments to the Community Development Office. All pages of the application and required supplemental materials are to be submitted together. If one agency submitting more than one request, please distinguish by numbering applications. (Example: ABC Organization FY 2019-20 CDBG Request #1, etc.)

Electronic Copy

1. By the submission deadline, agencies must also submit the entire application, via email, to: **comdev@chattanooga.gov** and copying **rpartap@chattanooga.gov.** Please put "(Agency Name) FY 2019-20 CDBG Request" in the subject line. (Example: ABC Organization FY 2019-20 CDBG Request #2).

   Please submit the electronic copy in PDF, organized in the order of the Application Checklist. If the entire file is too large and has to be divided, separate by submitting the Cover Letter & Completed Application (items under 1 & 2) as one file and Attachments/Supplemental Information as one file. Name file(s) using the following format:

   <Agency Name> <FY 2019-20 CDBG Request><Grant and Program Name>. Example: ABC Organization FY 2019-20 CDBG Request 1 Homebuyer Program

   If submitting as two separate files name attachment file as follows: <Agency Name> <FY 2019-20 CDBG Request><Grant and Program Name><ATTACHMENTS>. Example: ABC Organization FY 2019-20 CDBG Request 1 Homebuyer Program ATTACHMENTS

If submitting more than one application, complete an application for each proposed program/project

Technical Assistance Sessions
Technical assistance sessions are available, by appointment, during the pre-submittal period. Appointments can be scheduled with ECD staff for times between 9:00 a.m. until 3:30 p. m. Please call (423) 643-7300 to schedule an appointment.

Available Funding, Priorities and Areas of Focus

City anticipates* having approximately $1,373,000 available for projects/programs as follows:

CDBG Allocation	**$1,691,000**
Program Income	**$12,000**
Total	**$2,203,000**
Less: CD Admin	**(440,600)**
Section 108 Loan	**(389,000)**
Estimated Funding To Be Available	**$1,373,400**

*Amounts are estimates based on previous years' data

Priorities

City's Goals to Address Housing & Community Development Needs

- Increase supply of affordable rental housing and housing for homeownership available to the City's low-to-moderate income households;
- Preserve existing affordable housing stock;
- Provide housing and services to special needs populations;
- Improve/increase opportunities for citizens to access/retain affordable housing;
- Support neighborhood stabilization and development through public improvements in strategic coordination with housing activities, and;
- Promote economic development activities in the City.

Reductions in federal funding has reduced the number and range of projects the City can consider for funding using CDBG funds. The funds must be targeted to activities/programs that can deliver the most to the community with the least amount of subsidy. To ensure the funds are targeted/utilized in the most efficient, effective and impactful manner, the City will strategically focus Fiscal Year 2019 – 2020 on housing and projects and programs in support of housing.

The City of Chattanooga is seeking to partner with eligible non-profit agencies to carry out activities that benefit low- and moderate-income City of Chattanooga residents that fall within two eligible categories:

1. Housing projects, including emergency and minor home repair and
2. Programs/projects in support of housing.

The City will only consider proposals in support of projects/programs for housing and housing related activities that contribute to:

A. Preserving housing (rehab) to address health and safety, code violations, or accessibility*
B. Increasing inventories (development),
C. Improving/providing access (down payment assistance, counseling, education)
D. Preventing the loss of housing or access to housing (education, counseling),
E. Stabilizing and/or re-housing families or individual who are homeless or at risk of becoming homeless (education or supplemental assistance), or
F. Neighborhood stabilization and development through public improvements/blight elimination in strategic coordination with housing activities.

*Preference will be given to projects which work in conjunction with the City's Lead Based Paint Hazard Control and Healthy Homes Grant.

Eligible Programs/Activities

Eligible programs/activities include the following:

- Homeownership Assistance
- Rehabilitation and Reconstruction of Rental and Homeowner Housing
- Conversion of Existing Structures for Housing
- Housing Counseling
- Housing Services
- Fair Housing Activities
- Community/Neighborhood Stabilization
- Public Improvements/Blight Elimination

Housing Activities

Homeownership Assistance - Allows for direct assistance to facilitate and expand homeownership for low- and moderate-income households. Funds may be used to subsidize interest rates and mortgage principal amounts to make loan payments affordable, including the making of grants to reduce the effective interest rates charged on the loans. Low- or no-interest subordinate loans can also be used to reduce overall loan repayment amounts to make the price more affordable.

Rehabilitation and Reconstruction - Supporting the preservation of affordable housing for rental and homeownership, CDBG funds may be used to rehabilitate and reconstruct housing. CDBG funds may be used in a variety of ways to rehabilitate publicly and privately-owned buildings for residential purposes as well as convert existing non-residential structures to residential use.

Activities in Support of Housing

Some activities/programs under this category are subject to the 15 percent expenditure cap governing public service activities. The following are some examples of activities in support of housing that may be funded with CDBG.

Housing Counseling

The objective of housing counseling is to expand access to affordable housing opportunities. Programs should be designed to provide information, advice, and assistance to homebuyers, homeowners, and/or renters with the goal of preventing loan defaults, foreclosures, or non-payment of rents. It is important to be able to track performance against these measures. These programs should complement local "bricks and mortar" programs that provide units.

- Pre-purchase Housing Counseling which generally consists of information on financial responsibilities, budgeting, housing needs, housing quality, maintenance requirements, and other costs associated with a home purchase.
- Homeownership counseling emphasizing financial management, debt management, and maintenance needs along with default counseling, foreclosure prevention counseling, and relocation counseling.
- Renter Counseling. Counseling for delinquent renters, for tenants facing eviction, for educating landlords and tenants on respective rights and responsibilities.

Housing Services

A critical component of addressing the needs of homeless families and individuals is the availability of affordable housing opportunities for those who are homeless or at risk of homelessness. The priority for the use of CDBG in this area is to assist supportive

services/programs with the primary goals of preventing homelessness and/or moving families and individuals to self-sufficiency and permanent housing through rapid re-housing.

Neighborhood Stabilization and Community Improvements

Activities in this category are limited to public improvements or the elimination of blight that are in strategic coordination with housing activities.

Funding Duration, Reporting Requirements and General Regulatory Compliance

Project funding will be available on or about July 1, 2019, and will remain effective until June 30, 2020. All projects should be designed to begin immediately and conclude by this deadline, as the City does not intend to grant extensions.

Community Development programs are operated on a reimbursement basis. Projects do not receive advance funds, and agencies committing or expending funds prior to July 1, 2019, will not be reimbursed.

All projects must comply with the federal regulations applicable to individual project activities. These regulations include (but are not limited to): Environmental Review, federal procurement standards, Fair Housing and Equal Opportunity regulations, lead-based paint regulations, and federal fiscal/audit standards. Projects are monitored through technical assistance, site visits, and formal file reviews.

Regulations specifically related to CDBG can be found at:
https://www.hudexchange.info/programs/cdbg/ and under 24 CFR Part 570.

Eligible Applicants

- Governmental entities (City and County government)
- Non-profit entities with a designated 501(C)(3) status and having been in existence for a minimum of one year

Units of local government and non-profit agencies are eligible to apply for ESG funds. Each applicant must have the authority to submit the application and to carry out the proposed project/activity pursuant to its charter and by-laws.

Completing Application and Components

A complete application will contain:

a. Cover Letter
b. Application Checklist
c. Application Form
d. Attachments/Supplemental Information

The application is fillable (insert requested information/data) in the spaces provided. Do not rearrange the information/tables. Information should be provided as requested. If an item is not applicable, please indicate with "N/A". Incomplete information may result in the application not being reviewed. Keep responses to narrative questions as brief, concise and complete as possible. Do not include attachments or supplemental information that is not pertinent to request.

Cover Letter – should be on agency letterhead and include:

a. The name and address of the non-profit organization;
b. The agency's mission;
c. The funding amount being requested, name of program/project/activity, and specific, proposed use of funds;
d. The program Federal Objective/Outcomes along with a City Results Area; and
e. The name, address, and telephone number of a specific contact person within the organization that can be contacted for additional information, if necessary.

Application Checklist - the application checklist should be completed last, ensuring that all requirements are met.

Application Form

Insert requested information where indicated. Guidance/explanations are being provided, for some sections, to assist applicant with submitting the correct information.

A. ***Section I*** – self explanatory

B. ***Section II - Objectives, Outcomes, Results Areas***

Recipients of these funds are required to clearly define the project/program/activity, establish and track measurable goals and assess the outcomes. To be eligible for funding, at minimum, the project/program/activity must eligible and must:

1) Meet a National Object;
2) Address a Federal objective/outcome;
3) Address a goal/objective identified in the City's Five-Year Consolidated Plan, and;
4) Align with a City of Chattanooga Results Area

National Objective – check the applicable National Objective from the first row and the applicable sub-category

1. Activities Benefiting L/M income persons – activities that provide direct benefit to persons or households (programs, services)
   a. Area Benefit (LMI Census Tract only) – program/services are for L/M citizens living in a specified LMI Census Tract
   b. L/M Limited Clientele - program/services will only be available to a specified group of LMI persons or households
   c. L/M Housing – housing activities for LMI households
   d. L/M Jobs - Create/Retain – programs/services providing economic opportunities/training to LMI persons

2. Prevention/Elimination of Slums or Blight
   a. Slums and Blight Area Basis - projects designed to address blight over a targeted, specified, eligible area (i.e. clearing out an entire block of blighted structures in a L/M Census Tract)
   b. Slums and Blight Spot Basis – activities that eliminate a blighting issues scattered throughout an eligible area (demolishing a sub-standard structure/condemned house in a neighborhood)

   c. Slums or Blight in an Urban Renewal Area – addressing blight in an area officially designated as an Urban Renewal Area

Type Program/Project/Activity – check the one that is applicable to your proposal.

Federal Objective/Outcome

1. OBJECTIVES: Select ONE (1) objective that the proposed project/program meets

   Creates a suitable living environment

   This objective relates to activities that are designed to benefit communities, families, or individuals by addressing issues in their living environment (such as poor quality infrastructure) to social issues such as crime prevention, child care, literacy or elderly health services.

   Decent housing

   This objective focuses on housing programs possible under HOME or CDBG where the purpose of the program is to meet individual, family, or community needs and not programs where housing is an element of a larger effort, since such programs would be more appropriately reported under suitable living environment.

   Creates economic opportunities

   This objective applies to the types of activities related to economic development, commercial revitalization, or job creation.

2. OUTCOMES: Select the most appropriate outcome for the proposed activity.

   Improve availability/accessibility

   This outcome applies to activities that make services, infrastructure, public facilities, housing, or shelters available or accessible to low/moderate income people, including persons with disabilities. In this category, accessibility does not refer only to physical barriers, but also to making the affordable basics of daily living available and accessible to low/moderate income people where they live.

   Improve affordability

   This outcome applies to activities that provide affordability in a variety of ways in the lives of low/moderate income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.

   Improve sustainability: Promoting Livable or Viable Communities

   This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low/moderate income or by removing or eliminating slums or blighted areas through multiple activities or services that sustain communities or neighborhoods.

Federal Objective/Outcomes

Choose one from the top and one from the side. Project Outcome Activity is at the intersection	Outcome 1 Availability/ Accessibility	Outcome 2 Affordability	Outcome 3 Sustainability

Objective 1 Suitable Living Environment	*Enhance suitable living environment through improved/new accessibility*	*Enhance suitable living environment through improved/new affordability*	*Enhance suitable living environment through improved/new sustainability*
Objective 2 Decent Housing	*Create decent housing with improved/new availability*	*Create decent housing with improved/new affordability*	*Create decent housing with improved/new sustainability*
Objective 3 Economic Opportunity	*Provide economic opportunity through improved/new accessibility*	*Provide economic opportunity through improved/new affordability*	*Provide economic opportunity through improved/new sustainability*

City of Chattanooga Results Areas - Select the City's Results Area the proposed activity/project/program, if funded, will assist in addressing.

1. Safer Streets
2. Stronger Neighborhoods
3. Growing Economy
4. Smarter Students, Stronger Families
5. High Performing Government

1. **Safer Streets** – Safe communities, reduced crime, positive opportunities, and alternate pathways.
2. **Growing Economy** – Growing and supporting local businesses, workforce development, business recruitment and retention, and an environment for innovation.
3. **Stronger Neighborhoods** – Neighborhood leadership, connected communities, healthy residential markets, and rapid re-housing.
4. **Smarter Students, Stronger Families** – Parents and first teachers, community support, and community health.
5. **High Performing Government** – Data-driven decision making, sound operations, outstanding customer service, resource management, and exceptional talent.

Geographic Area – Self explanatory

Consolidated Plan Goals and Objectives – (1) Select one of the four goals that corresponds to your activity/program, from the first column (2) from the second column, select the need that will be addressed, and (3) provide the goal outcome indicators in the third column.

C. *Section III - Budget and Funding Information*

The budget should, clearly, provide sufficient details for the reviewer to be able to quickly ascertain the amount of funding that is being requested, exactly which costs the request will cover, other funding in the project, and the source of the other funds. In Section V, additional details should be included, i.e. when and how CDBG funds, and any other funds, will be utilized.

D. Section IV – Project Beneficiary Statistics

This section is capturing a summary of proposed and past accomplishments, if applicable, for the activity/project/program.

E. Section V – Program/Project/Activity Details – Narrative – self-explanatory, provide information requested.

Application Evaluation Process and Timeline

Evaluation Criteria - The City will apply the following criteria to each request, during its evaluation:

1. The program or service must conform to CDBG requirements.
2. The program or service must be consistent with the City's CDBG priorities and Consolidated Plan objectives.
3. The program or service will be evaluated for program efficiency, including the number of residents assisted, per dollar of CDBG funding, the extent to which CDBG funds will leverage funding from other sources, the avoidance of program duplication, and the intended outcomes.
4. The applicant's ability to meet administrative requirements, including demonstrating the capacity to undertake proposed project/program, complete it in a timely manner, and expend awarded funds within twelve months.

Timeline

As outlined in the Community Development Calendar, Economic and Community Development staff will facilitate the review all proposals by a review panel and make recommendations to the City Council at a public hearing in April. Applicants will be asked to make a presentation before a review panel, also during April. Funding approvals/denials are expected to be provided by April, 2019. The timeline is tentative and predicated on HUD funding announcements.

Community Development
2019-2020
Tentative Calendar

December 19 - 21, 2018	Publications announcing Application/Allocation/Funding Process & Workshops for Emergency Solutions Grant (ESG) and Community Development Block Grant (CDBG)
January 2, 2019	Applications Available
January 4, 2019	Application/Allocation Workshops for Emergency Solutions Grant (ESG) and for Community Development Block Grant (CDBG)
January 15, 2019	Application Technical Assistance
February 4, 2019	Applications Due
February 18, 2019	Meetings/Applicant Interviews to Determine Funding Recommendations (CDBG)
February 19, 2019	Meetings/Applicant Interviews to Determine Funding Recommendations (ESG)
February 26, 2019	Presentation of Recommendations to Council
March 4 - 8, 2019	Publication/Announcement of Public Meeting and Public Comment
March 8, 2019	30 - Day Comment Period Begins for Funding Recommendations
March 14, 2019	Public Meeting - Action Plan - Outlining Funding and Activities
April 7, 2019	30-Day Comment Period Ends
April 9, 2019	City Council Approval - Resolution
April 10, 2019	Award/Rejection Notifications
May 2019	Contracts to Mayor to Sign
June 2019	Submittal of Action Plan to HUD
June 11, 2019	Subrecipient Training and Contract Signing
July 1, 2019	2019-2020 Fiscal Year Begins
September 2 - 4, 2019	Publication/Announcements of Public Meeting and Availability of Consolidated Annual Performance Evaluation Report (CAPER)
September 17, 2019	Public Meeting - CAPER
September 9 - 24, 2019	15-Day Comment Period
September 27, 2019	Submittal of CAPER to HUD

Current Income and Rent Limits

Income Limits and Fair Market Rents for Chattanooga
Income Limits (Effective June 1, 2018) 2018 Median Family Income: $61,700

Family Size	Low Income 80% of Median	Very Low Income 50% of Median	30% of Median
1 Person	$ 34,100	$ 21,300	$ 12,800
2 Person	$ 38,950	$ 24,350	$ 14,650
3 Person	$ 43,850	$ 27,350	$ 16,450
4 Person	$ 48,700	$ 30,400	$ 18,250
5 Person	$ 52,600	$ 32,850	$ 20,000
6 Person	$ 56,500	$ 35,300	$ 21,800
7 Person	$ 60,400	$ 37,750	$ 22,600
8 Person	$ 64,300	$ 40,200	$ 24,400

Fair Market Rents (Effective June 1, 2018)

0 BR	1 BR	2 BR	3 BR	4 BR
$ 642	$ 688	$ 829	$ 1,085	$ 1,302

Supplemental Data

1. Low- Moderate Income Census Tracts/Neighborhoods

Area	Census Tract	Percentage L/M	Race/Ethnicity White	Black	Hispanic	Am. Indian	Asian
Orchard Knob, Avondale	4	68.45%	6.8%	89.2%	2.4%	0.6%	0.0%
Hill City	8	64.31%	64.7%	32.8%	1.1%	1.5%	0.0%
Fortwood	11	62.87%	19.5%	92.2%	23.8%	0.0%	0.0%
Glenwood	12	61.11%	13.0%	84.8%	0.7%	1.2%	0.0%
East Lake, Ridgedale	13	74.25%	38.8%	50.5%	18.5%	0.4%	0.0%
Highland Park	14	66.42%	58.2%	41.2%	9.7%	0.0%	0.2%
Riverside	16	100.00%	18.3%	80.0%	0.0%	0.9%	0.8%
South Chattanooga, Alton Park, Piney Woods	19	83.63%	1.8%	98.7%	1.3%	0.0%	0.0%
Southside	20	65.02%	21.0%	68.1%	32.5%	2.4%	0.0%
Clifton Hills	23	68.58%	44.4%	29.3%	26.5%	0.9%	0.0%
Cedar Hill, Tarr Lake	24	79.12%	72.9%	13.0%	28.4%	3.0%	1.7%
East Lake	25	80.76%	35.7%	55.1%	11.4%	2.1%	0.0%
Oak Grove	26	75.70%	54.5%	40.4%	14.3%	0.0%	0.0%
Downtown	31	60.54%	64.2%	34.7%	3.3%	0.0%	0.0%
Fairwood Heights	32	61.81%	13.5%	73.6%	5.2%	3.9%	0.0%
Signal Mt. Blvd	109.02	70.31%	100.0%	0.0%	0.0%	0.0%	0.0%
Eastdale	113.04	59.59%	17.3%	80.4%	2.4%	0.0%	0.0%
Shepherd	114.49	52.34%	95.2%	25.5%	50.2%	0.0%	1.1%
Avondale, East Chattanooga	122	68.55%	5.7%	92.0%	2.0%	0.0%	0.0%
Avondale, East Chatt, Glass Farm	123	66.32%	50.5%	63.9%	0.8%	2.0%	1.2%
Mt. View, Fortwood	124	68.17%	64.3%	28.5%	3.1%	0.1%	0.8%

2. Low – Mod Income Census Tracts

ATTACHMENT 2 – Grantee Unique Appendices

1.	*HOME Resale/Recapture Policy*	*Pages 2-6*
2.	*HOME Request for Proposals (RFP) Process*	*Pages 5-34*
3.	*ESG Policies and Procedures*	*Pages 34-67*

City of Chattanooga
Homeowner Program Guidelines and Resale/Recapture Policy

Revised June 2018

This document outlines the City of Chattanooga's guidelines for homeowner projects/programs assisted with HOME funds and the policy for the resale/recapture provision under the HOME program as required in CFR 92.254(a)(5) to ensure the long-term affordability of units assisted with HOME funds for homeownership.

HOMEBUYER ACTIVITIES

The City of Chattanooga will use and/or allow recipients, sub-recipients, non-profit housing developers and other eligible entities to use HOME funds to support homeowner/homebuyer programs. The program may provide gap financing to low-income families in the form of an amortizing loan, a deferred loan or a grant through the following type activities:

a. Acquisition only
b. Acquisition and Rehabilitation
c. Downpayment/Closing Cost Assistance
d. New Construction

ELIGIBLE PROPERTIES

The housing must be single-family housing (1 to 4 family residence, condominium unit, cooperative unity, combination manufactured home and lot, or manufactured home lot).

Home-assisted rental units may be converted to homebuyer units with prior approval. All homebuyer requirements in 92.254 apply. Refusal of the tenant to purchase the housing does not constitute grounds for eviction or for failure to renew the lease.

ELIGIBLE PROPERTY OWNERS

The prospective purchaser household:

a. Must be low-income: that is, the purchaser must have a gross annual income that does not exceed 80% (percent) of median income for the area. The purchasing household must be low income at either the time the household initially occupies the property or at the time the HOME funds are invested, whichever is later. The monthly housing cost (principal, interest, property taxes and insurance) must be affordable at time of purchase using fixed threshold (i.e. 30% (percent).

b. Must occupy the property as a principal residence. The deed will incorporate this requirement. The loan documents (Promissory Note) between the purchaser and the City, or subrecipient will also incorporate this requirement. Temporary subleases are not allowed.

HOMEBUYER COUNSELING

Homebuyers receiving HOME assistance must receive pre-purchase homebuyer counseling from a HUD approved housing counseling agency that has adopted National Industry Standards for Homebuyer Education and Counseling.

DURATION OF AFFORDABILITY RESTRICTIONS

Subrecipient will abide by the HOME affordability requirements of 24 CFR 92.252 & 92.254, as applicable. The HOME-assisted units must meet the affordability requirements for not less than the applicable period specified in the following tables, beginning after project completion. The affordability requirements apply without regard to the term of any loan or mortgage or the transfer of ownership. If HOME-assisted housing fails to meet the affordability requirement for the specified period, the HOME funds are to be repaid in accordance with 24 CFR 92.503. The City reserves the right to impose additional affordability period above and beyond what is required by HUD.

Minimum period of affordability for homeownership assistance based on the amount of HOME funds invested for assistance:

Under $15,000	5 Years
$15,000 – 40,000	10 Years
Over $40,000 or rehabilitation involving financing	15 Years

ENFORCEMENT OF AFFORDABILITY RESTRICTIONS

Entities/Subrecipients providing assistance with HOME funds will be required to enforce compliance with affordability restrictions by imposing deed restrictions and covenants running with the land or other similar mechanisms. The affordability requirements for projects qualifying as affordable housing in accordance with 24 CFR 92.254 must be enforced by default provisions or deed of trust restrictions. Agreements/Contracts with homebuyer must include provisions for resale or recapture.

PROPERTY VALUE (AT TIME OF PURCHASE)

All properties receiving HOME funds for acquisition will require an appraisal. The appraised value of a HOME assisted property to be acquired must not exceed 95 percent of the median purchase price for the area for the type of housing being purchased (single family, condominium, manufactured home, etc.). These limits will be provided by HUD. If rehabilitation is required, the appraised value of the property after rehabilitation cannot exceed 95 percent of the median purchase price for the area, as provided by HUD. The after rehabilitation value estimate should be completed prior to occupancy or investment of HOME funds.

SUBSIDY LAYERING AND PROJECT UNDERWRITING

HOME funds are limited to gap financing. It must be demonstrated through a subsidy layering review and/or underwriting that the City is not investing any more HOME funds, alone or in combination with other funds, than are necessary to provide quality, affordable, and financially viable housing for at least the duration of the affordability period. The evaluation must determine a reasonable level of profit or return on the owner's or developer's investment in a project. Project underwriting and subsidy layering requirements vary by the HOME assistance provided.

Homebuyer Unit Development

Typically the City must be able to execute a written agreement with the partner entity for the project within 12 months of July 1 of the year in which funding is awarded. The partner entity must typically be able to complete the project and expend all funds within two (2) years of the execution of the written agreement. When HOME funds are expended for projects that are terminated before completion, for whatever reason, the HOME funds that have been expended are ineligible and must be repaid. The City

must terminate any project that does not meet the HOME requirements for affordable housing (i.e., affordability provisions, income targeting, property standards, etc.) and repay HOME funds expended for the project.

Project Underwriting

Underwriting (review of sources and uses) of all HOME projects (rental and homebuyer) is required whether or not the projects are assisted with other governmental assistance. The City must determine that no more than the necessary amount of HOME funds, in combination with other governmental funds, is invested than is necessary to provide quality affordable housing that is financially viable for a reasonable period.

Subsidiary Layering

Using subsidy layering and underwriting guidelines the City must be able to:

- Assess the reasonableness of profit or return to the owner or developer, for the size, type, and complexity of the project
- Examine the sources and uses for each project and determine whether the costs are reasonable
- Assess the market conditions of the neighborhood in which the project will be located
- Assess the experience and financial capacity of the developer
- Determine whether there are firm financial commitments for the project

Market Assessment

A market assessment or market study must be completed in order to assess whether there is current market demand for the project. The type is dependent on the project; the partner entity must work with the City to determine which is applicable. Information will be provided in the funding notice and by the City, as requested.

Nine-Month Sale Deadline

Any unit not sold within nine (9) months of the completion of construction must be converted to rental housing and meet all of the requirements for HOME rental housing. HOME funds provided for any such unit that is not rented within 18 months of conversion must be repaid to the City.

Mortgage Underwriting/Subsidy Layering

The City allows partner entities providing homebuyer/purchase assistance to conduct their own screening and loan underwriting for homebuyer/purchase assistance so long as the underwriting policies and procedures are substantially consistent with the following:

I. Each partner entity providing homebuyer assistance using HOME funds, must provide a copy of their underwriting procedures and policy requirements that must be approved by the City in advance of the execution of a HOME agreement with the entity.

II. The policies and procedures will:
   a. Specify how the entity evaluates the homebuyer's ability and willingness to pay and the appropriateness of the proposed HOME subsidy amount.
   b. The homebuyer, at minimum, is evaluated according to:
      - Housing debt and overall household debt
      - Recurring household expenses
      - Assets available to acquire the housing
      - Monthly expenses of the household
      - Financial resources available to the household to sustain homeownership

   c. include standards for the first mortgage and establish the terms for any subordination of the HOME loan.

III. Resale of the property during the affordability period, and if applicable, qualification of subsequent buyers will be governed by the Snohomish County HOME Homebuyer Program Guidelines for Resale and Recapture

IV. Partner entities will complete a Mortgage Subsidy Layering Worksheet, and provide a copy to the City, prior to executing a home loan using mortgage assistance from more than one government agency. The City staff will review each Mortgage Layering Sheet to ensure that there is not an excess of HOME funds awarded to a homebuyer.

V. The subsidy layering review and underwriting documentation, for each homebuyer, will be maintained on file.

PROPERTY STANDARDS

Activities and costs are eligible for HOME assistance only if the housing meets certain minimum housing standards upon completion/prior to occupancy. The City home inspector must conduct an on-site inspection of each property prior to occupancy to ensure that units meet the applicable property standards.

Property Standards for Assistance Involving Acquisition Only

For projects involving assistance for acquisition only, the property must meet the property standards for existing housing City's Minimum Housing Code at time of initial occupancy.

Housing Requirements - Existing Housing

- Must be decent, safe, sanitary and in good repair, and meet all applicable state and local housing quality standards and code requirements. Housing must be free of any deficiencies. The current standard is - housing must meet state and local housing property standards or codes, or in their absence, Housing Quality Standards (HQS), which will be in effect until HUD provides further guidance to implement UPCS, another inspection protocol.

Newly Constructed Housing

- Must meet state and local codes, ordinances and zoning codes for new construction.

Existing Manufactured Housing

- Foundation systems must be inspected and meet the applicable State or local codes, subject to the approval of the City's building officials. In the absence of State and local codes, must meet the Model Manufactured Home Installation Standards at 24 CFR part 3285.
- Must be connected to permanent utility hook-ups.

New Manufactured Housing

- Foundations and anchoring must meet all applicable state and local codes and other requirement.
- Must be on a permanent foundation, meaning a foundation system of supports that is capable of transferring all design loads to the ground and meets the requirements of 24 CFR § 203.43f(c)(i).
- Must meet the Manufactured Home Construction and Safety Standards codified at 24 CFR part 3280.
- Must be connected to permanent utility hook-ups.

Property Standards for Assistance Involving Acquisition and Rehab

For projects involving acquisition and rehabilitation, where rehabilitation to the property is needed - at time of initial occupancy, the property must be free from any defects that pose a danger to the health or safety of occupants. Local code standards, rehabilitation standards and cost-effective energy conservation and effectiveness standards apply to rehabilitation work.

INCOME VERIFICATION

Verification of income eligibility is good for a period of six (6) months. Consequently, in order to assure that a prospective homebuyer/homeowner is income eligible, the income will be verified early in the application process. An update of the home buyer's income will be necessary if more than six (6) months have transpired from initial verification to occupancy of the property.

The City allows agencies providing purchase assistance to conduct their own screening and loan underwriting for first-time homebuyers, so long as the underwriting procedures are substantially consistent with the following procedures and policy requirements.

FORM OF OWNERSHIP

a. For purposes of the HOME program, homeownership means ownership in fee simple title or leasehold in a one-to-four unit dwelling, ownership or membership in a cooperative.

b. The ownership interest may be subject only to mortgages, deeds of trust or other debt instruments. Any other encumbrances or restrictions that do not impair the marketability of the ownership interest, other than the HOME program restrictions on resale.

RESALE/RECAPTURE RESTRICTIONS

Resale and recapture provisions apply to the use of HOME funds in homebuyer assistance programs. The City will allow for the use of either resale or recapture provisions, as appropriate. Resale or recapture provisions are triggered when, during the period of affordability, the housing ceases to be the principal residence of the buyer who was assisted with HOME funds. The resale or recapture provisions are triggered by any transfer of title, either voluntary or involuntary, during the established HOME period of affordability.

In the event of a failure of a HOME Program beneficiary to satisfactorily adhere to all applicable affordability requirements, the City of Chattanooga will use the following recapture/resale provisions to ensure that the intent of the HOME funded activity is accomplished or that the unforgiven portion of the HOME funds are recaptured and used for other activities eligible under the HOME Program. However, in order to keep a property affordable for the intended duration of the period of affordability, the City reserves the right to assign a project to another capable, willing and eligible entity to carry out the terms of the original agreement.

Recapture Option

When HOME funds are used as a direct subsidy, recapture provisions must be used and if the HOME recipient sells the property within the affordability period, the direct HOME subsidy must be recaptured. The sale of the HOME assisted property, (through direct subsidy), during the affordability period triggers repayment (recapture) of the direct HOME subsidy in full, except in instances where a forgivable loan is used to finance the HOME assistance to the homebuyer and the HOME balance is reduced by an equal amount annually during the period of affordability. In which case, the unreduced balance must be recaptured.

A direct subsidy consists of any financial assistance that reduces the purchase price from fair market value to an affordable price, otherwise subsidizes the purchase (e.g., down payment or closing cost assistance, subordinate financing).

If the net proceeds are not sufficient to recapture the full HOME investment plus enable the homeowner to recover the amount of the homeowner's down-payment and any capital improvement investment made by the owner since purchase, the net proceeds will be divided proportionally. The net proceeds are the sales price minus loan repayment (other than HOME funds) and closing costs.

The net proceeds will be divided as follows:

HOME Investment / HOME Investment + Homeowner Downpayment X Net Proceeds = Amt. of HOME to be Recaptured

Homeowner Investment / HOME Investment + Homeowner Downpayment X Net Proceeds = Amount to Homeowner

If net proceeds recaptured are greater than the outstanding balance of HOME funds invested in the property (for all approved activities and holding costs incurred), the balance of net proceeds would be distributed to the homeowner (or his/her estate).

Assumption of Recapture Obligations by Subsequent Homebuyer

A subsequent income-eligible homebuyer may be permitted to assume existing loan and affordability restrictions under the recapture provision. However, an eligible homebuyer can only assume the existing loan and affordability obligations if no additional HOME assistance is provided to the subsequent homebuyer. In cases in which the subsequent homebuyer needs HOME assistance in excess of the balance of the original HOME loan, the HOME subsidy (the direct subsidy as described in § 92.254) to the original homebuyer would be recaptured and separate HOME subsidy would be provided to the new homebuyer.

Resale Option

If the HOME assistance is only used as development subsidy, the assisted housing is designated as an affordable unit and resale requirements are applicable and must be incorporated as part of a covenant deed running with the land and in a HOME agreement with the homebuyer. A development subsidy is the difference between the cost to develop housing and the market price.

The homebuyer must retain the property as a principal residence and the housing must remain affordable to a reasonable range of low-income homebuyers though the period of affordability. This includes households with incomes at or below 80% AMI paying no more than 30 percent of income for principle, interest, property taxes, and insurance. If the housing does not continue to be the principal residence of the family for the duration of the period of affordability, the housing must then be made available for subsequent purchase only to a HOME eligible buyer that qualifies as a low-income family and who will use the property as its principal residence.

Under this requirement the price at resale must provide the original HOME-assisted owner a fair return on investment. A fair return is the percentage the change in median sales prices over the period of ownership times the owner's total investment. The basis for calculating the return includes 1) HOME-assisted homebuyer's original investment (i.e., any down payment), plus 2) the value of any capital improvements (not to exceed the newly assessed value at the time of the sale), during the period of ownership Capital improvements include improvements that add to the value of that home, prolong its useful life, or adapt it to new uses.

Repairs or general upkeep, keeping the home in good condition but does not add value to or prolong the life of the home are not considered capital improvements. Such as repainting the home inside or outside, fixing gutter or floors, repairing leaks, or replacing broken window panes. Documentation of improvements must be maintained. The value of capital improvements will be based on the actual costs of the improvements as documented by the homeowner's receipts.

Capital Improvements include any major changes to a home, including:

Category	Examples
Additions	Bedroom, bathroom, deck, garage, porch, patio
Heating and Air Conditioning Systems	Heating systems, central air, duct work, central humidifier, filtration system
Insulation	Attic, walls, floors, pipes and duct work
Interior Improvements	Built-in appliances, kitchen modernization, flooring
Lawn and Grounds	Landscaping, driveway, walkway, fence, retaining wall, sprinkler system, swimming pool
Plumbing	Water heater, soft water system, filtration system
Miscellaneous	Storm windows and doors, new roof, central vacuum, wiring upgrades, security system

Example of Fair Return

Homebuyer's original investment: $5,000 as down payment
Bedroom addition during ownership: $15,000
Total owner investment $20,000

Percentage change in median sales prices over the period of ownership: 4%

(5,000=15,000) x 4% = $ 800.00
Total return to homebuyer at sale $5,000+15,000+800 = $20,800

In a declining housing market where the home value depreciates, the homebuyer may not receive a return on investments as the home would be selling for less or the same price as the original purchase price.

REPAYMENT BY HOMEOWNER

Under resale, if the homeowner pays off the HOME assistance early, the owner is still subject to the primary residence requirement and the repayment does not terminate the period of affordability.

HOME REFINANCING/SUBORDINATION

With prior approval and on a case by case basis, the City may allow HOME funds provided as assistance, to be subordinate to other debt provided the HOME investment is secure as demonstrated by a debt-to-equity ratio analysis.

As an eligible use, HOME funds may be used to refinance existing debt on single-family, owner-occupied properties in connection with HOME-funded rehabilitation. The refinancing must be necessary to reduce the owner's overall housing costs and make the housing more affordable. Refinancing for the purpose of

taking out equity is not permitted. HOME may also be used to refinance existing debt on multi-family projects being rehabilitated with HOME funds, if refinancing is necessary to permit or continue long-term affordability. In addition, the rehabilitation must be the primary activity (e.g. the majority of HOME funds going to rehabilitation).

Although eligible, due to the limited funding available, the City of Chattanooga will not permit HOME funds to be used to refinance existing debt on single-family, owner-occupied units nor on multi-family rental projects. Should this policy be revised in the future, the City will adopt refinancing guidelines and state them in the Consolidated Plan as they are consistent with the HOME regulations.

TERMINATION OF AFFORDABILITY RESTRICTIONS

The affordability restrictions will terminate due to foreclosure or a transfer of the property in lieu of a foreclosure; however, if the owner obtains an ownership interest in the property before the foreclosure or deed in lieu of foreclosure, during the original affordability period, the affordability restrictions shall be revived.

AFFORDABILITY CONTROLS

To ensure that the homebuyer retains the property as a "principal residence" and to control the recapture of HOME funds on the sale of the property during the affordability period funding agreements will define the term of affordability and affordability requirements will be recorded on the property through:
- A deed restriction or covenant running with the land, or
- Loan documents.

PUBLIC NOTICE

Are You a For-Profit or Non-Profit Landlord or Developer? If So, There are Grant Funds Available to Help You Develop Affordable Housing!

The City of Chattanooga, Department of Economic and Community Development is making available HOME Investment Partnership Act (HOME) grant funds for construction or rehabilitation of single and multifamily affordable rental housing units and homeownership housing units (only pre-approved non-profits can develop homeownership housing).

All development activities must serve households meeting income eligibility guidelines and be located within the city limits of Chattanooga.

The Application for Funding and Program Guidelines will be available starting **September 24, 2018** at www.chattanooga.gov/ecd-home-application

Please read through the Application and Program Guidelines.

Applications for funding are due Wednesday October 31, 2018, no later than 4:00 P.M.

*****Late and/or incomplete applications will not be considered*****

Prospective applicants are **required** to attend a ***HOME TECHNICAL ASSISTANCE WORKSHOP*** for an overview of program features and requirements.
The workshop will be held on **Friday, September 28, 2018, from 9:30 A.M. – 11:00 A.M.**

Location:

City Hall, Mayor's Conference Room
101 East 11th Street, 3rd Floor
Chattanooga, TN 37402

For more information, contact Countess Jenkins at 423-643-7333 or Christian Tate at 423-643-7331, you may also email: cjenkins@chattanooga.gov or ctate@chattanooga.gov

GUIDELINES

REQUEST FOR PROPOSALS

TO

PRODUCE & PRESERVE

AFFORDABLE HOUSING

CITY OF CHATTANOOGA
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT 101 E. 11TH STREET, CITY HALL, SUITE 200 • CHATTANOOGA, TN 37402 • (423)643 - 7300

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City of Chattanooga Request for Proposals (RFP) to Produce and Preserve Affordable Housing

The City of Chattanooga's Department of Economic and Community Development (ECD) is seeking partners to assist in increasing the supply of decent and affordable housing for City residents through production and preservation. ECD desires responses from partners that offer creative ways of improving the housing stock in the City of Chattanooga. Eligible applicants can be for-profit or non-profit entities.

ECD has established priorities for housing that include construction or rehabilitation of existing single and multifamily rental housing properties, and homeownership housing development. Housing must be for the general low/moderated income population, including special needs populations (homeless, seniors, veterans, disabled). All activities funded must be within the Chattanooga City limits.

Available funds are estimated to range from $650,000 to $1 million dollars. The level of available funds remains fluid as sources may include current year federal allocations and funds being reallocated from stalled projects.

No project will be funded 100% by the City. The City funds will only be provided as gap financing that is not otherwise available from other sources. **The maximum assistance provided to a project will be limited to fifty percent (50%) of the construction/renovation cost, (per unit), not to exceed $40,000 (per unit).**

By federal regulation, the City may not invest more HOME funds, alone or in combination with other governmental assistance, than is necessary to provide quality affordable housing that is financially viable through the affordability period. Therefore, as policy, the City desires to provide enough funding to each approved transaction to increase the availability of affordable units, or substantially improve the quality of existing units, without over-subsidizing (enriching) the development or increasing the risk associated with over-leveraging the development.

Applicants must demonstrate that they have or will structure projects to maximize other available financing sources, thereby limiting City funding to the lowest amount necessary to assure project feasibility and demonstrate that rent proceeds or other funding sources will allow for adequate reserves to meet capital needs for the length of the affordability period for the project.

Applicants should make a specific request to the City. The request should represent the **gap** between:

1. The total project costs, and
2. The Applicant's equity plus commercially available debt, other grants, tax credits, and capital contributions.

ECD will underwrite all requests to ensure that each project is financially sustainable over its affordability period. The underwriting review evaluates, among other things, cost

reasonableness, market demand, developer capacity, and the commitment of other funding.

How to Apply

1. REVIEW INFORMATION

Carefully review application materials, program and developer requirements. An electronic version of the application and requirements are at: http://www.chattanooga.gov\ecd-home-application; included are:

1. Intent to Apply Questionnaire
2. Program Descriptions and Guidelines
3. Application
4. Excel-based Development Proposal Template
5. Environmental Review Application
6. HUD Rents and Income Limits
7. Utility Allowances will be calculated for you based on type and size of housing unit, type utilities and zip code

2. ATTEND APPLICATION WORKSHOP

Those interested in submitting applications are **required** to attend the Application Workshop on Friday, September 28, 2018, 9:30 AM to 11:00 AM. Material presented in the workshop not only includes guidance on completing the application and related materials, but also covers immediate and long-term regulations and requirements associated with the federal funds.

3. COMPLETE and Submit "Intent to Apply Questionnaire" to ECD.

Required (Preliminary Assessment)

To ensure that applicants do not waste time completing and submitting proposals for projects that cannot be considered because they are ineligible or not feasible, ECD staff would like to conduct a preliminary assessment of the project and provide applicants the opportunity to discuss the proposed project. Information in the Intent to Apply Questionnaire will provide the basis for a preliminary assessment.

Submit one (1) original hard copy and one electronic version *Intent to Apply Questionnaire* to:

City of Chattanooga
Department of Economic & Community
Development Attn: Countess Jenkins
101 E. 11th Street, Suite 200
Chattanooga, TN 37402
Electronic version: Commdev@chattanooga.gov

4. CONTACT ECD STAFF TO PRELIMINARILY DISCUSS PROPOSED PROJECT

For information, or to discuss your proposal, contact Countess Jenkins: (Phone) 643-7333, (Email) Cjenkins@chattanooga.gov or Sandra Gober: (Phone) 643-7332, (Email) Sgober@chattanooga.gov

5. SUBMIT A COMPLETED APPLICATION AND ATTACHMENTS

Complete Application (including checklist), Environmental Review Application, and Development Proposal Template. Make sure that all required attachments are included with the application.

Submit one (1) original hard copy and one electronic version of the complete Application, the Development Proposal Template (pro forma) and all required attachments to:

City of Chattanooga
Department of Economic & Community
Development Attn: Countess Jenkins
101 E. 11th Street, Suite 200
Chattanooga, TN 37402
Electronic version: Commdev@chattanooga.gov

Program Descriptions and Guidelines Overview

Through this Request for Proposals (RFP) the City of Chattanooga's Department of Economic and Community Development (ECD) is seeking partners to assist in increasing the supply of decent and affordable housing for City residents. ECD desires responses from partners that offer creative ways of improving both the housing stock in the City of Chattanooga and the neighborhoods in which the housing is located.

ECD has established priorities for housing that include reconstruction or rehabilitation of existing single and multifamily housing properties (for rental), new rental housing development and homeownership housing development. Housing may be for the general low/moderated income population or for special needs populations (homeless, seniors, veterans, disabled). All funded activities must be within the Chattanooga City limits.

This RFP contains the basic program guidelines for the City's HOME funded projects and application instructions. The information presented should not be construed as an exhaustive list of the regulations and requirements and should be taken only as a general guideline and is not a substitute for a thorough understanding of the regulations. Developers assume all risk of any predevelopment funds expended before funding is formally approved and are ultimately responsible for compliance with all applicable regulations. The City of Chattanooga will make every effort in assisting developers and sub recipients with program compliance issues.

Available funding

Available funds are estimated to range from $650,000 to $1 million dollars. The amount of available funds remains fluid as sources may include current year federal allocations and funds being reallocated from stalled projects.

Funding Limits and Leverage

The City funds will only be provided as gap financing that is not otherwise available from other sources. No project will be funded 100% by the City. **The maximum assistance the City will provide to project is limited to fifty percent (50%) of the construction/renovation cost, (per unit), not to exceed $40,000 (per unit).**

The City desires to provide enough funding to each approved transaction to increase the availability of affordable units, or substantially improve the quality of existing units, without over-subsidizing (enriching) the development or increasing the risk associated with over leveraging the development (too much debt for the restricted rents to support). The City reserves the right to determine award and financing terms based on the financial evaluation, in tandem with the program requirements and availability of funds.

Applicants must demonstrate that they have or will structure projects to maximize other available financing sources thereby limiting City funding to the lowest amount necessary to assure project feasibility and demonstrate that rent proceeds or other funding sources will allow for adequate reserves to meet capital needs for the length of the affordability period for the project.

Applicants should make a specific request to the City. The request should represent the **gap** between (1) the total project costs and (2) the Applicant's equity/investment plus commercially available debt, other grants, tax credits, and capital contributions.

Applicants must provide a minimum of 50% match/leverage for HOME funds. Projects with greater match/leverage score higher.

Eligible Activities/Projects

Eligible activities include rehab and new construction of units. All funded activities will be within the boundaries of Chattanooga City Limits. The City generally requires HOME funds be used for the hard costs of rehabilitation/construction. Applicants who wish to use HOME funds for any other purpose will negotiate this during the underwriting process. Allowable uses will be identified in contracts and project agreements. Eligible costs include **gap** financing for:

1. Rehabilitation or reconstruction of existing rental housing –multi-family units.
2. Development of multi-unit rental housing
3. New construction for special needs populations for which open market financing is unavailable or infeasible without public or private foundation support. This category includes senior citizens, persons with disabilities, homeless (both transitional and permanent housing) homeless and chronically homeless veterans, and single room occupancy (SRO's) facilities serving those with special needs.
4. Acquisition of properties (improved or vacant) for the development of affordable housing units
5. Project-related soft costs may be awarded on a limited basis and will be at the recommendation of staff and based on need as determined during the underwriting review.
6. LIHTC projects
7. New construction of housing for homeownership through programs operated by non-profit housing organizations, including eligible community development housing organizations (CHDOs). Homebuyers must be identified and pre-qualified prior to construction. Speculative building is not eligible.

Development of Rental Units

HOME funds may be requested as gap financing for rental development (renovations or new construction) for projects. Gap financing can be provided to cover eligible renovation/construction costs. To ensure the property remains affordable to qualified tenants for varying lengths of time depending upon the amount of HOME funds provided, the City is required to ensure the property is secured by a lien/restrictive covenants coinciding with the HOME period of affordability.

All assisted units must be leased to households earning sixty percent (60%) or less of AMI. For projects containing five or more units, at least twenty percent (20%) of the HOME-assisted units must be leased to households at fifty percent (50%) or below the AMI. Through to the end of the affordability, unit rents cannot exceed established HOME rents.

Development for Homeownership (Non-Profit Housing Development Organizations)

Only eligible non-profit entities that can demonstrate (1) the need for affordable housing for homeownership is present within the proposed development area and (2) that the home(s) can be sold within six months of development, may submit applications under this RFP. Speculative building is prohibited. Funding may be requested to assist with costs that are in excess of construction, permanent, and/or other subsidy financing and equity sources. The amount of funds invested in a homeownership housing project will always reflect the minimum amount of public subsidy necessary to achieve the maximum public benefit.

Homeownership units must be sold to households earning incomes at or below 80% of Area Median Income (AMI). Applicants must have established underwriting guidelines to determine the appropriate amount of assistance necessary to assist the low-income buyer; assessment of a buyer's ability to purchase and remain in the home (e.g., housing and consumer debt ratios, anticipated income, and available assets); and anti-predatory lending and subordination policies. Homebuyers must receive housing counseling before receiving HOME assistance (down payment assistance) or purchasing a HOME-assisted unit.

Assistance will be provided as development gap subsidy which is determined based upon the project development budget. The subsidy must be recorded as a lien against the property. To ensure the property remains affordable to qualified purchasers for varying lengths of time depending upon the amount of HOME funds provided, Applicant is required to ensure the property is secured by a lien/restrictive covenants coinciding with the HOME period of affordability. A homebuyer must have a ratified sales contract within nine months of construction completion, or the unit must either be converted to a HOME rental unit or full HOME investment be repaid.

Ineligible Applicants

Ineligible applicants include:

1. Organizations that have not completed a HOME project, are not in good standing, prior to submitting their proposal.
2. Organizations that cannot demonstrate adequate financial and organizational capacity to take on the proposed project.
3. Non-profits that have been in existence for less than one year.
4. Organizations that are not in good standing with other City of Chattanooga HUD grants.
5. Organizations that do not own, with clean title, or have a binding sales contract for proposed property.
6. Organizations that are listed on the federal, state, county, or city debarment list.

Eligible Applicants

ECD will accept proposals from public agencies, for-profit, and nonprofit developers with documented capacity to construct/rehab and operate housing that benefit low-income families. Applicants must be either the current owner of the property or, at the time of application, have a

binding contract to purchase the property.

Applicants must demonstrate financial and organizational capacity to undertake and complete project and adhere to long-term rental management and compliance and/or affordable homeownership programs. Capacity assessment varies by project size, scope, complexity and type of development entity.

Applicants and applicants' team members must be in good standing with ECD on all previous grants. Any applicant, developer, or general contractor with outstanding management or compliance issues with the City/ECD, other public agencies, or is on the federal, state, county or city debarment list will not be allowed to participate.

Applicants and applicants' team members must disclose any pending lawsuits, judgements and/or other orders of satisfaction which could potentially impact the proposed project, along with unpaid taxes, liens, defaults on debt, and property code violations.

Forms of Assistance & Terms

Assistance may be provided in the form of performance based (0% interest) grants, repayable only upon sale of the asset or another capital event, or fully repayable interest bearing loans. In return for the City's assistance, participants agree to certain long term (7 - 20 years) rent and occupancy restrictions. Restrictive Covenants will be used to ensure the long-term affordability and other program requirements.

Interest Rate: If gap financing is provided in the form of a loan, interest rates will vary based on the level and type of investment made by the City and the program funding. Determination will occur during the underwriting review.

Grant Position: In most cases, the City grant position will be junior to senior debt; however the City reserves the right to have a position senior to other sources of financing. Restrictive covenants will be recorded in higher priority than any first lien to ensure the long-term affordability and other requirements.

HOME financing is on a cost reimbursement basis. Disbursements during construction/rehab are limited to the reimbursement of the actual eligible costs that have been incurred. Ten percent (10%) will be retained at the end of the project, to be released when a Certificate of Occupancy is received.

Selection Criteria

All projects will undergo underwriting and feasibility analysis. Underwriting involves the analysis of project assumptions and risks to determine if the public investment is reasonable and the project can be expected to meet all applicable program requirements for funding and during the period of affordability. ECD will review project concept and design for suitability for the targeted populations(s) and financially sustainability over the affordability period. The underwriting and feasibility analysis also evaluates cost reasonableness, market demand, developer capacity, project timelines, the commitment of other funding, the adequacy of the funding to complete the construction or rehabilitation and, for rental projects, to sustain operations over the required period. Exceptional proposals will provide all information required for reviewers to accurately assess and score these

components of the proposed project.

Applications that pass the threshold requirement will be reviewed by a panel consisting of ECD staff. The panel will score each application based on outlined categories. Ranks will then be reviewed. All applications must meet a **minimum total score of 70 points** to be considered for funding.

Maximum Total Score = 100 Points:

- Project Development Details (20 Points)
- Organizational/Developer Capacity (20 Points)
- Project Costs, Financing, Leverage/match (20 Points)
- Location Information (20 Points)
- Readiness to Proceed (20)

Project/Development Information (20 points)

Exceptional proposals will present an overall narrative and sufficient details on development for adequate feasibility analysis - location, market demand, ownership, project cost, sources and uses of funding, proposed units, demonstrated need for HOME gap financing, financia and personnel capacity of applicant, project timelines, proposed target population and long-term sustainability plan.

Proposals must include:

1. A defined scope of work, including preliminary design plans and site plans, including details on:
    a. plans for energy efficiency / sustainable practices
    b. complying with accessibility requirements and other applicable building codes
    c. use of cost-effective green building measures (if applicable)
    d. innovation or benefit through the project design, compatibility with surrounding uses, or services for targeted population(s)
    e. units and rent levels that justify the requested resources
2. Detailed cost estimates from qualified source(s) ensuring that all project costs are reasonable
3. Detailed budget - sources and uses of funds
4. Operating pro-forma covering period of affordability
5. Completed Environmental Review Application
6. Development timelines (realistic)
7. Site control documentation
8. Documentation/details on zoning
9. Documentation demonstrating that all property taxes are current
10. Details on proposed targeted population to be served, (MOU)/ alliances with providers of social services
11. All applicable Third-Party Reports, including but not limited to:
    a. Post construction/rehabilitation Real Estate Appraisal
    b. Phase I Environmental report (Phase II if needed)
    c. Property Condition Report (rehab only)
    d. Market Study
    e. Lead Based Paint Assessment (rehab only)
    f. Asbestos Study
    g. Land Survey

Organization/Developer Capacity & Experience (20 points)

Two elements of underwriting analysis related to the applicant/developer include: – (1) the experience and the capacity of the developer (including the entity staff and project team) to implement and complete the project and (2) the fiscal soundness of the developer to meet its financial obligations and risks of the project. Acceptable experience and financial capacity will be evaluated based on the size, scope, and complexity of the project. Viable proposals will come from development teams with the technical and managerial experience, fiscal capacity, knowledge and skills to successfully undertake and complete the proposed development.

Experience

In assessing the experience of the applicant/developer, to determine whether the entity has the technical and managerial experience, knowledge, and skills to successfully undertake and complete the development and adhere to long-term requirements, the City will consider both prior experience and current capacity of the entity. In considering this, the City will take into account:

- The corporate or organizational experience of the development entity;
- The experience of the staff assigned to the project and overall quality of the development team;
- The prior experience of the individuals compared to their roles in the proposed project;
- The applicant's/developer's track record in the development and management of affordable/subsidized housing;
- Entity's ability to efficiently maintain the additional property/asset; and
- Entity's ability to adequately provide services to proposed target population(s) (if applicable).

For rental projects, a developer/owner needs specific skills and capacity including property management, asset management, service provision (as applicable), and special financing skills.

For homebuyer projects, the development team must demonstrate its capacity to market and sell the units. This may involve the addition of a realty professional to the team, or evidence that in-house staff have the capability to oversee the advertising, unit showing, intake, and processing of potential buyers. For CHDO projects, the City must be able to certify that the CHDO has paid staff with experience relevant to the proposed project and role of the CHDO.

Financial Capacity

The City must also examine whether the applicant/developer has the financial capacity necessary to complete the proposed project. The City will review information submitted to determine whether the applicant/developer has:

- Adequate financial management systems and practices; and
- Sufficient financial resources to carry the project to completion or through initial lease-up, as the case may be.

When determining whether the developer has the financial capacity to undertake the project, the City will examine financial statements and audits to determine the developer's net worth, portfolio risk, pre-development funding, and liquidity. Applicants/developers with limited financial resources

may only be considered for projects where cash needs will not exceed the developer's net or liquid assets.

Capacity assessment varies by project size, scope, complexity and type of development entity. Developer capacity and fiscal soundness will be evaluated on information demonstrating, but not restricted to:

1. Applicant's prior experience with development of properties similar to proposed project, including such details as acquisition of real property, rehabilitation, marketing, leasing and maintaining affordable/subsidized rental housing.
2. Qualifications and experience of proposed staff and strength of the development team. The City reserves the right to refuse funding a project if prior experience with the City was unfavorable.
3. Sufficiency of financial resources. The applicant's overall financial condition and its ability to fund cost overruns or other costs not included in the ECD grant amount (liquidity/net worth).
4. Demonstration of entities ongoing financial viability
5. Ability to manage additional projects if other developments are in progress.
6. History of partnership with support service providers if proposal is serving specific target populations. The organization's experience serving that population must be clearly stated.

Potential Scoring

1. Development experience (acquisition, rehabilitation, construction) of properties, at minimum, similar in size, scope, complexity and type to proposed project - 6 points
2. Fiscal capacity - 6 points
3. Staff capacity - 4 points
4. Marketing, leasing of units to qualified tenants - 2 points
5. Maintaining affordable/subsidized rental housing - 2 points

Location Information (20 points)

Acceptable proposals must demonstrate that the designated project site is suitable for affordable housing and the targeted population(s). The applicant must have site control or an option to purchase at the time of application. Acceptable sites are free of adverse environmental conditions, have appropriate zoning for the type of development proposed and must be in such condition that acquisition is possible within reasonable date of application. If a site has an adverse environmental condition, it must be possible to mitigate the condition through reasonable measures. Acceptable proposals must demonstrate that the development will not create undue concentrations of poverty. Exceptional proposals are near schools, parks, commercial areas, public transportation, services, and jobs. Proposal information will provide details on:

1. Accessibility to local transit.
2. Proximity to grocery stores, pharmacies, and other amenities
3. Proximity to general medical services.
4. Proximity to employment opportunities
5. Public/private revitalization efforts in the area
6. Whether project is located outside of the 100-year flood plain

Neighborhood Market Assessment

Before committing funds to a project, the City is required to assess the current market demand in the neighborhood in which the project will be located, addressing two key issues: pricing and absorption. This process requires the City to review neighborhood market data before approving a project and entering into legally binding agreements. The market assessment will include an analysis of all available comparable housing in the target area of development, an explanation of why the current available stock is not suitable and thus justification/need for the proposed development. In addition, a description of the target neighborhood and the available amenities (schools, transportation, recreation, medical, retail, etc.) will be assessed. The applicant is encouraged to provide any other information that they feel helps in proving a legitimate need for the development. The market analysis will:

1. Evaluate general demographic, economic, and housing conditions in the community.

2. Delineate the market area by identifying the geographic area from which the majority of a project's tenants or buyers are likely to come. This may or may not coincide with census tract or neighborhood boundaries.

3. Quantify the pool of eligible tenants or buyers in terms of household size, age, income, tenure (homeowner or renter), and other relevant factors. Not all residents of the market area are potential or likely tenants or buyers of any given project.

4. Analyze the competition by evaluating other housing opportunities with an emphasis on other affordable rental developments or sales opportunities in the market area, including those financed through either the HOME program or other federal programs.

5. Assess the market for the planned units and determine if there is sufficient demand to sell the HOME-assisted housing within nine months of construction completion or to rent the HOME- assisted housing within 18 months of project completion.

6. Evaluate the effective demand and the capture rate, usually expressed as a percentage (the project's units divided by the applicant pool). The capture rate is the percentage of likely eligible and interested households living nearby who will need to rent units in the proposed project in order to fully occupy it. The lower this rate, the more likely a project is to succeed.

7. Estimate the absorption period. Plan how many units can be successfully leased or sold each month and how long it will take to achieve initial occupancy/sale of the HOME units and stabilized occupancy for the project as a whole.

In some cases, other funders may require independent market studies. The City may accept the independent market study prepared for another funder if the study meets the requirements of the City. However, the City must review any market studies or assessments and make its own conclusions about the likelihood of project success. The City may not simply accept the conclusion of another source as its sole evidence of market demand.

Site and Neighborhood Standards

New construction of rental projects are subject to Site and Neighborhood Standards requirements demonstrating (*not* a complete list):

- Adequacy of site; size, contour; street, utilities, etc.;
- Project is suitable to further compliance with Title VI of the Civil Rights Act of 1964, the Fair Housing Act Executive Order, and HUD regulations
- Project is not in an area of minority concentration;
- Project, if in racially mixed area, will not significantly increase the proportion of minorities;
- Site promotes greater choice of housing opportunities and avoids undue concentration of assisted persons;
- Project affords access to a broad range of services and facilities;
- Travel time or cost to access places of employment, is not excessive;

If project is a mix-income project, the Developer must use its best efforts to distribute units reserved for Low Income Families, Very Low Income Families, and Extremely Low Income Families among unit sizes in proportion to the distribution of unit sizes in the property and to avoid concentration of Low Income Families, Very Low Income Families, and Extremely Low Income Families in any area or areas of the property.

Readiness to Proceed (20 points)

A realistic/detailed project timeline must be included with proposal. Evaluation of application, support information and timeline indicate that work can commence promptly upon receipt of award and issuance of Notice to Proceed and can reasonably be expected to be completed within indicated timeframe. Applicants are expected to be prepared to begin construction/rehab **immediately** upon signing a contractual agreement with the City. At minimum, all other financial commitments will be in place, property will be properly zoned, property will be under control/ownership of applicant, and environmental review will be completed prior to the City preparing an agreement for the funds. Funding awarded to projects that do not adhere to the construction start date will be reallocated to projects/activities that are ready to start. NOTE: Projects cannot proceed until the environmental review has been completed by ECD staff.

1. Notice to Proceed can be issued within thirty (30) days of award – 20 Points
2. It will be more than thirty (30) days after award before work will commence - 0 Points

Project Feasibility, Costs & Financing (Sources & Uses of Funds) (20 points)

This is one of the most critical sections of the RFP. Applicants/developers should review carefully and provide required information/documentation, as requested. Before committing HOME funds, the City will evaluate the proposed project to ensure that funds are invested such that the project is likely to be undertaken, completed, and succeed over time. To verify this, the City will assess all of the assistance that has been, or is expected to be, made available to the project.

The City will take into account all the factors relevant to project feasibility, which may include, but are not limited to: total development costs and available funds; impacts of HOME restrictions such as eligible costs, maximum subsidy limits, cost allocation, and rent/utility allowance limitations; rates of return to owners, developers, sponsors, or investors; resale or recapture limitations for

homebuyer projects; and the long-term needs of rental projects and tenants.

The two types of documents the City must receive and review in order to assess and underwrite a project include:

- A sources and uses statement (development budget); and
- An operating pro-forma. For homebuyer development projects, the pro-forma will take the form of a sales and revenue plan.

SOURCES AND USES STATEMENT

Applicants/developers must complete and submit a project budget with support documentation to verify the sources and uses indicated. The project budget must show:

1. All Sources (both private and public) of funds with dollar amounts) and timing of availability for each source, and
2. All Uses of funds (for example acquisition costs, site preparation and infrastructure costs, rehabilitation/or construction costs, financing costs, professional fees, developer fees and other soft costs) associated with the project.

Sources of Funding

Prior to committing funds to a project the City must ensure that all financing sources are in place. Consequently, the following is required to be submitted for all project sources:

1. Firm commitment letters with all terms and conditions for all mortgages, grants, bridge (interim) loans and investment tax credits (historical, low-income, if applicable);
2. If the applicant is a partnership or limited liability corporation, a copy of the partnership agreement or operating agreement, which will indicate the cash contributions by the partner(s) or member(s); and
3. If equity is committed by the developer or owner(s), evidence of available equity funds.
4. Documentation of donations – land, goods, and services

The project sources review includes the City determining that the total amount of HOME assistance is reasonable and necessary. The questions used in assessing proposed sources include:

1. *Are total funding sources adequate and timely in their availability to cover development costs at all phases of the development – acquisition, construction/rehabilitation, and permanent loan?* Before committing HOME funds, the City must determine that all necessary financing is available to cover reasonable costs of development. This includes reviewing any conditions the developer must meet in order to draw funds and the schedule upon which funds will be available. The availability of sources should match the project's timeline and allow the City to anticipate when and for which items it will disburse HOME funds. The City will also review the commitment and availability of permanent funding sources, the repayment terms of which need to be incorporated in the long term operating projections.

2. *Are the other funding sources compatible with HOME, or do they contain different requirements that affect the structure of the project, including unit mix, and are these differences accommodated in the project plan?* In its review of written commitments for

other funding sources, the City must determine whether there are provisions that: (a) conflict with HOME requirements; or (b) are not reflected in the project plan. The availability of sources should match the project's timeline and allow the City to anticipate when and for which items it will disburse HOME funds.

3. *Are the funding sources firmly committed?* The City will assess all financial commitments to ensure that they are in fact firm commitments that are consistent with the project. Firm commitments must be non-speculative sources identified and secured in the amount necessary to complete the project. It is not necessary that financing sources have "closed" or been disbursed. Documentation of firm financing can include award letters, offer letters, final term sheets, or other commitments which are conditioned upon the receipt of HOME funds. But, these may not include automatic self-expiring clauses or highly conditioned language and must have all substantial terms tied to a specific project. In the case of projects with LIHTC, the project must have received a reservation from the Housing Credit Allocator (e.g., State Housing Finance Agency) and be able to provide a good faith offer of equity investment from an investor prior to the issuance of a HOME commitment.

As, gap financing, the City's maximum assistance provided to project will be fifty percent (50%) of eligible construction cost (per unit), up to a maximum of $40,000 (per unit).

Uses of Funding

Uses are the project costs that are budgeted to be paid during the development phase. The City must review all costs of the project because the determination of the amount of HOME assistance needed is based on the gap between uses and other sources. Even costs not being paid with HOME funds must be necessary and reasonable, as the inclusion of excessive costs inflates the apparent need for public subsidy in a project.

In the review of the sources and uses statement, the City will assess the detailed breakdown of costs, including all hard and soft costs of the project, and review documentation or explanations of the basis of the calculation. Applicants must provide project budgets in sufficient itemized detail to evaluate not only the sufficiency of the budget but also to evaluate whether project costs are reasonable both on a line item basis and in the aggregate.

If the documentation is not adequate and does not support the costs as stated, the City will request additional documentation, a second opinion and/or reference from the appropriate source (i.e., another construction cost estimator, another architect or lawyer), or deny the project HOME funding. Note that for projects with tax credits to be sold, the proceeds from the sale of these credits must be identified as a source of funding.

Applicants must provide documentation for all line item costs in the budget, including:

- Acquisition documentation, such as purchase agreement, option or closing statement and appraisal or other documentation of value;
- Construction cost estimate, construction contract or preliminary bid(s);
- Contracts, quotes or other agreements substantiating key professional costs and the basis for estimating other soft costs and working capital items, including capitalized reserves;
- Agreements governing the various reserves which are capitalized at closing (to verify that the

reserves cannot be withdrawn later as fees or distributions);

- A third-party appraisal (to substantiate the value of the land and the value of the property after rehabilitation or the structure being built);
- If LIHTC are utilized, documentation on the syndication costs (legal, accounting, tax opinion, etc.) from the organization/individual who will syndicate and sell the offering to ensure that the project can support the fees necessary to syndicate/fund the project.
- Note that for homebuyer projects, some of the costs – such as realtor fees, closing costs and some of the developer fees – will not be incurred until the closing and might be paid out of closing proceeds. Also, since in the development phase loans such as construction loans are repaid at time of sale from sales proceeds, the estimation of the period to sell and close on the units is an essential part of the analysis. Again, this is affected by the ready presence of buyers under agreement or in the counseling/screening pipeline.

The questions used in assessing proposed uses include:

1. *Are all of the proposed costs of development "necessary and reasonable"* in compliance with federal requirements, costs are considered "necessary" if they are required to implement the project in full compliance with all program standards. A cost is reasonable if it "does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost." The determination of reasonable cost include the following factors:
   - Costs of comparable projects in the same geographical area
   - The qualifications of the costs estimators for the various budget line items
   - Comparable costs published by recognized industry cost index services.
2. *Are the proposed costs sufficient to achieve all program requirements, including property standards, to provide quality housing for at least the affordability period?* The applicant must ensure that the project budget is adequate to meet and maintain the property standards and all other HOME and cross-cutting federal requirements that apply to the development. The completion of a capital needs assessment or estimate of the property's useful life is essential to this analysis in rehabilitation projects.
3. *Are the costs proposed to be paid with HOME funds eligible under the HOME rule?*

OPERATING PRO FORMA

Applicants proposing rental projects must furnish an operating pro forma (project income and expense statement), projected for the HOME period of affordability, at a minimum. The **Excel-based Development Proposal Template,** which is part of the application, must be completed and submitted with other application documents.

The City will evaluate the reasonableness of the financial assumptions of the project to establish minimum total per unit operating costs. The sufficiency of both specific line item and total operating costs will be evaluated. The long-term operating projections over the period of affordability should be based on reasonable assumptions and demonstrate that project can cover expenses and debt service throughout the affordability period.

The pro forma will be scrutinized to ensure the cash flow projections are realistic in light of economic conditions. The cash flow projections should be neither unduly conservative nor overly optimistic. It is the City's role to balance the need for public subsidy to make the project viable while safeguarding

the investment of HOME funds in the project by ensuring that projected income and expenses are reasonable, and provide resources that are sufficient for the property's upkeep and planned capital repairs during the affordability period. Long-term operating projections should also be based on reasonable assumptions about how revenues and operating costs are expected to change over time, and demonstrate the project is expected to operate within normal operating parameters throughout the affordability period.

Projected Income

Operating revenues must be based on achievable rent levels, reasonable vacancy and collection loss, and conservative estimates of non-residential sources of incomes. In the Development Proposal Template, the City uses 2.25% for annual income increases 3.00% for expenses 5% as the vacancy rate, and $500 for replacement reserve. If developer uses other estimates supporting explanations must be provided.

- In most projects, non-residential revenue from fees/late charges, commercial income, interest, laundry/vending, or other similar sources likely will be modest, therefore should be projected conservatively.
- Vacancy projections should reflect local market conditions and account for both physical vacancy and collections loss.
- The rate of projected growth for rental income, other revenues, expenses, and vacancy rates should be appropriate to the local market and regulatory limits.
- Net Operating Income (gross revenue minus operating expenses) should be sufficient to cover debt service obligations and mandatory replacement reserve funding and generate reasonable but not excessive Cash Flow throughout the period of affordability. If deficits are projected, the HOME subsidy may be increased to reduce amortizing debt and the deficit reserves might be funded from other sources.

Projected Expenses

All operating costs must be in sufficient detail to compare line items against properties that are similar in physical type and size, so that the City may determine whether the planned expenditures are sufficient and reasonable. The operating budget should include any general management expenses, maintenance and operating costs, any project paid utilities, taxes, insurance premiums, and adequate deposits to replacement reserves. In most cases, evaluation of total operating costs should be summarized in "per unit per year" amounts rather than as a percentage of projected revenue.

- Most operating costs (e.g. water/sewer rates or lawn mowing) do not vary based on how much tenants are paying in rent. Whenever possible, the PJ should compare against other projects in the property manager's portfolio or the neighborhood.
- Management and other fees to the owner should be reasonable in the local market.
- The identity of interest (also referred to as related party) relationships with contracted property management, repair/rehabilitation contractors, or other project vendors must be disclosed.
- Minimum replacement reserve deposits should be specified based on the characteristics of each project. Reserve needs may vary based on the type of physical product, the target population, and whether the building is newly constructed or rehabilitated.
- Any debt service or other funding/reserve requirements related to 'secondary' financing in mixed financed deals, if applicable.
- Cash flow will be evaluated both as a "debt coverage ratio" and as a percentage of operating

costs and debt service. The City will use information provided in Worksheet "**D. Project Operations.**"

Sales Plan - Homebuyer Projects

In lieu of an operating pro-forma, homebuyer developers must provide a sales plan, which will be evaluated as a component of the market assessment. This plan includes the developer's anticipated cash flow and timing of when and how units will be sold. The City is only accepting applications from eligible entities that have pre-approved, pre-qualified buyers for identified units. Speculative building is prohibited. Eligible entities include non-profit housing organizations, including eligible community development housing organizations (CHDOs).

The HOME regulations require that any profit or return on the owner's or developer's investment will not exceed the City's established standards. The profit or return must be analyzed and determined to be reasonable. This analysis includes profit that is projected to flow to the developer as operating cash flow from rental projects, sales proceeds from homebuyer units (if not considered as program income by the City) and any other professional fees being paid to the developer or related entities. Developers and owners may financially benefit from HOME-assisted projects in several ways:

1. ***Developer Fees:*** These are fees charged by the developer as a part of the project cost to compensate for the risk, time and effort to build and sell or lease the property. Developer fees are allowed under the HOME program, but the City is only providing funding for hard construction costs. Nevertheless, the City must review these fees and determine that they are reasonable. In reviewing the effect of the development fee on the total project cost, the City may set limits on the developer fee that differ from other funding sources (e.g. LIHTC underwriting standards).

   The City will review developer fee schedules or ranges based on the local market and take the following into consideration:
   - The scope and complexity of the project being developed;
   - The size of the project;
   - The relative risk the developer is taking;
   - The costs a developer will incur from the fee as compared to those being charged as project costs;
   - The fees that are regularly and customarily allowed in similar programs and projects; and, Other fees the project is generating for the developer and its related entities

2. ***Sales Revenues:*** Developers of for-sale properties may keep some or all of the sales proceeds, as deemed reasonable by the City.

3. ***Cash-Flow:*** Assuming that the rental property is properly structured and financed, successfully attracts residents, and is effectively managed; the project likely will have net cash-flow after the payment of debt service. Cash-flow is distributed to the owner and/or investors as a return on their original investment.

4. ***Tax Benefits:*** Rental owners and/or investors can also benefit from tax savings—a reduction in the income taxes they owe due to tax losses or tax credits.

5. ***Equity Appreciation:*** Over time, the value of the rental project sponsor/owner's ownership share in the project will increase as debt financing is paid down (due to the portion of debt service that is applied to the loan principal), and depending on market conditions, the property appreciates in value.

6. ***Identity of Interest (IOI) Roles:*** Some developers may also own construction companies and if this company is used for the HOME project, the construction firm may earn reasonable profit and overhead as a component of the development budget. If the rental property owner also operates a property management company contracted to service the property, the developer may earn fees from those activities. These and other IOI contracts require additional review and they must be clearly disclosed, priced at arm's-length rates, and subject to cancellation if the IOI contractor does not provide acceptable service.

The City's standard for determining a limit for overall returns and cash flow distributions to ensure that owners do not receive excessive gains/profits from the project as a result of HOME and other public subsidies will be based on the project.

Overall Evaluation

The following will be used in conjunction the project ownership structure, property operations, the financial statements of the owner and guarantor (if applicable), to evaluate project feasibility:

1. Whether information is adequate to demonstrate that the development is feasible in terms of costs, sources and uses, and financial thresholds:
   a. Debt coverage is equal to or above 1.20
   b. All loans/debt plus City investment less than 95% of "as proposed" value
2. Construction cost per unit and total cost per unit relative to similar properties submitted under this RFP and in the marketplace.
3. HOME request per unit relative to similar properties submitted under this RFP.
4. Sources of leverage - proof provided
5. Maximum request of City's assistance <= 50% per unit construction/renovation cost, not exceeding $40,000 per unit.
6. Whether pro-forma income and expenses appear reasonable
7. Developer Rate of Return on Investment - reasonable rate of return based on comparable, current market rates

For thorough and adequate evaluations, applicant's proposal should sufficiently detail:

1. Project budget
2. All funding sources supported with letters of credit/commitment - Projects that can demonstrate/document commitments for all funding needs by award date will be prioritized
3. All sources of debt and anticipated debt with details on terms
4. Pro forma over the life of the project
5. Post construction/rehabilitation real estate appraisal
6. Level of expected profit/return to owner/developer for size, type, complexity of project (Other information/documentation may be requested by the City.)

Project Development Requirements

ECD must review and approve written cost estimates for construction and determine that costs are reasonable. Construction contract(s) and construction documents must describe the work to be undertaken in adequate detail so that cost reasonableness can be determined and inspections can be conducted. ECD, or its representative, will conduct progress and final inspections of construction to ensure that work is done in accordance with applicable codes, the construction contract, and construction documents. Project work write-ups must be in sufficient detail to determine the required rehabilitation work including materials. Major systems which include structural support, roofing, cladding and weatherproofing (windows, doors, siding, and gutters); plumbing, electrical; and heating, ventilation and air conditioning must be evaluated for estimated remaining useful life upon project completion. Replacement reserves must be established and monthly payments made to the reserve that are adequate to repair or replace systems as needed during period of affordability. For multi-family housing projects of 26 units or more, the assessment must be done through a capital needs assessments of the project.

For all rehabilitation or construction projects, a detailed breakdown of anticipated costs based on estimates (write-ups) and construction budget, prepared by a qualified, licensed or certified third party building inspector, general contractor, architect, structural engineer, or other qualified individuals must be provided. This report must show that the planned improvements will bring the property into compliance with all building codes as well as the Department's Minimum Property Standards for Rehabilitation. The report must be dated no more than six months prior to application. The Department may utilize its own vendor or employees to verify information presented in order to establish cost-reasonableness.

The construction of rehabilitated properties must generally extend the useful life of the property by 20 years (or through the period of affordability). For new construction projects, the useful life of the property must be a minimum of 60 years.

Development Proposal Template

The Development Proposal Template serves to provide summary information on the project, the development budget, the operating budget, and 20-year cash flow projection. This will be supplemented with information required in the Application. Information included in the Development Proposal Template (pro formas and other projections) will be examined for reasonableness and comparability to industry standards. The Development Proposal Template is an Excel workbook and includes the following tabs:

1. Instruction/Informational Guide
2. Cover Page/Funding Sources Summary Sheet
3. Property Information
4. Development Budget
5. Operating Budget (rental housing only)
6. 20-Year Cash Flow Projection (rental housing only)

All applicable information must be completed. ECD will review the underlying proposed debt and operating pro-forma of the property to determine the development's feasibility during the affordability period (i.e. demonstration of an acceptable debt service coverage ratio indicating income

adequate to cover operating expenses and all applicable debt service). For those properties, such as those for special needs population, which demonstrate that they cannot carry any debt service, income must exceed expenses. A commitment of the ownership entity to cover the losses will be required in the event of losses.

Zoning

Proposed project/site must be properly zoned for the development/project at time funding is provided. Applicant is required to verify zoning prior to application submission. GIS zoning is not always current, please call 423-643-5902 to verify zoning.

Environmental Impact

The entire project must be in compliance with all federal environmental regulations and requires an environmental review that is conducted by ECD. The review process takes approximately 30 to 90 days. Neither the Applicant nor any participant in the development process, including public or private nonprofit or for-profit entities or any of their contractors, may commit or expend any funds, including non-HUD funds, or undertake any activities during the review period.

Floodplain/Floodway

Applicants are advised to check the property address against the most recent flood maps which can be accessed at msc.fema.gov. HUD funds will not be available for development of projects located within the floodplain. Multifamily development in the floodway is prohibited under all circumstances.

Property Standards and Code Compliance

The City requires adherence to standards that will sustain quality assisted housing for at least the affordability period. Upon completion, rehabilitated or newly constructed properties must comply with all State and local codes, ordinances, and zoning requirements and local residential building codes.

Applicant must identify and plan for major systems repairs. For rental projects with 26+ units, this must be done via a capital needs assessment. The scope of rehabilitation work and replacement reserves deposits must be sufficient to ensure the useful life of essential building components throughout the period of affordability. For homeownership housing, major systems must have a useful life of at least five years upon completion.

Bidding Process and Captive General Contractor

Applicants must comply with all applicable federal, state and city procurement statutes, regulations and ordinances. The City of Chattanooga is charged with making efforts to determine that project costs are reasonable, and has two methods which we approve:

1. Bidding Process - The Borrower may choose to go through an open bidding process for selection of the General Contractor. This involves a) compiling plans, specs and a list of required qualifications, bonding requirements, etc. for the prospective contractor, b) conduct a pre-bid meeting with prospective bidders, c) advertise the bid process for two consecutive weeks, d) review, evaluate and tabulate bids, and e) obtain clearance from ECD to proceed with the selected contractor. A more complete explanation of the process will be provided by Compliance & Monitoring. Please note: General contractor must have a valid State of Tennessee Contractor's License.

2. Captive General Contractor - If the owner has the capacity to complete the construction work through a related entity as a captive general contractor, the City will pay for actual hard costs but will not pay for general contractor conditions, profit and overhead. If the construction costs are partially funded by a different federal or state program or other financing source for which general conditions, profit and overhead are eligible expenses, these costs may be paid out of the other program funds.

All subcontracts must be bid and tabulated. If the lowest responsive bidder is not selected, an explanation must be provided to substantiate the decision not to select the absolute lowest bidder. The City will not fund any construction cost savings.

Please note, regardless of the method of selection of a General Contractor, prior to award of contract, the recipient must secure approval from the ECD to ensure that the proposed contractor is cleared and eligible to perform work on any project funded by federal grants. Developer must provide the City with all contracts between the developer and all contractors/sub-contractors on a project.

Completion Guarantee and Protection

Bonds and Insurance

Applicants/grantees/subrecipients must demonstrate not only the ability to undertake and complete the proposed project and fund cost overruns, but to ensure that the City's interest (awarded funds) is adequately protected and the City is safeguarded against any claims resulting from damage to property and or injury to persons caused by applicant/grantee/subrecipient/vendor.

Liability and Property Damage Insurance is required to safeguard the City from any claims resulting from damage to property and/or injury to persons caused by the actions of applicants/grantees/subrecipients/vendors. The applicants/grantees/subrecipients/vendors, at his own cost, must secure insurance policies that name/endorse the City of Chattanooga as an "additional insured" party.

Each project will be evaluated (based on project size, complexity, HOME award, applicant's assets, i.e.) to determine the need/type of bond(s) required to protect the City's interest. If required, bonds must be secured by the applicant at his/her own cost. Generally, bonds may be classified as follows:

Performance Bond - This bond is a surety instrument guaranteeing that the applicant and/or contractor will perform according to the terms of the contract, and is generally in an amount of 100% of the bid for construction/renovation. This bond affords protection from nonperformance and/or non-completion of major contracts, the efforts of which could result in considerable injury to the City. Should the contractor default, the bond is cashed and the City may then utilize the funds to complete the contract with another vendor. Performance bonds are submitted upon award of the contract.

Payment Bond - This bond guarantees payment of subcontractors and suppliers providing goods and services to the general contractor, who is under contract to the City or applicant. The payment bond

relieves the City of financial liens against a project should the general contractor fail to pay his/her suppliers and subcontractors. These creditors will look to the bond for payment. Payment bonds are submitted upon award of the contract.

Labor and Material Bond - Same requirements as the Payment Bond. The bond guaranty may, at the discretion of the City, be in the form of a cashier's check, bank money order, bank draft of any national or State bank, certified check, or surety bond, payable to the City. The surety on any bid bond shall be a company recognized to execute bid bonds for contracts of the Federal Government.

Letter of Credit - Preferred in the case of certain construction projects or multiyear contracts. Must be irrevocable.

Construction Draws and Inspections

During construction, ECD will perform periodic inspections and confirm work is progressing. Borrowers, Grantees/Owners (aka Developers) will certify that each draw request is for actual costs expended and must provide documentation to support such costs, including original invoices for materials and supplies, payroll for laborers and sub-contractor and vendor invoices. The City will only pay for completed work and reimburse for eligible project costs. Reimbursement or draw request must include documentation that proves you have expended these funds, for example, cancelled checks and credit card receipts.

Expenditures must be allowable and reasonable in accordance with federal, state, and local rules and regulations. The Department shall determine the reasonableness of each expenditure requested. Any change in scope during the construction process must be approved in advance by ECD. The Department may request that the Developer make modifications to the disbursement request and is authorized to modify the disbursement procedures set forth herein and to establish such additional requirements for payment of funds to Development Owner as may be necessary or advisable for compliance with all program requirements.

The final request for disbursement must be submitted to the Department with support documentation no later than thirty (30) days after the completion date of the Project in order to remain in compliance with the Contract and to be eligible for future funding. The Department shall not be obligated to pay for costs incurred or performances rendered after the termination date of a Contract.

Additionally, the Developer is required to furnish the City with all contractor, sub-contractor and vendor names, complete addresses, type of trades, amount of contracts, license (ID) numbers, and race/ethnicity/gender. The form will be provided to the Grantee/Owner during the Pre-Construction Meeting. Said form must be completed and turned in with final construction draw request.

Retainage: The City will retain up to twenty percent (20%) of the grant, depending on the size and cost of the project, until after the initial occupant has been approved and the Grantee/Owner has provided the City with all required tenant documentation.

Material Changes

Any material changes to the project during underwriting or construction must be reported in writing to the Department. Failure to do so may result in a Default under the grant.

Accessibility

Section 504 - All properties receiving City funds must be in compliance with Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1973 (29 U.S.C Sec 794). HUD has established rules explaining Section 504 as it applies to housing. This pertains to new construction containing five or more units and for the rehabilitation of fifteen or more units. Section 504 requires that 5% of the units (or at least one unit) must be accessible to persons with physical disabilities. An additional 2% of units (at least one) must be accessible to persons with visual or hearing disabilities. These costs must be reflected in the Development Budget.

Covered multifamily dwellings, as defined at 24 CFR Sec 100.201 as well as common use facilities in developments with covered dwellings must meet the design and construction requirements of CFR Sec 100.205, which implement the Fair Housing Act (42 U.S.C. Sec 3601-3619). Additionally the project must comply with the Architectural Barriers Act of 1968 (42 U.S.C. Sec. 4151 et seq.), including use of telecommunications device of deaf persons (TDDS) or equally effective communication system.

Notwithstanding the general requirement of 5% accessibility and 2% visually and hearing impaired, the Department may waive this requirement for rehabilitation projects where the cost of rehabilitation is less than 75% of replacement costs. However, if this requirement is waived, the work done with any grant dollars must be made handicap accessible. Source: http://www.hud.gov/offices/fheo/disabilities/sect504faq.cfm

HOME Program Restrictions

The HOME Program has limits on rents, sale prices, occupant income, and amount of per-unit assistance as well as procedural and long-term affordability requirements. HOME funds must be repaid if the project cannot be completed or maintain affordability over the required period.

Occupancy Rules and Restrictions

The HOME program restricts occupancy of HOME-assisted housing to low-income and very low-income households and have controlled rents. In rental projects containing five or more units, 20% must be occupied by households at 50% or below Area Median Income (AMI) with the balance being occupied by households at 60% or below AMI. Units in projects containing less than units five units must leased to households at 60% or below AMI. Homeowner units must be occupied by households at 80% or below AMI.

Rents charged in assisted units may not exceed rents established by the HOME Program. HUD establishes HOME rents by unit size and metropolitan area on an annual basis. Tenant incomes and rents (which will be reduced by the utility allowance) are available on the department's website at: http://www.chattanooga.gov/communitydevelopment

Tenant Selection and Income Determination

Tenant Selection. Owners of rental housing assisted with HOME funds must adopt written tenant selection policies and criteria that:

a. Are consistent with the purpose of providing housing for very low and low-income households;
b. Are reasonably related to program eligibility and the applicants' ability to perform the obligations of the lease;
c. Give reasonable consideration to the housing needs of families that would have a Federal preference: families that occupy substandard housing; families that are homeless or living in a shelter; families that are paying more than fifty percent (50%) of their annual income for rent; or families that are involuntarily displaced.
d. Provide for the selection of tenants from a written waiting list in the chronological order of their application (as is practical), and
e. Give prompt written notification to any rejected applicant of the reason/grounds for any rejection.

To assist owners and managers of HOME assisted rental units the City provides:

1. Rental Applications
    - Accept applications from all wanting to apply
    - Include all household members, related and unrelated
    - Collect income and asset sources and amounts for each household member, related or unrelated, boyfriend/girlfriend OR document that they live elsewhere through lease or utility bills
    - Must collect two months source documentation proof of income for each household member
    - If the City/owner/manager do not have income documentation, the project is noncompliant and HUD can require repayment of the grant and/or other corrective action
    - Analyze the Application and verify the information
2. HUD approved Lease Agreements
    - It explains the Prohibited Lease Provisions that cannot be included in the lease
    - Must be for a term of at least one year, unless there's a mutually agreed upon shorter term
    - Calculate rent and utility allowances (must allow City to verify before signing lease)
    - Recertify tenant eligibility annually and maintain documentation in tenant files
    - Can only evict tenants for serious and repeated violations
3. Security Deposit Installment Agreements
    - For use at the discretion of the Owner/Manager
4. Initial Occupancy Reports
    - Must be completed and provided to City within two weeks of lease agreement
    - Must be signed and dated by the owner/manager
5. Long Term Occupancy Report
    - Begins a year after initial occupancy or when the initial tenant moves out prior to the lease termination date

- Must be completed annually for the duration of the Affordability Period (seven to twenty years)

6. Annual Reporting Requirements
   - The Owner/manager must submit annual reports that cover July 1 – June 30, the City's fiscal year, by the first day of August of each year through the end of the affordability period.
   - The annual report shall, at a minimum, include statistics relating to the number of households being assisted with HOME funds; household size, racial characteristics, single head of household by gender, household income and a narrative of Project highlights.

Period of Affordability

HOME-assisted housing must remain affordable for some period of time beyond the initial occupancy. HOME-assisted units must meet affordability requirements for not less than the applicable period specified in the following tables, beginning after project completion and occupancy. The affordability requirements apply without regard to the term of any loan or mortgage or the transfer of ownership. If HOME-assisted housing fails to meet the affordability requirement for the specified period, the HOME funds are to be repaid.

1. **RENTAL HOUSING ACTIVITIES** – Minimum period of affordability in years rehabilitation or acquisition of existing housing per unit amount of HOME funds:

Under $15,000	7 Years
15,000 – 40,000	10 Years
Over $40,000	15 Years
New construction or acquisition of newly Constructed rental housing	20 Years

2. **HOMEOWNERSHIP HOUSING ACTIVITIES** - Minimum period of Homeownership assistance HOME amount per-unit affordability in years:

Under $15,000	7 Years
$15,000 – 40,000	10 Years
Over $40,000	15 Years

Affordability Covenants

Compliance with required periods of affordability will be imposed by restrictive covenants recorded on the property. **These covenants must be in a lien position superior to all other debt, including existing debt, and will require the existing lender to subordinate to the rent restrictions for rental projects.** The covenants will be recorded in higher priority than any first lien made by a commercial lender and will remain in force throughout the affordability period despite bankruptcy, sale, or other event transferring title. The covenants will be insured with title insurance provided by the developer.

Other Requirements

Applicants must comply with other pertinent federal regulations such as listed below. These regulations include, but are not limited to:

1. HOME Investment Partnership Program "2013 Final Rule," (24 CFR Part 92)
2. Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Section 794) (24 CFR Parts 8-9)
3. Section 3 Requirements
4. Davis-Bacon and Related Acts and Copeland Anti-Kickback Act
5. Fair Labor Standards Act (29 CFR Part 5)
6. Fair Housing (24 CFR Parts 100-115)
7. Conflict of Interest Requirements (24 CFR 92.356(f))
8. Lead Safe Housing Rule (24 CFR Part 35)
9. Uniform Relocation Act (49 CFR Part 24)
10. Economic Opportunities for Low and Very Low Income Persons Section 3 (24 CFR Part 135)
11. Environmental Review for HUD funded projects (24 CFR Part 58)
12. 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Uniform Relocation Act and Real Property Acquisition Policies Act of 1070 (URA)

URA ACQUISITION SUBMISSION REQUIRMENTS – To ensure compliance with the "voluntary" acquisition requirements found at 49 CFR 24.101, developers/applicants are required to submit evidence that the seller has been provided, in writing, the required information regarding a "voluntary," arm's length purchase transaction.

URA RELOCATION REQUIREMENTS - If families are required to move as a result of the improvements made with federal funding, applicants must comply with the Uniform Relocation Act and Real Property Acquisition Policies Act of 1970 (URA) as amended, as well as the Housing and Community Development Policy and Procedure Manual for Relocation. The URA requires that the owner of the property receiving federal funding provide notices and assistance to tenants impacted by acquisition, demolition, and/or rehabilitation/reconstruction. Applicants must inform ECD of occupancy status on proposed rehabilitation/re-construction projects. Tenants must not be displaced by applicants responding to this RFP.

Affirmative Marketing

Documentation of compliance with the Affirmative Marketing requirements in the Fair Housing Act is required. Applicants receiving funds must create an affirmative marketing plan in furtherance of the City's commitment to non-discrimination and equal opportunity in housing. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons into the available housing without regard to race, color, national origin, gender, religion, familial status, disability, gender identity or sexual orientation. Records and documentation of actions taken to affirmatively market units must be maintained. The City will assess the results of these actions.

Model Energy Code

The Developer must ensure that all new construction of multifamily housing units must meet the

current edition of the Model Energy Code (MEC), published and maintained by the International Code Council (ICC) as the "International Energy Conservation Code" (IECC) as of 1998, contains energy efficiency criteria for new residential and commercial buildings and additions to existing buildings. It covers the building's ceilings, walls, and floors/ foundations; and the mechanical, lighting, and power systems. MEC information can be found on the following site:
https://www.gwssi.com/learning/images/modelcode.pdf

Davis-Bacon and Related Acts/Labor Standards Provisions

Developments containing 12 or more units will require compliance with the Davis- Bacon Labor standards. Applicants should take this into consideration when preparing the budget. Davis-Bacon and related acts require that prevailing wage rates be paid to all construction laborers. Under most conditions, this will mean weekly payment and submission of weekly payrolls of all contractors, and lower tier-subcontractors. Prior to the bid phase for the proposed units, successful applicants will contact the ECD to obtain the most recent Davis Bacon Wage Determination for Hamilton County to be issued to contractors.

Lead-Based Paint

Applicants must agree to comply with the Lead Based Paint Poisoning Prevention Act's prohibition against the use of lead-based paint in residential structures and to comply with regulations with regard to the notification of the hazards of lead-based paint poisoning and the elimination of lead-based paint hazards.

Minority Business Enterprises/Small Business Enterprises

Entities receiving federal funds are strongly encouraged to use businesses that are registered with the State of Tennessee's as Minority and Women Owned Businesses. The City will provide you with a form to document MBE contractor, subcontractor and vender names, addresses, and contract amounts.

Section 3

Section 3 is a provision of the Housing and Urban Development (HUD) Act of 1968 that helps foster local economic development, neighborhood economic improvement, and individual self-sufficiency. The Section 3 program requires that recipients of certain HUD financial assistance provide job training, employment, and contracting opportunities for low- or very-low income residents in connection with projects and activities in their neighborhoods. Before construction may commence, the developer must complete a Section 3 Utilization Plan and submit it to the City for approval. The City will make available to developers/contractors the Section 3 Utilization Plan format. The plan must include specific information including plans for hiring Section 3 eligible residents, engaging Section 3 certified businesses, a commitment to include the Utilization plan as part of all bids, and a commitment to aggressively outreach to Section 3 residents and firms.

One for One Replacement

If the owner proposes to demolish units that are assisted with either HOME or CDBG funds, these units must be replaced at the development site or within the assisted housing stock of the City of Chattanooga at another site. Demolition and reconstruction with a greater number of units requires additional site approval. ECD will provide technical assistance to developers who may plan to reduce density.

Other Funding

All other funding, which is sourced from other than HOME and CDBG and is made available through ECD, may adopt definitions of federal income restrictions and federal rent limits. The final determination of rent restrictions and limits will be at the discretion of the Department after the underwriting review and in tandem with Department housing goals.

Debarment & Suspension Status

The U.S. Department of Housing and Urban Development requires verification status of all contractors and non-profit agencies via the online System for Award Management (SAM) https://www.sam.gov. Any parties listed by SAM as debarred or suspended are not eligible to apply for CDBG or HOME funding.

Documentation of Agreement

This RFP is a framework upon which requests may be submitted. A Project Agreement and other documents will be signed by the developer/subrecipient after a resolution has been approved by City Council. Among other requirements outlined in this RFP by signing the application, applicants assert that they agree/understand:

- Commitment of grant funds will be conditioned upon the occurrence of closing with any superior lien holders or any other sources of funds determined to be necessary for the long-term financial feasibility of the project and all due diligence determined by the Department to be prudent and necessary to meet and to secure the interests of the City of Chattanooga.
- Certified Financial Statements - Prior to signing of the project agreement, applicant must submit signed and certified financial statements and tax returns for the past 2 years.
- Other liens – After closing, applicant will NOT be permitted to place subsequent liens against the subject property either in priority or subordinate to City's lien. No additional debt is allowed without prior written approval by the Manager of ECD. The City's lien (debt) position can be junior to an existing lender, but the restrictive covenants must be superior to all other debt and liens including existing debt, and will require the existing lender to subordinate to the rent restrictions. Refinancing of senior debt will be allowed only with approval of the City.
- Insurance - Title Insurance (including restrictive covenants coverage), Property Insurance, Flood Insurance (if applicable), Builder's Risk Insurance, and Worker's Compensation will be required throughout period of affordability. Other insurance requirements apply and are more fully described in the grant documents.
- Applicants may not transfer ownership of the asset or refinance its debt throughout the affordability period except with the express consent of the City of Chattanooga.
- HOME Recapture/Resale Provisions state that if a housing project is sold, prior to period of affordability being satisfied, either voluntarily or involuntarily, the City will recapture 100% of the HOME funds invested in the project.
- Upon submitting an application, you acknowledge that once the HOME funds have been accepted, you are subject to any changes in rules and regulations or policies concerning this program, together with any adverse effects upon you and any resulting costs thereof.

RFP Application - Preservation & Production of Affordable Housing
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	☐ Project Schedule
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	☐ Development Budget(s) narrative
Attachment	☐ Detailed Budget for information in Excel Template ***"C. Project Development"***
Section 7 - Project Financing	
Section 7	☐ Project Financing narrative including, description and status of any funding negotiations

Attachment	☐ Documentation of all funding commitments supporting information in Excel Template ***"B. Project Financing"***
Section 8 - Project Operations	
	☐ Operating Budget narrative
Attachment	Documentation of all funding commitments supporting information in Excel Template ***"D. Project Operations"***
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	☐
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Self-Certification of Threshold Requirements

I, Name, Title (Authorized Official) of Organization/Applicant acknowledge that I have completed the self-certified threshold checklist and that all the required documentation necessary to review this application has been included.

ORIGINAL SIGNATURE OF AUTHORIZED OFFICIAL

Signature: _____ **Title:** _____

Name: _____ **Date:** _____

Organization: _____ **Project:** _____

Narrative Questions – Part 3

SECTION 1
PROJECT SUMMARY

1. **Applicant Information**

   Organization/Applicant: _____

   Address: _____

   Project Contact Person: _____

   Phone: _____ Fax: _____

   Email: _____

2. Development Organization/Applicant Type *(check only one)*:
   - ☐ Local Housing Authority
   - ☐ Nonprofit Community, Neighborhood, State or Regional Organization
   - ☐ Community Housing Development Organization (CHDO)
   - ☐ For-Profit Entity ☐
   - ☐ Other (please specify) ☐

3. **Project Name and Location**

   Project Name: _____

   Project Address: _____

   City and Zip Code: _____

   Parcel Number(s): _____

   Current Zoning: _____

   Census Tract and Block Group: _____

   Name of Ownership Entity: _____

   Total HOME award requested: $ _____

   Total Project Cost $ _____

   Total Number of Units (at project completion) _____

   Number of HOME Units _____

4. **Development Consultant (if applicable)**

   Organization Name: _____

   Consultant Name: _____

   Phone: _____ Fax: _____

   Email: _____

5. Will the Development Consultant serve as the primary project contact? Yes ☐ No ☐ N/A ☐
6. Project Activity Type *(check all that apply)*:
   - ☐ Rental ☐ Homeowner
   - ☐ Acquisition
   - ☐ Rehabilitation
   - ☐ Rehab or Adaptive Reuse of an Existing Building (not currently residential)
   - ☐ Redevelopment
   - ☐ Expiring Tax Credit Property
   - ☐ Mixed Use (please explain) ☐
   - ☐ Other (please specify) ☐

7. Proposed Ownership Structure *(check all that apply)*
   - ☐ Nonprofit
   - ☐ Limited Liability Corporation (LLC)
   - ☐ Limited Liability Partnership (LLP)
   - ☐ Limited Partnership
   - ☐ CHDO
   - ☐ Nonprofit Single Asset Entity
   - ☐ Other Corporation
   - ☐ Joint Venture
   - ☐ Cooperative
   - ☐ Other, Describe: ☐

8. For Existing Housing Only *(check one)*:
   - ☐ Privately Owned
   - ☐ Publicly Owned
   - ☐ Owned by Applicant
   - ☐ Other (please specify) ☐

Rental Assistance

9. Do you have a commitment for rental assistance to housing units in the project? Yes ☐ No ☐

10. If yes, indicate the type of rental assistance:
    - ☐ Section 8 New Construction/Substantial Rehabilitation
    - ☐ Section 8 Certificates
    - ☐ Section 8 Project-Based Assistance
    - ☐ Other (please specify) ☐

11. Number of housing units receiving rental assistance: ☐

12. Number of years remaining on rental assistance contract: ☐

13. Is the project currently required to restrict rents? Yes ☐ No ☐

a. If yes, what is the expiration date? ☐

Low Income Housing Tax Credits (LIHTC)

14. Does this project propose to use Low Income Housing Tax Credits? Yes ☐ No ☐

a. If yes, please select the LIHTC type below:

☐ 4% tax credit/bond project

☐ 9% competitive project

SECTION 2
PROJECT DESCRIPTION

Project Narrative

1. Please provide a brief narrative summary of the proposed project (new vs. acquisition-rehab, rental, or homebuyer). Describe target population and the need/housing demand/market need in both Chattanooga and the neighborhood in which the project is proposed, any unique design components, project characteristics, and why an allocation of HOME funds is crucial to the successful implementation of your project and its affordability level(s).

Overwrite this text with your answer

Total number of units: ☐
Number of proposed HOME units: ☐
Have HOME funds previously been awarded to this project? Yes ☐ No ☐

a. If yes, when does/did the affordability period end? ☐

Project Design

2. Provide a detailed description of the proposed design, construction, rehabilitation, and/or other improvements. Include a description of how the design of the project is suitable for and will meet the needs of targeted and Special Needs populations (if any).

3. Does the Project include components that contribute to improved energy performance, thermal comfort, a healthier indoor environment, increased durability and/or simplified maintenance requirements? Does the Project meet any green building certification standards?

Overwrite this text with your answer

On-Site Amenities

4. Please describe any on-site amenities, including any project characteristics that address special needs of the population you intend to serve:

Overwrite this text with your answer

Neighborhood/Off-Site Amenities

5. Briefly describe the property location, neighborhood, transportation options, local services and amenities adjacent to the property. Describe the location relative to schools, jobs, and parks. What makes this location suitable? ***(Please include these locations in the site map in Attachments.)***

Overwrite this text with your answer

Potential Development Obstacles

6. Are there any known issues or circumstances that may delay the project? Yes ☐ No ☐

a. If yes, list issues below, including an outline of steps that will be taken and the time frame needed to resolve these issues:

Overwrite this text with your answer

Neighborhood Notification

7. The level of neighborhood notification appropriate for a project is based on the size and proposed use, but applicants are required to inform neighborhoods of the project.

    a. In what neighborhood is the project located?
    b. How did you notify the adjacent property owners and the neighborhood about the project?

Overwrite this text with your answer

    c. Given the specific characteristics of your project, (if applicable) what will be done to encourage neighborhood support? Describe how surrounding neighbors will continue to be informed about the project. Identify concerns that neighbors have raised and strategies to mitigate those concerns.

Overwrite this text with your answer

SITE/PARCEL CHARACTERISTICS

Site Control

8. Has site control been established? Yes ☐ No ☐

9. What is the form of site control?
    - ☐ Deed
    - ☐ Conditional Contract
    - ☐ Purchase Option
    - ☐ Lease
    - ☐ Lease Option
    - ☐ Other:

10. Expiration date of option or conditional contract:

11. If the project involves acquisition, did you submit the Voluntary Acquisition Notice to the Owner/Seller prior to submitting the option or conditional contract? Yes ☐ No ☐

12. Are there any anticipated changes to the project's legal description? Yes ☐ No ☐
    If yes, please describe.
    Overwrite this text with your answer

13. What is the square footage of the proposed project parcel?

14. Is the proposed project site subject to any existing encumbrances such as a restrictive covenant, use restriction, or regulatory agreement? Yes ☐ No ☐

    a. If so, how do you plan to mitigate the encumbrance?

- ☐ Quit-Claim Deed
- ☐ Subdivision of the Property
- ☐ Other:

Zoning

15. What is the current zoning of the project site?

16. Is the proposed project consistent with the zoning status of the site? Yes ☐ No ☐

    a. If current zoning is not consistent, please explain:

Overwrite this text with your answer

    b. Please outline the steps that will be taken to address zoning issues and include the time frame needed to resolve these issues:

Overwrite this text with your answer

17. Is the proposed project consistent/compatible with surrounding uses? Yes ☐ No ☐
    If yes, please describe.

Overwrite this text with your answer

Existing Structures

18. Does the site contain existing structures? Yes ☐ No ☐

    a. If yes, how many?

19. What is to be done with on-site existing structures?
    - ☐ Demolish
    - ☐ Rehab
    - ☐ Nothing (does not apply/not part of this project)

20. Please provide the following information for any on-site structures to be retained as part of this project:
    Approx. Total Sq. Footage
    Number of Building(s)
    Date Built
    Number of Stories

21. Please give a brief description of the condition of the buildings to be rehabilitated:

Overwrite this text with your answer

Environmental

22. Has any environmental testing been done on the proposed project site? Yes ☐ No ☐
    If yes, please check all that are applicable.
    ☐ Phase I ☐ Phase II ☐ Phase III ☐ Radius Review

☐ Asbestos Survey ☐ Lead Based Paint Assessment
☐ Other -- Specify:_____

23. Are there known adverse environmental conditions on the site? Yes ☐ No ☐
If yes, what are they and can they be mitigated though reasonable measures?
Overwrite this text with your answer

Historical Elements

24. Are any on-site structures subject to historical preservation requirements? Yes ☐ No ☐
    a. Governing body/code:
        ☐ National Historic Register
        ☐ State Department of Archaeology and Historic Preservation
        ☐ Other:

    b. Briefly state how you plan to comply with applicable historic preservation requirements:

Overwrite this text with your answer

Other Federal Regulations

25. What will you do to assure that employment and/or job training opportunities for low-income individuals are provided in the development of your project, per HUD Section 3 requirements?
Employment – Job Creation:
How many jobs are projected to be retained by this project?: _____
How many new jobs are projected to be created by this project? _____
How many of these new jobs are projected to be filled by Section 3 Residents?:_____

Overwrite this text with your answer

26. What steps will you take to hire businesses that are registered with the State of Tennessee as MBE or WBE firms?

Overwrite this text with your answer

Attachments

☐ Map showing project location, nearby facilities (schools, bus stops, parks, etc.) and distances to those facilities
☐ Preliminary drawings and site plan
☐ Documentation of Site Control
☐ Informational Notice to Seller (for acquisition projects)
☐ Title Report (if available)
☐ Photos of the site, buildings, and interiors of units (if existing units)

SECTION 3
NEED & POPULATIONS SERVED

Population Narrative

1. Describe the target population to be served.
Overwrite this text with your answer

Target Population Income

☐ 0-30% AMI # of Units ☐
☐ 31-50% AMI # of Units ☐
☐ 51-80% AMI # of Units ☐

Homebuyer

2. Will this project include construction of units for homeownership? Yes ☐ No ☐
3. If Yes, will eligible homebuyers be identified prior to start of construction? Yes ☐ No ☐
4. Describe organization's underwriting guidelines to determine the appropriate amount of assistance necessary to assist the low-income buyer; assessment of a buyer's ability to purchase and remain in the home (e.g., housing and consumer debt ratios, anticipated income, and available assets); and anti-predatory lending and subordination policies and process to provide housing counseling.

Overwrite this text with your answer

Special Needs

5. Will this project serve Special Needs populations? Yes ☐ No ☐
If you are a non-profit but is not developing housing for special needs populations or a for-profit entity that does not have a MOU with an organization serving this population, you are not required to complete 6-13.

6. Special Needs Populations to be served (Check all that apply).
    ☐ Elderly/Frail Elderly
    ☐ Severe Mental Illness
    ☐ Developmentally Disabled
    ☐ Physically Disabled
    ☐ Substance Abuse
    ☐ HIV/AIDS
    ☐ Domestic Violence
    ☐ Ex-Offenders
    ☐ Youth Under 18
    ☐ Young adults aging out of foster care
    ☐ Veteran
    ☐ Other Special Needs (please explain) ☐

7. Is your organization working with a referral service entity on this project? Yes ☐ No ☐

8. State the name of the referral entity: ☐

9. If a working arrangement with a referral service entity has not been established, briefly state why not.

Overwrite this text with your answer

Homeless

10. Will this project serve homeless individuals and/or families? Yes ☐ No ☐

Services

11. Will this project provide services? (e.g. Child Care, Case Management, Transportation) Yes ☐ No ☐

12. Describe services promoting self-sufficiency and independent living. Include in this discussion any counseling, job training, or other education, both on site and off site, which will be made available to residents of your project.

Overwrite this text with your answer

13. Describe how residents will be encouraged to participate in decision making processes.

Overwrite this text with your answer

SECTION 4
RELOCATION

1. Does this project involve the acquisition, demolition, or rehabilitation of any existing structures that are currently occupied or were occupied prior to the submission of this application? Yes ☐ No ☐
   (If no, skip to Section 5)

Relocation Plan

2. Provide a description of how tenants will be relocated, permanently or temporarily, as a result of this project. Describe how the plan minimizes displacement. It should identify staff that will carry out relocation activities, provide an estimated timeline for all relocation activities, inclucing the issuing of notices. The plan should include a budget showing estimated costs associated with tenant relocation. **Include detailed budget under Attachments** and be sure to include cost in Project Development budget. **The City HOME funds cannot be used to cover relocation costs. If the applicant does not properly adhere to relocation requirements, the City will not provide funding for the project.**

   Tenant Relocation Plan
   Overwrite this text with your answer

3. Have you collected information on all current occupants of the property, including both residential and commercial tenants, and occupants with or without leases? Yes ☐ No ☐

4. If acquisition, have you included provisions that enable you to obtain tenant income and rent information, and to give notices to existing and incoming tenants prior to closing? Yes ☐ No ☐

5. Did anyone move out within the 90 days prior to the execution of the Option Agreement/Conditional Contract? Yes ☐ No ☐

Type of Relocation

6. Enter the number of tenant households to be relocated:

Residential:	Permanently	Temporarily	None
Commercial:	Permanently	Temporarily	None

7. Explain the income verification process and the strategy for addressing any current residents who are not eligible to remain in the building.

   Overwrite this text with your answer

8. What requirements or guidelines govern your relocation plan? (*check all applicable*)

☐ Uniform Relocation Act
☐ Section104 [d]
☐ Other (please specify):

9. Have you identified replacement or temporary units for those who will be displaced? Yes ☐ No ☐

10. Have you calculated tenants' relocation benefits in preparation of a relocation budget? Yes ☐ No ☐

Relocation Notices
For projects subject to an established local relocation policy:

11. Have you provided General Information Notices to all occupants using the sample notices in HUD's Handbook on relocation (including both residential and commercial tenants, and occupants with or without leases)? Yes ☐ No ☐

12. Are you prepared to provide tenant information to City of Chattanooga so that subsequent notices can be provided to tenants immediately upon notification of award of funding? (i.e., Notice of Eligibility or Notice of Non-Displacement) Yes ☐ No ☐

13. Is the applicant or property owner prepared to issue move-in notices to all new tenants that sign leases subsequent to this funding application? Yes ☐ No ☐

14. Is the applicant or property owner prepared to issue Intent to Vacate forms to all tenants who move from the property subsequent to this funding application? Yes ☐ No ☐

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Please contact ECD for Additional Guidance:

Attachments

☐ Relocation Budget
☐ Sample of the General Information Notice issued to all current occupants
☐ Tenant Rosters (current and last 30 days)
☐ Drafts of Move-in Notices
☐ Drafts of Intent to Vacate Notices

SECTION 5
PROJECT SCHEDULE

Project Schedule Narrative

1. Please provide a narrative description to accompany the project schedule in your other information. Please be specific about how the timelines were determined for obtaining commitments for leveraged project financing, forming legal ownership entities, real estate closing, temporary and permanent relocation, construction commencement, construction completion, lease-up, etc. Describe the plan for securing all financing and the timeline planned to complete acquisition.

Overwrite this text with your answer

SECTION 6
DEVELOPMENT BUDGET

Development Budget Narrative

1. Discuss the development budget – line items, justifications and sources of costs estimates and assumptions. (Specifically related to the Sheet **C. Project Development** of the Development Template. Budget information must be detailed and costs reasonable. Describe any choices the development team has made related to long-term affordability and cost sayings.

Overwrite this text with your answer

Attachments

- ☐ Post construction/renovation Real Estate Appraisal
- ☐ Detailed development budget supporting numbers in Excel Template

SECTION 7
PROJECT FINANCING
SOURCES

Financing Circumstances

1. HOME funds requested: $0.00
2. Other resources: $0.00
3. Total Project cost: $0.00

SOURCES OF FUNDING TO DEVELOP PROJECT	AMOUNT	PERCENTAGE OF TOTAL
HOME Request	$	$
Totals Project Financing		

4. Please describe financing details and funding structures related to sources of funding shown in the Excel Template ***"B. Project Financing"*** for project development. Discuss the timing of obtaining the other funding commitments prior to receiving a HOME award, and the likelihood of obtaining all funding commitments by project start date.

Overwrite this text with your answer

5.

Attachments

Funding commitment letters – All sources

- ☐ *Lender(s)' commitment letters, copies of promissory notes for each mortgage, documentation for all other liens or encumbrances against the property*
- ☐ Documentation for donations

SECTION 8
PROJECT OPERATIONS

Operations Narrative

1. Please provide a narrative description of the long term operations (specifically related to Excel Template ***"D. Project Operations"***. Please justify costs and assumptions. If not using HOME Rents, please describe why the other rents were selected (may still be required to use HOME Rents).

Overwrite this text with your answer

Attachment

☐ Support, detailed budget/documentation for numbers in Excel Template ***"D. Project Operations"***

SECTION 9
PROJECT TEAM/EXPERIENCE/CAPACITY

Personnel

1. List the names of key members of the organization's development team, their titles and their years of experience in affordable housing below.

Name	Title *(e.g., executive director, project manager.)*	Years' Experience in Affordable Housing

Organizational History

2. Has the organization developed affordable housing projects previously? Yes ☐ No ☐

3. Experience: 0 Years

4. Has the organization completed similar projects for which you are seeking funding through this application – HOME funds? Yes ☐ No ☐

   a. Number of similar projects completed: 0 Projects
   b. Please describe the similar projects completed and their current status:

   Overwrite this text with your answer

5. Number Units Placed in Service: 0 Units

6. When was the organization's last independent financial audit completed?

   a. Were there any findings? Yes ☐ No ☐
   b. Have these findings been resolved? Yes ☐ No ☐
   c. If not, what is your plan for resolution?
      Overwrite this text with your answer

7. Is the organization currently engaged in any project workouts on other projects? Yes ☐ No ☐

   a. If yes, please list any projects in workout, and provide a brief summary of the reason for the workout status.

	Project Name	Reason for Workout
1.		
2.		
3.		

Ownership Entity

8. What is the legal status of the Ownership Entity for the project?
   - ☐ Currently Exists
   - ☐ To Be Formed prior to receiving a HOME award. Estimated formation date _____.

9. Ownership Entity Information

   Name: _____

   Address: _____

   City: _____ State: Zip Code:

   Phone: _____ E-mail: _____

   Fax: _____ Federal Identification Number: _____

10. Individuals/Organizations that Comprise the Ownership Entity (*if known at time of application*):

Name	Address	Phone	Entity Type	Federal ID #	% Ownership

11. Is the relationship between the ownership entity and organization expected to change over time? Yes ☐ No ☐

    a. How will the relationship change?

       Overwrite this text with your answer

Property Management

12. Briefly summarize the management plan for this project. Be sure to address facility maintenance, on-site management, and services provided:

    Overwrite this text with your answer

13. Explain your marketing strategy and the tenant selection process, including the establishment and management of any waiting lists.

    Overwrite this text with your answer

14. Describe your organization's experience with income verification including information collected, required documentation, and third party verifications.

Overwrite this text with your answer

15. If you contract with a property management agency, discuss the management agency's ability to efficiently maintain additional properties and assets.

    Overwrite this text with your answer

16. Will management be provided on site? Yes ☐ No ☐

    a. If yes, form of management:
       - ☐ Resident Manager(s) - Number of units: ☐
       - ☐ Management office (Business Hours Only)
       - ☐ Management office (24 hr)
       - ☐ Other, Describe: ☐

    b. If no, describe your service area and how this project fits within your organization's capacity.

       Overwrite this text with your answer

17. List the names of key property management staff, their titles and their years of experience in affordable housing.

Name	Title *(e.g., project manager, intake staff)*	Years' Experience in Affordable Housing

Attachments

- ☐ Development Consultant Agreement
- ☐ Copy of Property Management Agreement
- ☐ Most recent audited financial statement and current year operating budget

SECTION 10
SERVICES

Intake and Transition

1. If in Section 3, you indicated that your organization is working with a referral agency, describe their focus and service areas:

   Overwrite this text with your answer

2. If in Section 3, you indicated that your organization is **NOT** working with a referral agency, describe how individuals and families will find out about your program:

   Overwrite this text with your answer

   a. If your organization intends to serve homeless individuals and families, indicate your expected client source (check all that apply):
   - ☐ Streets
   - ☐ Shelters
   - ☐ Hospitals
   - ☐ Jails
   - ☐ Other (please explain) ☐

3. Specify any imposed time limit on tenancy (i.e. up to 24 months for transitional housing). ☐ Months

4. Explain how time-limited households will transition into permanent housing.

   Overwrite this text with your answer

Case Management and Other Services

5. Describe your case management or services model and how it leads to housing stability and self-sufficiency for the client.

   Overwrite this text with your answer

6. What are the proposed staffing levels (case manager to household ratio)?

   ☐ case managers to ☐ households

7. If services will be provided by another agency, provide the name of the organization that will provide the services, the roles and responsibilities of the agency, and who will be the lead.

Service Provider	Role/ Responsibility	Lead at Service Provider

8. Describe how coordination of services will be handled.

   Overwrite this text with your answer

Project Fit with Agency Mission

9. Briefly describe how this project fits the organization's mission and that of any project partner's mission.

   Overwrite this text with your answer

10. Describe your property management experience, or that of your proposed property manager entity, as it relates to working with the proposed population.

    Overwrite this text with your answer

Cultural Competency

11. Explain how your organization will provide culturally competent services that meet the needs of the proposed population.

    Overwrite this text with your answer

12. Describe how your organization's staff and board reflect the population that will be served, and how your organization is working to broaden staff and board diversity and knowledge around cultural competency.

    Overwrite this text with your answer

Attachments

☐ Memorandum of Understanding with service provider(s)
☐ Services/funding commitment letter(s)

SECTION 11
Certifications and Authorizations

A. Certification of Information

The undersigned hereby certifies that the information set forth in this form, and in any attachment in support thereof, is true, correct and complete. If additional sources of federal funds become available, The City will be notified immediately. The undersigned also certifies that they are aware that providing false information can subject the individual signing to criminal sanctions up to and including a Class B Felony.

APPLICANT/ORGANIZATION: _____

APPLICANT INFORMATION
(Please print clearly)

Name of Authorized Signee: _____

Title of Authorized Signee: _____

Mailing Address: _____

_____

Telephone(s): Cellular: _____ Home or Office: _____

E-mail Address: _____

Authorized Signature: _____

Date of Application: _____

B. Authorizations for Submittal

Name of Organization:
Address:

Name of Individual Authorized to Submit Application:

(Print)

Title:

_____
Signature

Date: _____

Board of Directors Authorization to Submit (If applicable)

I (We) certify to the City of Chattanooga that the Board of Directors of the organization identified in this application has authorized the submission of this request for funding support. I(We) certify that the information contained in this proposal is true and complete to the best of my(our) knowledge.

Name of Authorized Board Official:

_____
Signature of Authorized Board Official Date_____

Title:

Name of Authorized Board Official:

_____
Signature of Authorized Board Official Date_____

Title:

C. Exclusion and Debarment

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION--LOWER TIER COVERED TRANSACTIONS:

Agency:

A person who is debarred or suspended shall be excluded from Federal financial and nonfinancial assistance and benefits under Federal programs and activities. The undersigned representative of the Agency certifies, to the best of his or her knowledge and belief, that:

a. Neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this contract; and

b. It will include the following clause without modification, in all proposals, agreements, contracts, proposals, or other lower tier covered transactions:

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transaction

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principal(s) is/are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

CERTIFYING AGENCY REPRESENTATIVE:

By: _____
(Print name)

_____
(Signature)

Title: _____

Date: _____

D. Conflict of Interest Disclosure Form

Federal Law prohibits persons who exercise or who have exercised any functions or responsibilities with respect to the funding sources administered through this jurisdiction (1) or who are in the position to participate in a decision making process or to gain inside information with regard to such activities, may obtain a financial interest or benefit from an assisted activity…either for themselves or those whom they have family or business ties, during their tenure or for one year thereafter.

Therefore, please answer the following disclosure questions:

1. **Are you currently a (Please Check One):**

   __ Board Member __ Council Member __ Officer

   __ Executive Management Staff __ Staff (associated with delivery of program)

2. **City position held** _____

3. **Are you a business partner of any City of Chattanooga employee(s), member of City Council or member of the Community Development Advisory Committee (CDAC)? NO_____ YES _____**

   If yes, please state the name of the City employee(s) and the Department, City Council Member(s) or CDAC Member.

   _____

   _____

4. **Are you an immediate family member of any City of Chattanooga employee(s), member of City Council or member of the CDAC? NO_____ YES _____**

   If yes, please state the name of the City employee(s) and the Department, City Council Member(s) or CDAC Member and the relationship.

   _____

   _____

5. **_____I have no conflict of interest associated to funding received from the City under this project/program. Should any arise, I will immediately notify the City and make this know.**

Signature:_____ **Name (Please Print):**_____

Name of Current Employer:_____ **Date:**_____

_____

(1) 24 CFR: 570.611 (CDBG, ESG, NSP1, NSP3); 24 CFR: 92.356 (HOME); 24 CFR: 574.625 (HOPWA) and/or any other citations applicable to any future funding that may be awarded to this jurisdiction.

B. Authorizations for Submittal

Name of Organization:
Address:

Name of Individual Authorized to Submit Application:

(Print)

Title:

_____
Signature

Date:_____

Board of Directors Authorization to Submit (If applicable)

I (We) certify to the City of Chattanooga that the Board of Directors of the organization identified in this application has authorized the submission of this request for funding support. I(We) certify that the information contained in this proposal is true and complete to the best of my(our) knowledge

Name of Authorized Board Official:

_____
Signature of Authorized Board Official Date_____

Title:

Name of Authorized Board Official:

_____
Signature of Authorized Board Official Date_____

Title:

C. Exclusion and Debarment

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION--LOWER TIER COVERED TRANSACTIONS:

Agency:

A person who is debarred or suspended shall be excluded from Federal financial and nonfinancial assistance and benefits under Federal programs and activities. The undersigned representative of the Agency certifies, to the best of his or her knowledge and belief, that:

a. Neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this contract; and

b. It will include the following clause without modification, in all proposals, agreements, contracts, proposals, or other lower tier covered transactions

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion
Lower Tier Covered Transaction

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principal(s) is/are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

CERTIFYING AGENCY REPRESENTATIVE:

By _____
(Print name)

_____
(Signature)

Title _____

Date:_____

D. Conflict of Interest Disclosure Form

Federal Law prohibits persons who exercise or who have exercised any functions or responsibilities with respect to the funding sources administered through this jurisdiction [1] or who are in the position to participate in a decision making process or to gain inside information with regard to such activities, may obtain a financial interest or benefit from an assisted activity…either for themselves or those whom they have family or business ties, during their tenure or for one year thereafter.

Therefore, please answer the following disclosure questions:

1. **Are you currently a (Please Check One):**

   __ Board Member __ Council Member __ Officer

   __ Executive Management Staff __ Staff (associated with delivery of program)

2. **City position held** _____

3. **Are you a business partner of any City of Chattanooga employee(s), member of City Council or member of the Community Development Advisory Committee (CDAC)? NO_____ YES _____**

   If yes, please state the name of the City employee(s) and the Department, City Council Member(s) or CDAC Member.

   _____
   _____

4. **Are you an immediate family member of any City of Chattanooga employee(s), member of City Council or member of the CDAC? NO_____ YES _____**

   If yes, please state the name of the City employee(s) and the Department, City Council Member(s) or CDAC Member and the relationship.

   _____
   _____

5. _____**I have no conflict of interest associated to funding received from the City under this project/program. Should any arise, I will immediately notify the City and make this know.**

Signature:_____ **Name (Please Print):**_____

Name of Current Employer:_____ **Date:**_____

[1] 24 CFR: 570.611 (CDBG, ESG, NSP1, NSP3); 24 CFR: 92.356 (HOME); 24 CFR: 574.625 (HOPWA) and/or any other citations applicable to any future funding that may be awarded to this jurisdiction

City Of Chattanooga

EMERGENCY SOLUTIONS GRANT PROGRAM

POLICIES AND PROCEDURES MANUAL

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ATTACHMENTS

Attachment 1 – Homeless Management Information System (HMIS) Policies and Procedures
Attachment 2 – Attached booklet titled "Protect Your Family From Lead In Your Home"
Attachment 3 – Attached single-page Lead-Based Paint Visual Assessment Form
Attachment 4 – Attached Housing Quality Standards Form

SECTION 1: GENERAL INFORMATION

The Emergency Solutions Grants Program Policies and Procedures Manual serves as a guide to units of local government and private non-profit organizations interested in participating in the City-administered Emergency Solutions Grants Program (ESG). This Manual describes the ESG program; the requirements of agencies to manage programs using these funds; and outlines the City of Chattanooga's policies and procedures for administering the program. This handbook does not replace the regulations contained in 24 CFR Parts 91 and 576, subsequent amendments or any other applicable Federal, State and local laws, ordinances and regulations pertaining to the Emergency Solutions Grants Program. It simply highlights and emphasizes grant requirements. Sub-recipients must always refer to the regulations and the grant agreement in determining what is allowable under the ESG program.

1.1 Definitions

Administrative Costs - Reasonable costs of overall program management, coordination, monitoring and evaluation. Such costs include, but are not limited to, necessary expenditures for the following: general management, oversight and coordination; staff and overhead; public information; fair housing; indirect costs; preparation of the consolidated plan, and other Federal requirements. Under the ESG program, only State and local units of government may receive administrative costs.

Annual Income- When determining the annual income of an individual or family, the sub-recipient must use the standard for calculating annual income under 24 CFR § 609. Refer to Section 4 for more information.

Applicant - Any unit of general local government or public or private non-profit organization submitting the necessary paperwork to be considered for funding as an ESG service provider.

Area Median Income (AMI) Limit - The total gross income of all persons 18 years of age or older living in a household assisted with ESG funds must be below 30% AMI upon entry to receive services under Homeless Prevention. The AMI limit is the total income allowed by HUD, based on household size and geographic area.

At Risk of Homelessness – meaning those who qualify under paragraph (2) and (3) of the homeless definition or those who qualify as at risk of homelessness. Individuals and families must have an income below 30% of Area Median Income upon entry into the program, and are lacking sufficient resources or support networks immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the homeless definition. Program participants must meet the threshold requirements reflected in part 576.2 (1) (iii).

Audit Trail – A complete record of expenditures including all requests for purchases, who and how the purchase was approved, source of funds used for the expense, date of acquisition, and costs.

Authorized Signatures – The signature of an executive officer, agency director, and other responsible employees designated by a recipient agency as an "Authorized Person" on the Request for Funds Authorization form.

Case Management - Case management is the method of providing services whereby a sub-recipient staff person assesses the needs of the client and arranges, coordinates, monitors, evaluates, and advocates

for a package of multiple services to meet the specific client's complex needs. Documentation of the case management process must be maintained in ESG program participant files.

The City - The City of Chattanooga – the governmental entity, Participating Jurisdiction, responsible for the administration of the Emergency Solutions Grant, including the Department of Economic and Community Development and the Office of Community Development.

Chronically Homeless Person – An individual or family with adult head of household who meets all of the criteria as follows: (1) is homeless and lives in a place not meant for human habitation, a safe haven, or in an emergency shelter; and (2) has been homeless and living or residing in a place not meant for human habitation, a safe haven, or in an emergency shelter continuously for at least one year or on at least four separate occasions in the last 3 years, where each homeless occasion was at least 15 days; and (3) can be diagnosed with one or more of the following conditions: Substance abuse disorder, Serious mental illness; Developmental disability (as defined in section 102 of the Developmental Disabilities Assistance Bill of Rights Act of 2000 (42 U.S.C. 15002), Post-traumatic stress disorder, Cognitive impairments resulting from brain injury, or Chronic physical illness or disability.

An individual who has been residing in an institutional care facility, including a jail, substance abuse or mental health treatment facility, hospital, or other similar facility, for fewer than 90 days and met all of the criteria above before entering that facility, also meets the definition of a chronically homeless person.

Confidentiality Policy - Procedures adopted by each sub-recipient to ensure all records containing personally identifying information or any program participant is kept secure and confidential. It must also include procedures to ensure that the address or location of any domestic violence, dating violence, sexual assault, or stalking shelter not be made public. Finally the address or location of any housing of a program participant will not be made public, except as provided under a preexisting privacy policy.

Conflict of Interest - The sub-recipients must keep records to show compliance with the conflicts-of-interest requirements in 576.404(a), a copy of the personal conflicts of interest policy or codes of conduct developed and implemented to comply with the requirements of 576.404(b), and records supporting exceptions to the personal conflicts of interest prohibitions. Sub-recipient Conflict of Interest policies must also include instructions to agency staff that may be in the situation of needing assistance themselves, or providing assistance to close friends or family members, to ensure that ESG funds are not used inappropriately.

Consolidated Plan - A long-term housing and community development plan developed by state and local governments and approved by HUD (24 CFR Part 91). The Consolidated Plan contains information on homeless populations and should be coordinated with the CoC plan.

Continuum of Care - The Continuum of Care is a community plan to organize and deliver housing and services to meet the specific needs of people who are homeless as they move to stable housing and maximum self-sufficiency. It includes action steps to end homelessness and prevent a return to homelessness.

Continuum of Care (CoC) Lead Agency - Agency that is designated to carry out the activities of the CoC or grant including fiscal and compliance activities. Regular administrative tasks may include, but are not limited to: management of the annual HUD application, coordination of other funding opportunities, project and system monitoring, HMIS reporting, etc.

Conversion – The change in use of a building to an emergency shelter for the homeless, where the cost of conversion and any rehabilitation costs exceed 75% of the value of the building after conversion. Any building converted to an emergency shelter that is assisted with ESGP funds must meet local government safety and sanitation standards, and must be maintained as a shelter for the homeless for not less than a 10-year period.

Critical Need Priority- HUD has identified rapid re-housing assistance as a Critical Need Priority since this activity targets those individuals and families living on the streets or in emergency shelters. Effective rapid re-housing programs help people transition out of the homeless assistance system as quickly as possible, decreasing the number of persons who are homeless within a community.

Disabling Condition – Defined by HUD as a "diagnosable substance use disorder, serious mental illness, developmental disability, or chronic physical illness or disability, including co-occurrence of two or more of these conditions." A disabling condition limits an individual's ability to work or perform one or more activities of daily living.

Displaced Person - Displaced person means a lower-income person who, in connection with an activity assisted under any program subject to Part 42, permanently moves from real property or permanently moves personal property from real property as a direct result of the demolition or conversion of a lower-income dwelling funded with federal funds.

ECD – City of Chattanooga Department of Economic & Community Development. The City department in which the Office of Community Development is located. The Community Development staff is responsible for managing the Emergency Solutions Grant along with other HUD grants.

Emergency Shelter - Defined as any facility with overnight sleeping accommodations, the primary purpose of which is to provide temporary shelter for the homeless in general or for specific populations of the homeless.

Environmental Review – HUD requires that the environmental effects of each activity carried out with the ESG funds be assessed in accordance with the provisions of HUD's regulations covering National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD's implementing regulations at 24 CFR Parts 50 and 58.

ESG – Emergency Solutions Grant Program. The ESG program is defined and controlled under HUD regulations found at Title 24, Code of Federal Regulations, Parts 91 and 576 which are hereby included by reference as part of these policies and procedures.

Essential Services – Essential services related to emergency shelter and street outreach are intended to facilitate coordination of services to literally homeless individuals and families. ESG activities which address the immediate needs of the homeless through street outreach and emergency shelters, which enable homeless persons to become more independent and to secure permanent housing, are considered eligible Essential Services activities.

Families – One or more adults with dependent children under the age of 18, or with dependent adults.

Faith-Based organizations- An organization affiliated with or sponsored by a church or other religious organization.

Gross Income – Total income of the household that must be calculated in order to determine eligibility for the program. It must include all eligible income of every adult who is 18 years of age or older living in the household, even if not a family member.

Habitability Standards – ESG funds cannot be used to provide financial assistance unless the unit where the program participant resides passes certain habitability standards as defined by HUD.

Homeless – Refer to 24 CFR 576.2 and this Manual for details regarding the new homeless definition.

Homeless Management Information System (HMIS) – An HMIS is a computerized data collection application designed to capture client-level information over time on the characteristics of service needs of men, women, and children experiencing homelessness, while also protecting client confidentiality. It is designed to aggregate client-level data to generate an unduplicated count of clients served within a community's system of homeless services.

Homeless Prevention –Refer to 24 CFR part 576.2 and this Manual for details regarding the new at-risk of homelessness definition.

Housing Status - Clients must be either homeless or at risk of homelessness in order to receive assistance with the ESG program. Program participant's case files MUST document the housing status of clients serve with this program. Case managers must verify and document the status as explained in this Manual. Clients must certify in writing their housing status.

HUD – The U.S. Department of Housing and Urban Development.

In-Kind – Donated volunteer services or goods including staff time, shelter rent, shelter facilities, or supplies of the same kind eligible under program guidelines.

Internal Controls – The combination of policies, procedures, personnel, defined responsibilities, and records that allow an organization to maintain adequate oversight and control of its finances.

Lead-Based Paint – Any housing unit constructed before 1978 may contain paint that can cause harm to young children and women who are pregnant. If a program participant's household includes a child under the age of 6 or a pregnant woman, the year the housing unit was constructed must be documented. If constructed before 1978, the Lead-Based Paint regulations apply and an inspection of the property must be conducted and recorded in the file.

Lobbying Policy – Lobbying is a concerted effort designated to achieve some result, typically from government authorities and elected officials. It can consist of the outreach of legislative members, public actions (e.g. mass demonstrations), or combinations of both public and private actions (e.g. encouraging constituents to contact their legislative representative).

Local Government – A political subdivision of the State of Tennessee, including, a town, city or county.

Match – Refers to the amount of goods or services required to be expended for the program by the sub-recipient to receive ESG funding. Match for ESG may be cash or in-kind, but must match every **funded dollar 100%.**

Major Rehabilitation - Rehabilitation that involves costs in excess of 75% of the value of the building before rehabilitation. Buildings assisted at this level must be maintained as a homeless shelter for not less than a 10-year period.

Minor Rehabilitation - Rehabilitation that involves costs below 75% of the value of the building before rehabilitation. Buildings assisted at this level must be maintained as a homeless shelter for not less than a 3-year period.

Participating Jurisdiction (PJ) – Any CDBG Community that receives direct funding from HUD for the Emergency Solutions Grant and may vary from year to year. Non-profit agencies within these jurisdictions are ineligible to apply for the State ESG allocation.

Performance Standards - The standards set by HUD, the local Continuum of Care, and City of Chattanooga which will be used to gauge the ongoing success of the ESG program. All sub-recipients will be expected to meet or exceed these standards.

Permanent Supportive Housing - Provides long-term (longer than 24 months) housing assistance with support services for which homelessness is a primary requirement for program eligibility.

Privacy Policy - A policy created by each sub-recipient that covers the processing of personal information for clients participating in the ESG program, including data entered into HMIS. The Policy must be in writing and included as a part of the sub-recipient policies and procedures. Sub-recipient staff must be aware of the policy, as evidenced by their signature they have received a copy, with the original executed copy maintained in the ESG program file.

Private Non-Profit Organization – A secular or religious organization described in Section 501(c) of the Internal Revenue Code of 1954 which is (a) exempt from taxation under Subtitle A, Title 26 of the Code, (b) has an accounting system and voluntary board, and (c) practices nondiscrimination in the provision of assistance.

Procurement – The act or process of obtaining goods and services that ensures the best possible cost to the federal program, while meeting the needs of the sub-recipient.

Public Housing Agencies (PHA) - The U.S. Department of Housing and Urban Development (HUD) administers Federal aid to local PHA's that manage the housing for low-income residents at rents they can afford. PHA's are ineligible to apply directly for ESG funds. In addition, there are limitations for use of ESG funding when a client resides in or will be residing in a PHA rental unit.

Rehabilitation or Renovation – Labor, materials, tools and other costs of improving emergency shelters that involve costs of 75% or less of the value of the building before assistance. This does not include minor or routine repairs. Buildings assisted at this level must be maintained as a homeless shelter for not less than a 3-year period.

Relocation – The act of moving a person who has been displaced due to actions or activities funded through the ESG program.

Rent Reasonableness - ESG funds cannot be used to pay rental assistance to eligible clients unless the unit is "rent reasonable". In the case of the ESG program, units must meet both rent reasonableness standards and Fair Market Rents. For the purpose of calculating rent under this program, the rent shall equal the sum of the total monthly rent for the unit, any fees required for occupancy under the lease (other than late fees and pet fees) and, if the tenant pays separately for utilities, the monthly allowance for utilities (excluding telephone) established by the public housing authority for the area in which the housing is located.

Single Audit - The Single Audit is a rigorous, organization-wide audit or examination of an entity that expends $750,000 or more of Federal assistance (commonly known as Federal funds, Federal grants, or Federal awards) received for its operations. Usually performed annually, the Single Audit's objective is to provide assurance to the federal government as to the management and use of such funds by recipients such as states, cities, counties, universities, and non-profit organizations. The audit is typically performed by an independent certified public accountant (CPA) and encompasses both financial and compliance components.

Sub-recipient – A unit or department of local government or non-profit organization that receives an ESG allocation from the City of Chattanooga.

Transitional Housing – For the purposes of ESG assistance, housing that extends past the "3 days to 3 months" reasonable period for temporary housing (emergency shelter).

HUD defines transitional housing as having the "purpose of moving homeless individuals and families to permanent housing within 24 months". Because ESG is focused on emergency shelter, a transitional facility will only be eligible to receive ESG funds for these costs if:

(1) It meets BOTH of the following criteria under the new emergency shelter definition:

(a) Its primary purpose is to provide a temporary shelter for the homeless in general or for specific populations of the homeless; and

(b) It does not require occupants to sign leases or occupancy agreements; **OR**

(2) It received funds under a FY 2010 Emergency Shelter Grants grant and met the criteria under the former emergency shelter definition.

Utility Allowance – Obtained from the Community Development Division, in the Department of Economic and Community Development, utility allowances are used in place of actual utility costs to calculate a household's total housing expense. High housing costs can result in program participants paying a large percentage of their income for housing and utilities, which may lead to difficulty maintaining housing stability. The utility allowance is required when determining the rent reasonableness of a unit when using ESG funds for rental assistance.

Value of the Building- The monetary value assigned to a building by an independent real estate appraiser, or as otherwise reasonably established by City.

Written Standards –Standards that define eligibility criteria for assistance to be provided to program participants at the sub-recipient level. Standards must provide applicants for services and sub-recipient staff a clear understanding of what is required in order to participate in the ESG program.

1.2 **Notification to Sub-Recipients of Program Changes**

The City of Chattanooga will issue an ESG Program Update, when needed, to inform sub-recipients of changes to policies and procedures. These Updates are to be shared with program staff and maintained in the ESG Policies and Procedures Manual provided to sub-recipients at grant award.

SECTION 2: PROGRAM REQUIREMENTS

2.1 Summary

The Emergency Solutions Grants (ESG) Program was created when the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act was signed into law in 2009. The HEARTH Act amended and reauthorized the McKinney-Vento Homeless Assistance Act, and included major revisions to the existing Emergency Shelter Grant Program.

The new Emergency Solutions Grant Program is designed to identify sheltered and unsheltered homeless persons, as well as those at risk of homelessness, and provide the services necessary to help those persons to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. The change in the program's name reflects the change in the program's focus from addressing the needs of homeless in emergency or transitional shelters to assisting people to regain stability in permanent housing.

Eligible sub-recipients who are awarded ESG funds may use funds to:

- Engage homeless individuals and families living on the streets;
- Improve the number and quality of emergency shelters for homeless individuals and families;
- Help operate those shelters;
- Provide essential services to shelter residents;
- Rapidly re-house homeless individuals and families;
- Prevent families and individuals from becoming homeless;
- Participating in an existing Homeless Management Information System (HMIS) database; and
- Pay for administrative costs for general management, oversight, coordination, and reporting on the program. Only sub-recipients that are local government entities are awarded administrative funds.

2.2 **Grant Awards and Spending Requirements**

The amount of ESG allocation received from HUD varies each year and is awarded to the City via an annual Award Notice. In order to identify the unmet needs of the homeless and at-risk of homelessness in the community, agencies are asked to respond to the City's annual Requests for Application for Funding. This competitive application process typically begins in late fall with an announcement of

anticipated funding awards from HUD. The process includes an application workshop and technical assistance sessions for potential applicants. Applicants must submit applications for funding that are supported by data showing: 1) need for the program; 2) evidence of homeless or at-risk of homelessness population within the community; 3) a plan that summarizes how funds will be used to address the unmet needs of the community; and 4) evidence that the applicant has collaborated with the local Continuum of Care (CoC) and that activities selected will help the CoC to meet its goals to **address and end homelessness**.

Preference is given to applicants whose programs will help to meet priorities identified by HUD, the City of Chattanooga, and the local Continuum of Care. Programs that will provide access to permanent rapid re-housing of homeless individuals and families, defined as a Critical Need Priority by HUD, are preferred.

Award amounts may be calculated based on homeless data obtained from HUD, the Homeless Management Information System (HMIS), and the local Continuum of Care.

The grant period for the Emergency Solutions Grants Program is 12 months. If it is determined that an agency will not expend the funds within the required time period, funds may be recaptured and reallocated to another agency.

All ESG funds will be obligated within 60 days after the date on which HUD made the funds available to the City. All projects must begin within sixty (60) days of the award date of the grant award. Funds not obligated/expended within the required periods will be recaptured and redistributed to other eligible entities.

The City of Chattanooga reserves the right to recapture ESG funds under the following circumstances:

(1) When sub-recipients do not meet the performance requirements of the approved project.

(2) When sub-recipients are unable to meet the deadline requirements as outlined in 24 CFR Part 576; or

(3) When sub-recipients have failed to implement the project as set forth in their approved ESG grant application, without appropriate justification.

2.3 **Eligible Sub-Recipients**

The following entities are eligible to submit application for funding under ESG:

(1) Private Non-Profits and local governments – With the exception of allowable administrative caps, the remaining funds are allocated to eligible applicants in a competitive grant review process.

2.4 **Match Requirements**

An award of ESG funding requires a match with an equal amount of cash or in-kind funds to supplement the ESG program. Matching contributions may be obtained from any source, including any Federal source other than the ESG program, as well as state, local and private sources. However, the following requirements apply to matching contributions from a Federal source of funds:

(1) The City and the sub-recipient must ensure the laws governing any funds to be used as matching contributions do not prohibit those funds from being used to match ESG funds;

(2) If ESG funds are used to satisfy the matching requirements of another Federal program then funding from that program may not be used to satisfy the matching requirements under this section.

In order to meet the matching requirement, the matching contributions MUST meet all requirements that apply to the ESG program, and matching funds must be provided after the date that HUD signs the grant agreement with the City. To count toward the required match for the City's fiscal year grant, cash contributions must be expended within the grant deadline, and noncash contributions must be made within the same period. Contributions used to match a previous ESG grant may not be used to match a subsequent ESG grant; and contributions that have been or will be counted as satisfying a matching requirement of another Federal grant or award may not count as satisfying the matching requirement of the ESG allocation.

Eligible types of matching contributions may be met by one or both of the following:

(1) Cash contributions. Cash expended for allowable costs under the ESG program.

(2) Non-cash contributions: The value of any real property, equipment, goods, or services contributed to the sub-recipient's ESG program, provided that if the sub-recipient had to pay for them with grant funds, the costs would be allowable. Noncash contributions may also include the purchase value of any donated building;

(3) Calculating the amount of noncash contributions

a. To determine the value of any donated material or building, or of any lease, the sub-recipient must use a reasonable method, commonly used to establish the fair market value;

b. Services provided by individuals must be valued at rates consistent with those ordinarily paid for similar work in the sub-recipient's organization. If the sub-recipient does not have employees performing similar work, the rates must be consistent with those ordinarily paid by other employers for similar work in the same labor market. The sub-recipient must maintain evidence of how the rate determination was calculated which must be available for review upon request by the City;

c. Some noncash contributions are real property, equipment, goods, or services that, if the sub-recipient had to pay for them with grant funds, the payments would have been indirect costs. Matching credit for these contributions must be given only if the sub-recipient 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. Costs paid by program income. Costs paid by program income shall count toward meeting the City and/or sub-recipient's matching requirements, provided the costs are eligible ESG costs that supplement the sub-recipient's current ESG program.

2.5 Area-Wide Systems of Coordination Requirements

Sub-recipients must consult with the Continuum of Care that serves the jurisdiction during the allocation phase each program year, including developing performance standards for, and evaluating the outcomes of, projects and activities assisted by ESG funds. In addition, collaboration in developing funding, policies and procedures for administration and operation of HMIS must occur. Agencies requesting ESG funding must demonstrate such collaboration and document that proposed activities will assist the CoC in meeting identified outcomes.

The City and all sub-recipients must coordinate and integrate, to the maximum extent practicable, ESG-funded activities with other programs targeted to homeless people in the area covered by the CoC or area over which the services are coordinated to provide a strategic, community-wide system to prevent and end homelessness in that area. The programs include, but are not limited to:

- Shelter Plus Care Program
- Supportive Housing Program
- Section 8 Moderate Rehabilitation Program for Single Room
- Occupancy Program for Homeless Individuals
- HUD-Veteran Affairs Supportive Housing Program (HUD VASH)
- Education for Homeless Children and Youth Grants for State and Local Activities
- Affordable Care Act
- Programs for Runaway and Homeless Youth
- Projects for Assistance in Transition from Homelessness
- Emergency Food and Shelter Program
- Victims of Sexual Assault, Domestic Violence, Dating Violence, and Stalking Programs

Once the CoC has developed a centralized assessment system or a coordinated assessment system in accordance with requirements to be established by HUD, each ESG-funded program or project within the CoC's area must use that assessment system. Acceptance of an ESG award means the sub-recipient agrees to utilize the centralized assessment or coordinated assessment system implemented by the local CoC.

A victim service provider may choose not to use the CoC's centralized or coordinated assessment system.

2.6 Written Standards Requirements

Sub-recipients must establish and consistently apply written standards for providing ESG assistance. Standards must be established for each area covered by the sub-recipient, including the area over which the services are coordinated and provided to program participants.

Written Standards developed must be available to the City and the CoC Lead Agency for approval. At a minimum, Written Standards developed by sub-recipients must include:

- Standard policies and procedures for evaluating individuals' and families' eligibility for assistance under the ESG program;
- Standards for targeting and providing essential services related to street outreach;
- Policies and procedures for admission, diversion, referral, and discharge by emergency shelters assisted under the ESG program including standards regarding length of stay and client participation
- Policies and procedures for assessing, prioritizing, and reassessing individuals' and families' needs for essential services related to emergency shelter;
- Policies and procedures for coordination among emergency shelter providers, essential services providers, homelessness prevention, and rapid re-housing assistance providers, other homeless assistance providers, and mainstream service and housing providers;
- Standards for determining what (if any) percentage or amount of rent and utilities costs each program participant must pay while receiving homelessness prevention or rapid re-housing assistance;
- Policies and procedures for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time;
- Standards for determining the type, limit, and duration of housing stabilization and/or relocation services to provide to a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the participant receives assistance, or the maximum number of times the participant may receive assistance; and
- Formal termination and grievance policies and procedures that reflect HUD's requirement that only the most severe cases be terminated, and allow clients to return to the program once issues that caused the termination are resolved

2.7 Termination of Assistance

Each sub-recipient is required to establish a formal process for the termination of assistance to a client. This process must recognize the rights of the individuals affected to a hearing. Sub-recipients must document that they have provided the reason for termination in writing to the client.

2.8 Client Confidentiality and Privacy Policies

Sub-recipients will not divulge personal identifying information of a program participant of the ESG program without the consent from the client. In addition sub-recipients will not divulge information pertaining to any individual or family domestic violence shelter or treatment facilities. Each sub-recipient must incorporate into their policies and procedures a process that will ensure the confidentiality of program participants' identifying information; records pertaining to any individual or family provided family violence prevention; and treatment services offered under any project assisted with ESG funds. Furthermore, the address or location of any shelter for victims of domestic violence assisted under ESG will be anonymous except upon written authorization from the person or persons responsible for the operation of the shelter for this information to be made public.

2.9 Homeless Management Information System Requirements

The City must ensure that all persons served and all activities assisted under the ESG program be entered into the local Continuum of Care's community-wide HMIS (or comparable database if a domestic violence service provider) available in the area in which those persons and activities are located. Participation will be in accordance with HUD's standards on participation, data collection, and reporting. The City will consult with the CoC Lead Agency to determine if sub-recipients are compliant with HMIS reporting standards for their region.

If the sub-recipient is a victim services provider or legal services provider, it will be required to use a comparable database to ensure client level data is collected over time and generates unduplicated aggregate reports based on the data. See Attachment 1 – Homeless Management Information System Policies and Procedures prepared by Chattanooga Area Regional Homeless Coalition, the CoC HMIS administrator.

2.10 Shelter and Housing Standards Requirements

Lead-based paint remediation and disclosure: The Lead-Based Paint Poisoning Prevention Act, the Residential Lead-Based Paint Hazard Reduction Act of 1995, and implementing regulations in 24 CFR part 35, subparts A,B,H,J,K,M and R apply to all shelters assisted under the ESG program and to all housing occupied by program participants. Program Participants must be provided a copy of the Lead-Based paint notification pamphlet if the household has a child under the age of 6, or a pregnant woman is/will be residing in the unit, and it was construction prior to 1978. See Attachment 2 – Protect Your Family From Lead In Your Home.

In addition, lead-based paint must be addressed in any household served under Prevention or Rapid Re-Housing if the unit was built prior to 1978 and there is a child under the age of six and/or a pregnant woman who is residing or will reside in the unit, a lead-based paint visual inspection must be performed by someone certified to complete the inspection. If the unit was built after 1978 or there are no at-risk residents who are or will be residing in the unit, a visual inspection is not necessary; however documentation must be in the files that the agency addressed the issue. See Attachment 3 for sample HUD Lead-Based Paint Visual Inspection Form.

If a visual inspection is required and lead-based paint hazards are identified, no funding may go into the unit for current rent or utilities. The sub-recipient may mediate with the landlord to bring the unit into compliance for lead-based paint standards or may assist the household in obtaining new housing. ESG funding may be used to pay arrearages at the original unit as long as the household is rehoused in an appropriate unit.

Minimum standards for emergency shelters: Any building for which ESG funds are used for conversion, major rehabilitation, or other renovation, must meet state or local government safety and sanitation standards, as applicable, and the following minimum safety, sanitation and privacy standards. Any emergency shelter that receives assistance for shelter operations must also meet the following minimum safety, sanitation and privacy standards:

(1) Structure and materials: The shelter building must be structurally sound to protect residents from the elements and not pose any threat to health and safety of the residents. Any renovation, including major rehabilitation and conversion, carried out with ESG assistance must use Energy Star products and appliances;

(2) Access: The shelter must be accessible in accordance with Section 504 of the Rehabilitation Act and implementing regulations at 24 CFR part 100; and Title II of the Americans with Disabilities Act and 28 CFR part 35, where applicable;

(3) Space and Security: Except where the shelter is intended for day use only, the shelter must provide each participant in the shelter with an acceptable place to sleep and adequate space and security for themselves and their belongings.

(4) Interior air quality: Each room or space within the shelter must have a natural or mechanical means of ventilation. The interior air must be free of pollutants at a level that might threaten or harm the health of residents;

(5) Water supply: The shelter's water supply must be free of contamination;

(6) Sanitary facilities: Each participant in the shelter must have access to sanitary facilities that are in proper operating condition, are private, and are adequate for personal cleanliness and the disposal of human waste;

(7) Thermal environment: The shelter must have any necessary heating/cooling facilities in proper operating condition.

(8) Illumination and electricity: The shelter must have adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There must be sufficient electrical sources to permit the safe use of electrical appliances in the shelter;

(9) Food preparation: Food preparation areas, if any, must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner;

(10) Sanitary conditions: The shelter must be maintained in a sanitary manner;

(11) Fire safety: There must be at least one working smoke detector in each occupied unit in the shelter. Where possible, smoke detection must be located near sleeping areas. The fire alarm system must be designed for hearing-impaired residents. All public areas of the shelter must have at least one working smoke detector. There must also be a second means of exiting the building in the event of fire or other emergency.

Minimum standards for permanent housing provided as part of homelessness prevention assistance: The sub-recipient cannot use ESG funds to help a participant obtain or remain in housing that does not meet the minimum habitability standards requirements. A copy of their housing standards checklist or use the example Housing Quality Standards Checklist provided in Attachment 1.

Documentation that the unit has met the standards, demonstrated by completion of a Housing Standards Inspection checklist, must be placed in the program participant's file. A sub-recipient with a program participant who resides in a unit that cannot meet the minimum standards should make every effort to assist the client in relocating to a more appropriate unit.

Minimum standards for permanent housing provided as part of rapid re-housing assistance: Program participants receiving ESG-funded rapid re-housing assistance must ensure the unit selected by the program participant meets the minimum habitability standards requirements. Sub-recipients must contact the City's Community Development Office to schedule an inspection, prior to a participant occupying a unit. Documentation that the unit has met the standards, demonstrated by completion of a

Housing Standards inspection checklist, which must be placed in the program participant's file.

2.11 **Performance Measures and Priorities Requirements**

Planning Strategies: The HEARTH Act refocuses homelessness-related strategies on the ultimate goal of reducing and ending homelessness and aligns them with the Continuum of Care planning strategies and performance measures, such as shortening the period of time that persons experience homelessness, and helping persons who were recently homeless avoid becoming homeless again. The change under the HEARTH Act also emphasizes the priorities of the Federal Strategic Plan to Prevent and End Homelessness (FSP), which are:

- End chronic homelessness in 5 years
- Prevent/end homelessness among Veterans in 5 years
- Prevent/end homelessness for families, youth, and children in 10 years
- Set path to ending all homelessness

HUD expects that communities receiving ESG funds should develop formal strategies that will ensure the success of the HEARTH Act.

Performance Standards/Measures: The City must ensure that programs and activities funded through the ESG program meet certain Performance Standards as set by the local Continuum of Care, the City, and HUD. The following is an example of the types of Standards that the City and its sub-recipients will be required to meet in order to demonstrate success of the ESG program:

- Reducing the average length of time a person is homeless
- Reducing returns to homelessness
- Improving program coverage
- Reducing the number of homeless individuals and families
- Reducing the number of chronically homeless individuals and families
- Improving employment rate and income amounts of program participants
- Reducing first time homelessness
- Preventing homelessness and achieving independent living in permanent housing for families and youth defined as homeless under other Federal programs

Although the City understands many sub-recipients have chosen to provide one-time emergency rent or utility assistance to prevent homelessness, sub-recipients receiving ESG funds should use all available resources that will ensure the ongoing housing stability of program participants.

Critical Need Priority: HUD strongly encourages each jurisdiction to focus ESG funding on rapidly re-housing individuals and families living on the streets or in emergency shelters into permanent housing. While both rapid re-housing and homelessness prevention are eligible activities, only rapid re-housing assistance targets those individuals and families living on the streets or in emergency shelters. Effective rapid re-housing programs help people transition out of the homeless assistance system as quickly as possible, decreasing the number of persons who are homeless within a community.

Rapid re-housing also ensures that emergency shelter resources are used to serve individuals and families with the most urgent housing crisis. In contrast, the success of homelessness prevention activities are much more difficult to measure and the prevention assistance is harder to strategically target. These difficulties increase the risk that the use of ESG funds for homelessness prevention assistance will be inefficient at demonstrably preventing people from going to the streets or shelters. As public and nonprofit resources become increasingly strained, rapid re-housing should be given the highest priority under ESG to help ensure that existing resources-both within and outside the homeless assistance system-are used as efficiently as possible to help those most in need.

2.12 **Recordkeeping and Reporting Requirements**

Grant Recordkeeping Requirements

(1) Policies and Procedures: Policies and procedures must be established in writing and implemented by the sub-recipient to ensure that ESG funds are used in accordance with the requirements. In addition, sufficient records must be established and maintained to enable the City and HUD to determine whether ESG requirements are being met, including the agency procedures for compliance with all federal regulations and program requirements.

(2) Written Standards: Written Standards must be established and implemented by sub- recipients that detail established criteria for providing ESG assistance; and shall be included as part of the sub-recipient's Policies and Procedures. A copy of the Written Standards must be provided to the City as HUD requires the Standards to be included in the City's Consolidated Plan.

(3) Match Funds: the City and sub-recipients must keep records of the source and use of contributions made to satisfy the matching requirements in 576.201. The records must indicate the particular fiscal year grant for which each matching contribution is counted. The records must show how the value placed on third-party, noncash contributions was derived. To the extent feasible, volunteer services must be supported by the same methods that the organization uses to support the allocation of regular personnel costs.

(4) Centralized and coordinated assessment procedures: Sub-recipients must keep documentation evidencing the use of, and written intake procedures for, the centralized or coordinated assessment system(s) developed by the CoC in accordance with the requirements established by HUD.

(5) Services and assistance provided: Sub-recipients must keep records of the types of essential services, rental assistance, and housing stabilization and relocation services provided under the City's ESG program, and the amounts spent on these services and assistance, including payroll records if salaries are charged to the grant.

(6) Conflicts of Interest: Sub-recipients must keep records to show compliance with the conflicts-of-interest requirements in 379.404(a), a copy of the personal conflicts of interest policy or codes of conduct developed and implemented to comply with the requirements of 576.404(b), and records supporting exceptions to the personal conflicts of interest prohibitions. Sub-recipient Conflict of Interest policies must also include instructions to agency staff that may be in the situation of needing assistance themselves, or providing assistance to close friends or family members, to ensure that ESG funds are not used inappropriately.

(7) Faith-based activities: Sub-recipients must document their compliance with the faith-based activities requirements under 576.406.

(8) Other federal requirements: Sub-recipients must document their compliance with the Federal requirements in 576.407, as applicable, including:

a. Records demonstrating compliance with the nondiscrimination and equal opportunity requirements under 576.407(a), including data concerning race, ethnicity, disability status, sex, and family characteristics of persons and households who are applicants for, or program participants in, any program or activity funded in whole or in part with ESG funds and affirmative outreach requirements of 576.407(b).

b. Records demonstrating compliance with the uniform administrative requirements in 24 CFR part 85 (for governments) and 24 CFR part 84 (for nonprofit organizations).

c. Records demonstrating compliance with the environmental review requirements, including flood insurance requirements.

d. Certifications and disclosure forms required under the lobbying and disclosure requirements in 24 CFR Part 87.

(9) Relocation: The records must include documentation of compliance with the displacement, relocation, and acquisition requirements of 576.408.

(10) Financial records:

a. The City must retain supporting documentation for all costs charged to the ESG grant.
The City and its sub-recipients must keep documentation showing that ESG grant funds were spent on allowable costs in accordance with the requirements for eligible activities under 576.101-576.109 and the cost principles in 2 CFR Part 200.

b. The City and its sub-recipients must retain records of the receipt and use of program income.

c. The City must keep documentation of compliance with the expenditure limits in 576.100 and the expenditure deadline in 576.203.

(11) Access to records:

a. Notwithstanding, the confidentiality procedures established under this section, HUD, the HUD Office of the Inspector General, and the Comptroller General of the United States, or any of their authorized representatives, and the City, must have the right of access to all books, documents, papers, or other records of examination, excerpts and transcripts. These rights of access are not limited to the required retention period but last as long as the records are retained.

b. Sub-recipients must make available program participant records, along with any financial and program records, for review by the City during periodic monitoring visits. Monitoring of sub- recipients may be conducted by the City, local HUD Office of Community Planning and Development, HUD's Office of Special Needs Assistance Programs, HUD's Office of Inspector General, HUD's Office of Fair Housing and Equal Opportunity, a contractor hired on behalf of the City for the purposes of auditing programs funded through the City, or other authorized city or federal agency, to determine compliance with the requirements of

each program. In lieu of a site visit, the City may request either copies of supporting documentation in order to conduct a Desk Audit review of a sub-recipient or access to HMIS for review of documentation.

c. Make available copies of all monitoring letters from other federal, state or local grant funded programs if requested by the City. Copies of any written responses addressing areas of concern or findings shall be included. These copies shall be provided during monitoring review visits or more frequently if requested by City staff.

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

Grant Reporting Requirements

(1) Sub-recipients receiving ESG funds must submit quarterly and annual reports to the City that include the number of persons assisted, race and ethnic origin, gender, the types of assistance provided, and the project or program outcomes data measured under the performance standards developed in consultation with the Continuum of Care, and other data as required by HUD.

(2) Sub-recipients receiving ESG funds must comply with the HMIS reporting requirements with the Continuum of Care Lead Agency. Domestic Violence providers must provide aggregate information in lieu of using HMIS.

(3) Homeless Prevention and Rapid Re-Housing Record Requirements:
The following records are required for new clients and clients who have had a break in service but are still eligible to receive additional funding:

a. Client File Recordkeeping: Items required to be placed in the file shall be checked off (N/A entered if "Not Applicable") and signed by the intake worker or case manager. This will ensure that all required documents reflecting client eligibility are obtained and retained in every file.

b. Staff Certification: The ESG Staff Certification Form must be completed by sub-recipient for each client upon entry into the ESG program, and at each recertification.

c. Initial Evaluations: The sub-recipient must conduct an initial evaluation to determine the eligibility of each individual and family's eligibility for ESG assistance and the amount and types of assistance the individual or family needs to regain stability in permanent housing. These evaluations must be conducted in accordance with the centralized or coordinated assessment requirements set forth under 576.400(d) and the written standards established under 576.400(e).

d. Other subsidies received by the client: sub-recipient staff must verify that the program participant does not receive subsidies from other federal, state or local funding sources for activities that will be funded with ESG funds. Verifications must be documented and included in the case file.

e. Written third party: Verification in writing from a third party (e.g. individual employer, Social Security Administration, welfare office, emergency shelter provider, etc.), either directly to sub-recipient staff or via the applicant is most preferred. Written third party

documentation may include completion of a standardized form, such as a verification of income statement

f. Oral third party: Verification from a third party (e.g. individual employer, Social Security Administration, welfare office, etc.) provided by the third party over the telephone or in-person directly to sub-recipient staff. Oral third party verification is acceptable only if written third party verification cannot be obtained. Sub-recipient staff must document reasons why third party written verification could not be obtained in the program participant file. Staff must also notate time called and the name of the employer who provided the information orally.

g. Applicant self-declaration: A self-declaration of income and housing status as reported by the program participant is allowable, but is only acceptable if written or verbal third party verification cannot be obtained. Self-declaration of housing status (e.g., eviction) should be rare. Sub-recipient staff must document reasons why third party written or oral verification could not be obtained in the program participant file.

h. Annual Income: Program participant's files must contain evidence that household income was below 30% of area median income for the geographic area of assistance upon entry into the ESG Homeless Prevention program. Sub-recipients must use the standard for calculating annual income as established in 24 CFR part 5.609.

Additional information and guidance for determining and documenting homeless and at-risk of homelessness status, income, and disability is available at www.hudhre.info

i. Rental assistance agreements and payments: The records retained by the sub- recipients must include copies of all leases and rental assistance agreements for the provision of rental assistance documentation of payments made to owners for the provision of rental assistance, and supporting documentation for these payments. Rental assistance agreements should include amount and length of subsidy.

j. Utility allowance: Records must document the monthly allowance for utilities (excluding telephone) used to determine compliance with rent restrictions. Utility allowances can be obtained from the City's Community Development Office.

k. Lead-Based Paint: A visual lead-based paint assessment must be completed for all households with a pregnant woman or children under 6 who reside or will reside in a housing unit constructed prior to 1978. A copy of the housing inspection form completed by the City's Community Development Office showing the unit was inspected for lead-based paint issues. If concerns are noted during the inspection the sub-recipient will be required to have the unit tested for lead-based paint OR the household can be assisted with moving costs to relocate the family to a lead-safe housing unit.

The visual lead-based paint assessment must be completed by staff certified by HUD. A twenty minute online training course is available at

http://www.hud.gov/offices/lead/training/visualassessment/h00101.htm

l. Housing Standards Inspection: An on-site inspection is required anytime a program participant is receiving ESG financial assistance, including rental assistance, security deposit assistance, utility assistance, etc. A housing unit inspection form must be completed and maintained in the client file.

m. Rent Reasonableness: Rental assistance cannot be provided unless the rent does not exceed

the Fair Market Rent established by HUD, as provided under 24 CFR part 888, and complies with HUD's standard of rent reasonableness, as established under 24 CFR part 982.507. For the purpose of calculating rent under this program, the rent shall equal the sum of the total monthly rent for the unit, any fees required for occupancy under the lease (other than late fees and pet fees) and, if the tenant pays separately for utilities, the monthly allowance for utilities (excluding telephone) established by the public housing authority for the area in which the housing is located.

n. Case Management: Sub-recipient staff must document program participant's eligibility to regain stability in permanent housing. Evaluations must be conducted in accordance with the centralized or coordinated assessment required by HUD, once implemented.

While providing homelessness prevention or rapid re-housing assistance to a program participant, the sub-recipient must:

- Require the participant to meet with a case manager not less than once per month to assist the program participant in ensuring long-term housing stability which shall be notated in the program participants file,
- Develop a written plan to assist the program participant to retain permanent housing after the ESG assistance ends, taking into account all relevant considerations such as the program participant's current or expected income and expenses, other public or private assistance for which the program participant will be eligible and likely to receive, and the relative affordability of available housing in the area.
- Case Management may consist of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability in permanent housing.
- Sub-recipient staff must re-evaluate the program participant's eligibility and types and amounts of assistance the participant needs not less than once every 3 months for program participants receiving homeless prevention assistance, and once a year for program participants receiving rapid re-housing assistance.
- Sub-recipient staff must enter case management information in a program participant's case file and in the local Continuum of Care's HMIS.
- HMIS: Sub-recipients must keep records of the participation in HMIS or a comparable database of all projects and activities served with ESG funds.

(4) Shelter, Street Outreach and Shelter Essential Services Recordkeeping Requirements:

- Street Outreach: Sub-recipients providing street outreach to homeless individuals and families must document that the street outreach activities offered are necessary to provide emergency care on the street. Services charged to this activity must only include costs of providing assistance to eligible participants residing on the street or in parks, abandoned buildings, bus stations, camp grounds, and other settings where unsheltered persons are staying. Staff salaries charged to the grant related to carrying out street outreach must be supported with payroll records. Client files should document in detail the types of assistance provided, evidence of homelessness, case management records, and HMIS User Agreements executed by the client and agency staff.

- Shelter and Essential services: Sub-recipients must retain case files showing client eligibility and the types of services provided to shelter clients. Included shall be documentation of homelessness, case management provided, initial evaluations, services provided, referrals to other community resources, participant participation notes, shelter policies, Fair Housing materials, HMIS User Agreements, confidentiality and client grievance policies.

(5) At risk of homelessness status: For each individual and family who receives ESG homelessness prevention assistance, the records must include the evidence relied upon to establish and verify the participant's "at risk of homelessness" status. This evidence must include an intake and certification form and is completed by the sub-recipient. The evidence must also include whether or not the program participant meets the criteria under paragraph (1) of the "at risk of homelessness" definition in 576.2, including:

- The participant's certification on a form that the participant has insufficient financial resources and support networks (family, friends, faith-based or other social networks) immediately available to attain housing stability and meets one or more of the conditions under paragraph (1)(iii) of the definition of "at risk of homelessness" in 576.2.
- Acceptable evidence includes: source documents (notices of termination from employment, unemployment compensation statement, bank statements, health- care bill showing arrears, utility bill showing arrears, etc): to the extent that source documents are unobtainable, a written statement by the relevant third party (former employer, public administrator, relative, etc.) or the written certification by the sub-recipient's intake staff of the oral verification by the relevant third party that meets one or both of the criteria under paragraph (1)(ii) of the definition of "at risk of homelessness" in 576.2.
- To the extent that source documentation and third-party verifications are unobtainable, a written statement by the sub-recipient's intake staff describing the efforts taken to obtain the required evidence; and the most reliable evidence available to show that the program participant meets one or more of the conditions under paragraph (1) (iii) of the definition of "at risk of homelessness" in 576.2. This may include staff observation.
- Documentation that sub-recipient staff has conducted re-evaluation of program participant's eligibility not less than once every 3 months to continue to receive "at risk of homelessness" assistance.

(6) Evidence that the program participant meets the criteria of the "homeless" definition in 576.2, is an individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

- An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground.
- An individual or family living in a supervised publically or privately operated shelter designated to provide temporary living arrangements (including congregate shelters,

transitional housing, and hotels and motels paid for by charitable organizations or by Federal, state or local government programs for low income individuals).

- An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.
- An individual or family who will imminently lose their primary nighttime residence, provided that: the primary nighttime residence will be lost within 14 days of the date of application for homeless assistance, no subsequent residence was identified; and the program participant lacks resources or support networks needed to obtain permanent housing;
- Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:

are defined as homeless under section 387 of the Runaway and Homeless Youth Act, section 637 of the Head Start Act, section 41403 of the Violence Against Women's Act of 1994, section 330(h) of the Public Health Service Act, section 3 of the Food and Nutrition Act of 2008, section 17(b) of the Child Nutrition Act of 1966, or section 725 of the McKinney-Vento Homeless Assistance Act.

- Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance, have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or GED, illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment.

or

- Any individual or family who: Who is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence; has no other residence, and lacks the resources or support networks to obtain other permanent housing.

SECTION 3: ELIGIBLE ACTIVITIES

The following reflects detailed information regarding the types of activities that may be provided using ESG funds:

3.1 Street Outreach

Eligible Program Participants: Unsheltered individuals and families, meaning those who qualify under paragraph (1)(i) of the definition of "homelessness".

(1) Overview of Eligible Activities: The costs of essential services related to street outreach are eligible costs under the ESG program. The eligible costs for street outreach activities differ from the eligible costs for essential services related to emergency shelter, as they are limited to those necessary to provide emergency care on the street. Services charged to this activity must only include costs of providing assistance to eligible participants residing on the street or in parks, abandoned buildings, bus stations, camp grounds, and other such settings where unsheltered persons are staying. Staff salaries related to carrying out street outreach activities are also eligible.

(2) Eligible Costs: ESG funds may be used for costs of providing essential services necessary to reach out to unsheltered homeless people; connect them with emergency shelter, housing or critical services; and provide urgent non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing or an appropriate health facility. For the purpose of this section, "unsheltered homeless" means individuals and families who qualify as homeless under the new definitions. Eligible costs consist of the following:

a. Engagement-the costs to locate, identify, and build relationships with unsheltered homeless people and engage them for the purposes of providing immediate support, intervention, and connections with homeless assistance programs and/or mainstream social services and housing programs.

b. Case Management-includes the cost of assessing housing and service needs; arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participants. Includes using the centralized or coordinated assessment system developed by the local Continuum of Care as mandated by HUD; conducting initial evaluation including verifying and documenting eligibility; counseling, developing, securing and coordinating services, etc.

c. Emergency Health Services-includes costs for direct outpatient treatment of medical conditions provided by licensed medical professionals operating in community-based settings, including streets, parks, and other places where unsheltered homeless people are living. Funds may be used only for these services to the extent that other appropriate health services are inaccessible or unavailable within the area. Eligible treatment consists of accessing a program participant's health problems and developing a treatment plan; assisting participants to understand their health needs; providing directly or assisting program participants to obtain appropriate emergency medical treatment; and

providing medication and follow-up services.

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

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

(i) The cost of a program participant's travel on public transportation;

(ii) If service workers use their own vehicles, mileage allowance for service workers to visit program participants;

(iii) The cost of purchasing or leasing a vehicle for the sub-recipient in which staff transports program participants and/or staff serving program participants, and the cost of gas, insurance, taxes and maintenance for the vehicle; and

(iv) Travel costs of sub-recipient staff to accompany or assist the program participants to use public transportation.

f. Services for Special Population-funds may be used to provide services for homeless youth, victim services, and services for people living the HIV/AIDs, so long as the costs of providing these services are eligible under program regulations. The term "victim services" means services that assist program participants who are victims of domestic violence, dating violence, sexual assault, or stalking, including services offered by rape crisis centers, DV shelters, and other organizations with a documented history of effective work concerning domestic violence, dating violence, sexual assault or stalking.

3.2 Emergency Shelter

Eligible Program Participants: Individuals and families who are homeless as defined by HUD.

ESG funds may be used to provide essential services to persons in emergency shelters, renovating buildings to be used as emergency shelters, and operating emergency shelters. Staff costs related to carrying out emergency shelter activities is also eligible. Eligible Activities Include:

(1) Case Management - The cost of assessing, arranging, coordinating and monitoring the

delivery of individualized services to meet the needs of the program participant. Component services and activities consist of:

- Using the centralized or coordinated assessment system developed by the local Continuum of Care as mandated by program regulations
- Conducting the initial evaluation
- Counseling
- Developing, securing, and coordinating, services and obtaining Federal, state and local benefits
- Monitoring and evaluating program participant progress
- Providing information and referrals to other programs
- Providing ongoing risk assessment and safety planning with domestic violence, dating violence, sexual assault and stalking victims
- Developing an individualized housing and service plan, including planning a path to permanent housing stability.

(2) Child Care - The cost of child care for program participants, including providing meals and snacks, and comprehensive and coordinated sets of appropriate developmental activities are eligible. Children must be under the age of 13 unless they are disabled. Disabled children must be under the age of 18. The child-care center must be licensed by the jurisdiction in which it operates.

(3) Education Service - When necessary for program participants to obtain and maintain housing, the costs of improving knowledge and basic educational skills are eligible. Services include instruction or training in consumer education, health education, substance abuse prevention, literacy, English as a Second Language (ESL) and GED. Component services or activities are screening, assessment and testing, individual or group instruction, tutoring, provision of books, supplies, and instructional material, counseling and referral to community resources.

(4) Employment Assistance and Job Training - The costs of employment assistance and job training programs are eligible including: classroom, online, computer instruction, on the job instruction, services that assist the individuals in securing employment, acquiring learning skills, and/or increasing earning potential.

(5) Outpatient Health Service - Costs for direct outpatient treatment of medical conditions provided by licensed medical professionals. Funds may be used only for these services to the extent that other appropriate health services are unavailable within a community. Eligible treatment consists of: assessing a program participant's health problems, developing a treatment plan, providing directly or assisting participants to obtain appropriate medical treatment preventive medical and/or dental care, health maintenance service, including emergency medical services, and providing medications and follow-up services.

(6) Legal Service - Costs including hourly fees for legal advice and representation by attorneys licensed and in good standing with the bar association, and by persons under the supervision of the licensed attorney, regarding matters that interfere with participants ability to obtain and retain housing. Funds may only be used for these services to the extent that other appropriate legal services are unavailable or inaccessible within the community. Eligible subject matters are: child support, guardianship, paternity, emancipation, legal separation, orders of protection and other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking, appeal of veterans and public benefit claim denials and resolution of outstanding criminal warrants.

Component services or activities may include client intake, preparation of cases for trial, provisions of legal advice, representation at hearings, and counseling. Fees based on the actual service performed (i.e. fee for services) are also eligible, but only if the cost would be less than the cost of hourly fees. Filing fees and other necessary court costs are also eligible. If the sub-recipient is a legal services provider and performs the services itself, the eligible costs are the sub-recipient's employee's salaries and other costs necessary to perform the service.

Note: Legal services for immigration and citizenship matters and issues relating to mortgages are **INELIGIBLE.** Retainer fee arrangements and contingency fee arrangements are also ineligible.

(7) Life Skills Training - Costs of teaching critical life management skills that may never have been learned or have been lost during the course of physical or mental illness, DV, substance abuse, and homelessness are eligible costs. These services must be necessary to assist the program participant to function independently. Component life skills training are: budgeting resources, managing money, managing a household, resolving conflict, shopping for food and needed items, improving nutrition, using public transportation and parenting.

(8) Mental Health Services - Costs include direct outpatient treatment by licensed professionals of mental health conditions. Funds may only be used for these services to the extent that other appropriate mental health services are unavailable or inaccessible within the community. Eligible treatment consists of: crisis intervention, therapy sessions, prescription of psychotropic medications, or explanations about the use and management of medications, and combinations of therapeutic approaches to address multiple problems.

(9) Substance Abuse Treatment Service - Eligible substance abuse treatment services are designed to prevent, reduce, eliminate, or defer relapse of substance abuse or addictive behaviors and are provided by licensed or certified professionals. Funds may only be used for these services to the extent that other appropriate substance abuse treatments services are unavailable or inaccessible within a community. Eligible treatment consists of: client intake and assessment, outpatient treatment for up to 30 days, group and individual counseling and drug testing.

Note: Inpatient detoxification and other inpatient drug or alcohol treatments are **INELIGIBLE.**

(10) **Transportation** - Costs consist of the transportation costs of a program participant's travel to and from medical care, employment, child care, or other eligible essential services facilities. These costs include the following: the cost of a program participant's travel on public transportation, mileage allowance for employees using their own vehicles to visit or transport clients, the cost of purchasing or leasing a vehicle for the sub-recipient in which staff transports program participants and/or staff serving program participants, and the cost of gas, insurance, taxes and maintenance of the vehicle, and the travel costs of sub-recipient staff to accompany or assist program participants to use public transportation.

(11) **Services for Special Populations** - Funds may be used to provide services for homeless youth, victim services, and services for people living with HIV/AIDs, so long as the cost of providing these services are eligible. The term "victim services" means services that assist program participants who are victims of domestic violence, dating violence, sexual assault or stalking, including services offered by rape crisis centers and domestic violence shelters, and other organizations with a documented history of effective work concerning these issues.

(12) **Shelter Operations** - Costs of maintenance including, minor or routine repairs, rent, food, security, fuel, equipment, telephone/cell phone service, internet and cable expense, furnishings, office supplies, insurance, utilities and other supplies necessary for the operation of the shelter(s).

NOTE: Where no appropriate emergency shelter is available for a homeless individual or family, eligible costs may also include a hotel or motel voucher.

(13) **Shelter Rehabilitation or Conversion** – Costs of contract labor to rehabilitate and existing shelter or conversion of a building for emergency shelter. Building **must be maintained as** an emergency shelter for 3-10 years depending upon the amount of rehabilitation. Refer to Section 5 for Use Requirements of Emergency Shelters.

3.3 Homeless Prevention and Rapid Re-Housing

Funds used to provide homelessness prevention or rapid re-housing assistance must be used to provide assistance in permanent housing. There must be a lease between the program participant and the housing owner. In addition, there must be a formal Rental Assistance Agreement between the sub-recipient (the agency providing the service) and the housing owner.

NOTE: Living in a motel or hotel is not considered to be permanent housing and therefore is not an eligible expense under this program.

(1) Eligible Program Participants:

a Homeless Prevention: Individuals and families who are at imminent risk, or at risk of homelessness, meaning those who qualify under paragraph (2) and (3) of the homeless definition or those who qualify as at risk of homelessness. Individuals and families must have an income below 30% of Area Median Income upon entry into the program, and are lacking sufficient resources or support networks immediately available to prevent them from moving to an emergency shelter or another place

described in paragraph (1) of the homeless definition. Program participants must meet the threshold requirements reflected in part 576.2 (1) (iii).

b Rapid Re-Housing: Individuals and families who are literally homeless, meaning those who qualify under paragraph (1) of the definition of homeless.

(2) Eligible Activities: Up to nine months rental assistance and or utility assistance. Staff salaries related to carrying out rapid re-housing and homelessness prevention activities are also eligible.

a Financial Assistance: Rental application fees, security deposits, utility deposits, last month's rent, utility payments, and moving costs.

b Services: Housing search and placement, housing stability case management, mediation, legal services, and credit repair.

3.4 Homeless Management Information System Data Collection

(1) Eligible Costs:

a Staff costs of contributing data to the HMIS designated by the Continuum of Care, including time to complete data entry, monitoring and reviewing data quality, completing data analysis, reporting to HMIS Lead, training staff on using HMIS or comparable database approved by the CoC, and implementing complying with HMIS requirements. Costs may also include staff travel costs to conduct intake, and paying any participation fees charged by the HMIS Lead.

b If the sub-recipient is a Victim Services Provider or Legal Services Provider, ESG funds may be used to establish and operate a comparable database that collects client-level data over time and generates unduplicated aggregate reports based on the data. Information entered into a comparable database must not be entered directly into or provided to an HMIS.

(2) Restrictions: Activities funded under this section must comply with HUD's standards on participation, data collection, and reporting under HMIS.

3.5 Administration

The City may use up to 7.5% of the annual ESG allocation for administrative costs related to planning and execution of ESG activities. The balance is made available to non-profits and local governments through a competitive application process.

(1) Eligible Administrative Costs:

a Costs of overall program management, coordination, monitoring and evaluation, including:

b Salaries, wages, and related costs of staff engaged in program administration. In charging costs to this category, the City may either include the entire salary, wages

and related costs allocable to the program of each persons whose primary responsibility with regard to the program

c Program administration costs including: preparing program budgets and schedules, and amendments to those budgets and schedules; developing systems for assuring compliance with program requirements; developing interagency agreements and agreements with sub-recipients and contractors to carry out program activities; monitoring program activities for progress and compliance with program requirements; audits and evaluations. Other eligible costs include program supplies, travel costs, training, rental or purchase of equipment, utilities and office space related to services.

3.6 Ineligible Activities

(1) Acquisition of real property

(2) New construction of an emergency shelter for the homeless

(3) Property clearance or demolition

(4) Rehabilitation administration, such as the preparation of work specifications or inspections

(5) Staff training or fund raising activities associated with rehabilitation

(6) Salary of case management supervisor when not working directly on participant issues

(7) Advocacy, planning, and organizational capacity building

(8) Staff recruitment and/or training (with the exception of HMIS training)

(9) Transportation costs not directly associated with service delivery

(10) Recruitment or on-going training of staff

(11) Depreciation

(12) Costs associated with the organization rather than the supportive housing project (advertisements, pamphlets about the agency, surveys, etc.)

(13) Staff training, entertainment, conferences or retreats

(14) Public relations or fund raising

(15) Bad debts or bank fees

(16) Mortgage payments

(17) Pet deposits

(18) Late fees incurred if grantee does not pay agreed rental subsidy by agreed date

(19) Payment of temporary storage fees in arrears

(20) Payment of past debt not related to rent or utility

(21) Financial assistance to program participants who are receiving the same type of assistance through other public sources or to a program participant who has been provided with replacement housing payments under Uniform Relocation Assistance during the same time period

SECTION 4: PARTICIPANT REQUIREMENTS

The ESG Program is intended to address the needs of the individuals and families (program participants) who are homeless, chronically homeless, or at risk of homelessness. In order for a program participant to receive assistance with this program, he or she must meet the definition of homeless or at-risk of homelessness; have annual gross income below 30% of Area Median Income if requesting Prevention Financial assistance; be eligible to receive assistance based on the sub-recipient's Written Standards; and have no other resources available to ensure long-term housing stability.

Sub-recipients are required to ensure that all program participants meet the prescribed HUD definitions in order to receive assistance though the ESG program. All ESG sub-recipients are required to use the Centralized Intake Procedures and forms established by the Continuum of Care. Domestic Violence service providers are exempt from using the Centralized Intake forms.

4.1 Homeless Assistance

Clients receiving assistance using ESG funds for street outreach, shelter, essential services and rapid re-housing financial assistance must meet the definition of homeless in order to be eligible for assistance. The Homeless Definition final rule, published in the Federal Register on December 5, 2011, defines homelessness in four (4) categories as follows (which must be documented in order to receive assistance):

Category 1 **Literally Homeless**

Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

(1) Has a primary nighttime residence that is a public or private place not meant for human habitation;

(2) Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs); or

(3) Is exiting an institution where the individual or family has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution

Category 2 **Imminent Risk of Homelessness**

Individual or family who will imminently lose their primary nighttime residence, provided that:

(1) Residence will be lost within 14 days of the date of application for homeless assistance;

(2) No subsequent residence has been identified; and

(3) The individual or family lacks the resources or support networks needed to obtain other permanent housing

Category 3 **Homeless under other Federal Statutes**

Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:

(1) Are defined as homeless under the other listed federal statutes located at 24 CFR part 576.1 "Definitions";

(2) Have not had a lease, ownership interest, or occupancy agreement in permanent housing during the 60 days prior to the homeless assistance application;

(3) Have experienced persistent instability as measured by two moves or more during the preceding 60 days; and

(4) Can be expected to continue in such status for an extended period of time due to special needs or barriers

Category 4 **Fleeing/Attempting to flee Domestic Violence**

Any individual or family who:

(1) Is fleeing, or is attempting to flee, domestic violence;

(2) Has no other residence; and

(3) Lacks the resources or support networks to obtain other permanent housing.

** Individuals and families who meet the criteria of Category 4 may be served under Rapid Rehousing or Prevention, depending on their housing situation at the time of assistance. For instance, if the individual or family is residing in a domestic violence shelter, then they automatically qualify as homeless under Category 1 and 4. If the individual or family is still living in a home but need to move due to the domestic violence situation, they may qualify for prevention if they meet the 30% income eligibility requirement*

People who are exiting an institution are considered homeless only if they resided in shelter or in a place not meant for human habitation prior to entering the institution and their stay in the institution was less than 90 days.

People who were in transitional housing prior to entering an institution are not considered homeless upon exit. HUD notes that most of these individuals have historically been allowed to return to their transitional housing after exit, and HUD plans to continue this policy in the upcoming proposed Continuum of Care regulation. For the purposes of identifying unaccompanied youth who are unstably housed and are likely to continue in that state, youth means less than 25 years of age

The initial draft of the rule had not identified an age limit. HUD altered how it was defining "long-term period" and "frequent moves" as qualifying factors for being considered homeless. A "long-term period" will be 60 days instead of 90, and "frequent moves" will be two moves instead of three. As a result, to meet the third category of homelessness (persistent instability), a family or unaccompanied youth must have moved two or more times within the last 60 days.

HUD also clarified several issues related to documentation requirements. For example, HUD specifies that third-party documentation, when available, is the preferable way to document homeless status. Lack of third-party documentation, however, cannot prevent a household from receiving emergency assistance, including shelter and victim services. In addition, HUD will allow other forms of already available documentation (including HMIS records) to count as evidence of homeless status.

4.2 **Homeless Prevention Assistance**

For individuals and families who do not meet the definition of homeless under any of the categories above, the McKinney-Vento Act was amended to allow Homeless Prevention Assistance to be provided to persons who are "at risk of homelessness" described in the following three categories:

Category 1 **Individuals and families**

An individual or family who:

(1) Has an annual income below 30% of area median income for the area; 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 above; 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

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 Single Room Occupancy (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 (1 ½) persons per room; OR

f. Is exiting a publicly funded institution or system of care

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;

Category 3 **Families with Children**

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 includes the parent(s) or guardian(s) of that child or youth if living with him or her

4.3 **Other Participant Eligibility Requirements**

In addition to meeting the definition of homeless or at-risk of homelessness, sub-recipient staff must ensure program participants are eligible to receive assistance based on a number of additional requirements. The following is a summary of what must occur in order for clients to receive ESG assistance. This list highlights the main areas of eligibility; sub-recipient staff must utilize ESG forms and checklists to ensure all areas are documented as required by program regulations:

i. Written Standards: Program participants must meet the eligibility requirements set forth in the sub-recipients written standards. Evidence that the client meets the eligibility criteria must be documented.

2. ESG Eligibility Requirements: There must be an initial evaluation to determine participant eligibility for ESG assistance and the amount and types of assistance to regain stability in permanent housing. They must be conducted in accordance with the centralized or coordinated assessment system required by HUD, once available, and in accordance with ESG regulations at 24 CFR part 576:

a. **Housing Status**: Documentation of current housing status must be obtained;

b. **Homeless or at-risk of homelessness status**. Sub-recipient staff must verify and document the homeless or at-risk of homeless status of clients served. This shall be done by obtaining certifications from program participants; and written verifications from third-party sources if available. As a last resort case managers may verify orally, but must document time, date and name of person who has verified the client's status;

c. **At-Risk Threshold criteria**: For households to qualify as "at risk of homelessness", individuals or families must be documented to meet two threshold criteria and must be documented to exhibit one or more specified risk factors as follows:

i. Threshold Criteria (Must meet both):

- The household must have income BELOW 30% of area median income for the geographic area; AND
- The household has insufficient resources or support networks such as family, friends, faith-based or other social networks immediately available to prevent the household from moving into an emergency shelter or other location described in paragraph 1 of the new HUD homeless definitions.

ii. Risk Factor Criteria (Must meet at least one):

- Household has moved frequently (defined as 2 or more times during the 60 days immediately preceding the application for assistance) because of economic reasons;

- Household is living in the home of another because of economic hardship;
- Household has been notified that their right to occupy their current housing or living situation will be terminated within 21 days;
- Lives in a hotel or motel that is not paid for by Federal, state or local government programs for low-income individuals or by charitable organizations;
- Lives in severely overcrowded housing (lives in SRO or efficiency apartment unit in which more than 2 persons reside or another type of housing in which there resides more than 1.5 persons per room);
- Is exiting a public institution or system of care, such as a health care facility, mental health facility, foster care, or other youth facility, or correction program or institution; or

iii. Other "at risk of homelessness" criteria:

- "At risk of homelessness" also includes any children or youth who are defined as "homeless" under other Federal statutes, but are not defined as homeless under this program, and shall include the parent, parents, or guardian of such children or youth. All may receive homelessness prevention assistance as long as the parent, parents, or guardian are living with these children or youth. Documentation of eligibility under this criteria must be obtained and maintained in the client's file

d. Annual Income: When determining annual income of a participant, the sub-recipient must use the standard for calculating annual income under 24 CFR 5.609. Clients receiving Prevention assistance must be below 30% of Area Median Income. Income of all household members 18 years of age and older must be verified and documented in the case file. Please refer to Attachment 4 for determination of income guidelines.

e. Connecting program participants to mainstream and other resources: Sub-recipients must document that each participant was assisted to obtain the following (if applicable):

i. Appropriate supportive services, including assistance in obtaining permanent housing, medical health treatment, mental health treatment, counseling, supervision, and other services essential for achieving independent living; and

ii. Other Federal, state, local and private assistance available to assist the participant in obtaining housing stability.

f. Require the participant meet with a case manager not less than one per month to assist the participant in ensuring long-term housing stability. This must be documented in the case file.

g. Develop a documented plan to assist the participant to retain permanent housing after the ESG assistance ends, taking into account all relevant considerations such as the participant's current or expected income and expenses; other public or private assistance for which the participant will be eligible and likely to receive; and the relative affordability of available housing in the area

h. Terminating Assistance

i. In general, if a participant violates program requirements, the agency may terminate the assistance in accordance with a formal process established by the sub-recipient that recognizes the rights of individuals affected. The sub-recipient must exercise judgment and examine all extenuating circumstances in determining when violations warrant termination so that a participant's assistance is terminated only in the most severe cases.

ii. The sub-recipient must develop a formal termination process in order to terminate a participant receiving rental assistance or housing relocation and stabilization services. At a minimum the process must consist of:

- Written notice to the participant containing a clear statement of the reasons for termination;
- A review of the decision, in which the participant is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision; and
- Prompt written notice of the final decision to the program participant.

iii. The formal process must be outlined in the sub-recipients formal grievance procedures and be provided to program participants upon entry into an ESG- funded program or activity; and

iv. Termination from an ESG-funded program or activity does not bar the sub- recipient from providing further assistance at a later date to the same individual or family.

i. Rent Reasonableness: Rental assistance may not be provided for a housing unit unless the rent does not exceed both the Fair Market Rent (FMR) established by HUD for the area in which the program participant receives assistance and the unit complies with the Rent Reasonableness standards established under 24 CFR 982.507. Sub-recipients must document in the program participant's file that the housing unit is both reasonable and within the established FMR. This is to ensure the program participant can remain in housing once the ESG assistance has ended. See Attachment 5 for guidance on Rent Reasonableness.

j. Lead-Based Paint: If the program participant has a child under 6 or a pregnant women living in the housing unit, an assessment of the age of the property must be conducted. This may be done by accessing the local Assessor's website. If the unit was constructed prior to 1978, all lead-based paint requirements must be met. See Attachment 2 for the LBP Compliance Form.

k. Housing Standards: All units assisted with ESG funds must meet/ have an Housing Standards inspections conducted.

l. Housing Subsidy: Financial assistance cannot be provided to a program participant who is receiving the same type of assistance through other public. Documentation that sub-recipient staff have taken steps to verify that participants meet this requirement.

m. Recertification documentation: Program participants receiving financial assistance and housing relocation and stabilization assistance must be recertified for eligibility every 3 months if receiving homeless prevention assistance, and annually if receiving homeless assistance. The recertification shall include eligibility for housing status, income, and need for continued financial assistance. Documentation of eligibility must be obtained, verified and documented before the 4th month of assistance is paid for homeless prevention clients, and before the 13th month of assistance is paid for homeless clients.

SECTION 5: USE REQUIREMENTS FOR SHELTERS

5.1 Use Requirement for Shelters

24 CFR part 576.102(c) defines the minimum period of use requirements for shelters funded through the ESG program as follows:

1. Renovated buildings: Each building renovated with ESG funds must be maintained as a shelter for homeless individuals and families for not less than a period of 3 or 10 years, depending on the type of renovation and the value of the building. The "value of the building" is the reasonable monetary value assigned to the building, such as the value assigned by an independent real estate appraiser. The minimum use period must begin on the date the building is first occupied by a homeless individual or family after the completed renovation.

2. Major rehabilitation: If the rehabilitation cost of an emergency shelter exceeds 75 percent of the value of the building before rehabilitation, the minimum period of use is 10 years.

3. Conversion: If the cost to convert a building into an emergency shelter exceeds 75 percent of the value of the building after conversion, the minimum period of use is 10 years.

4. Renovation other than major rehabilitation or conversion: In all other cases where ESG funds are used for renovation, the minimum period of use is 3 years.

5. Essential services and shelter operations: Where the sub-recipient uses ESG funds solely for essential services or shelter operations, the sub-recipient must provide services or shelter to homeless individuals and families at least for the period during which the ESG funds are provided.

5.2 Shelter Building Standards

Any building for which the ESG funds are used for renovation, conversion, or major rehabilitation must comply with the local government safety and sanitation standards, the uniform Federal Accessibility Standards Act 24 CFR Part 40, Appendix A, and the Americans with Disabilities Act. The US Department of Housing and Urban Development and the City require all sub-recipients to exercise every reasonable effort to ensure the safety of the shelter environment, the homeless beneficiaries, and the employees. As a result, the City requires that an inspection be performed to ensure that the renovation was performed in accordance with all local building codes.

5.3 Lead-Based Paint

When ESG funds provide for the operation of short-term emergency shelters that can be defined as "zero-bedroom dwellings" according to the Lead-Based Paint Hazard regulations at 24 CFR Part 35, the activity is governed by Subpart K of this regulation. Most emergency shelters are exempt for the regulations, such as studio apartments, dormitories, SRO units, barracks and group homes. Any emergency shelters build prior to 1978 need only to comply with the following simplified lead requirements:

- Provide the Lead Hazard Information Pamphlet available through HUD;
- Do a visual assessment of painted surfaces to identify deterioration;
- Complete paint stabilization by repainting deteriorating surfaces; and
- Incorporate ongoing LBP maintenance.

Housing that is not exempted by the definition above, or housing where children under the age of 6 reside frequently, is subject to all lead-based paint regulations.

Homeless prevention and rapid re-housing services are subject to lead regulations because the units assisted with these funds are not temporary residences and do not fall under the shelter exemption. Assistance for first month's rent cannot be provided for housing units that are not known to be free of lead-based paint contamination.

5.4 Flood Hazards

No proposed site on which renovation, major rehabilitation, or conversion of a building is to be assisted under ESG, other than by grant amounts allocated to States under 576.43, may be located in an area that has been identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards.

5.5 Prohibition against involuntary family separation

The age or gender of a child under age 18 must not be used as a basis for denying any family's admission to an emergency shelter that uses Emergency Solutions Grant (ESG) funding or services and provides shelter to families with children under age 18.

SECTION 6: OTHER FEDERAL REQUIREMENTS

The City and its sub-recipients must comply with applicable Federal requirements as reflected in 576.404, 576.406, 576.407 and 576.408 as follows:

6.1 Conflict of Interest (576.404)

1. Organizational conflicts of interest: The provision of any type or amount of ESG assistance may not be conditioned on an individual's or family's acceptance or occupancy of emergency shelter or housing owned by the sub-recipient, or a subsidiary of the sub-recipient. No sub-

recipient may, with respect to individuals or families occupying housing owned by the sub-recipient, or any parent or subsidiary of the sub-recipient, carry out the initial evaluation required under 576.401 or administer homelessness prevention assistance under 576.103.

2. Individual conflicts of interest: For the procurement of goods and services, sub-recipients must comply with the codes of conduct and conflict of interest requirements under 24 CFR 85.36 (for governments) and 24 CFR 84.42 (for private nonprofits). For all other transactions and activities, the following restrictions apply:

a. Conflicts prohibited. No persons described in this section who exercise or has exercised any functions or responsibilities with respect to activities assisted under the ESG program or who is in a position to participate in a decision-making process or gain inside information with regard to activities assisted under the program, may obtain a financial interest or benefit from an assisted activity; have a financial interest in any contract, subcontract, or agreement with respect to an assisted activity, or have a financial interest in the proceeds derived from an assisted activity, either for him or herself or for those with whom he or she has family or business ties, during his or her tenure or during the one-year period following his or her tenure.

b. Persons covered: the conflict-of-interest provisions of this section apply to any person who is an employee, agent, consultant, officer, or elected or appointed official of the sub-recipient.

c. Contractors: All contractors of the City or sub-recipient must comply with the same requirements that apply to sub-recipients under this section.

6.2 Affirmative Outreach

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

6.3 Uniform Administrative Requirements

NON-PROFIT ORGANIZATIONS AND GOVERNMENTAL ENTITIES - The requirements of 2 cfr part 200 (Subparts A – F) Subpart A (Acronyms and Definitions, Subpart B (General Provisions), Subpart C (Pre-Federal Award Requirements and Contents of Federal Awards), Subpart D (Post-Federal Award Requirements, Subpart E (Cost Principles), and Subpart F (Audit Requirements) apply to any entity receiving ESG funds.

6.4 **Environmental Review**

Activities under ESG are subject to environmental reviews by HUD under 24 CFR part 50. Each sub-recipient shall supply all available, relevant information necessary for the City to perform for each property any environmental review required by 24 CFR part 50.

Sub-recipients may not rehabilitate or convert, property for a project under this part, or commit or expend HUD or local funds for eligible activities under this part, until the City has approved an environmental review under 24 CFR part 50.

6.5 **Displacement, Relocation, and Acquisition**

When using ESG funds for rehabilitation or conversion of a rental unit for use as an emergency shelter, sub-recipients must assure that they have taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms) as a result of a project assisted under ESG. In general, a displaced person must be provided relocation assistance at the levels described in, and in accordance with, the URA and 49 CFR part 24.

6.6 **Section 504 of the Rehabilitation Act of 1973**

Sub-recipients must comply with Section 504 of the Rehabilitation Act of 1973 (The Act). Pursuant to the requirement of The Act, sub-recipients must ensure that no otherwise qualified disabled person shall, solely by reason of their disability be excluded from the participation in, be denied the benefits of, or be subject to discrimination, including discrimination in employment, in any program or activity that receives or benefits from Federal financial assistance. The sub-recipient must also ensure that requirements of The Act shall be included in the agreements with and be binding on all of its subgrantees, contractors, and subcontractors, assignees or successors.

6.7 **Non-Discrimination and Equal Opportunity**

Sub-recipients are required to ensure that ESG-funded services are made available to all on a nondiscriminatory basis, and to publicize this fact. This availability must reach persons of any particular handicap, race, ethnicity, religion, sex, age, familial status or national origin within the agency's service area. All program participants should be given the Fair Housing – It's Your Right pamphlet issued by HUD. See Attachment 6 – Fair Housing Pamphlet.

6.8 **Faith-Based Organizations**

Federal agencies are required to treat all organizations fairly and without regard to religion in federal programs. It is HUD policy that, within the framework of constitutional church-state guidelines, faith-based organizations should be able to compete on an equal footing with other organizations for federal funding. Accordingly, organizations that are faith-based are eligible, on the same basis as any other organization, to participate in HUD's programs and activities. Neither the federal government nor a state or local government receiving funds under a HUD program or activity shall discriminate against an organization on the basis of the organization's religious character or affiliation. HUD supports the participation of faith-based organizations in its programs.

Faith-based activities are eligible to receive ESG funds per 576.406 under the following conditions.

1. Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to receive ESG funds. Neither the Federal Government nor a State or local government receiving funds under ESG shall discriminate against an organization on the basis of the organization's religious character or affiliation.

2. Organizations that are directly funded under the ESG program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization as part of the programs or services funded under ESG. If an organization conducts these activities, the activities must be offered separately, in time or location, from the programs or services funded under ESG, and participation must be voluntary for program participants.

3. Any religious organization that receives ESG funds retains its independence from Federal, State, and local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that the religious organization does not use direct ESG funds to support any inherently religious activities, such as worship, religious instruction, or proselytization. Among other things, faith-based organizations may use space in their facilities to provide ESG-funded services, without removing religious art, icons, scriptures, or other religious symbols. In addition, an ESG-funded religious organization retains its authority over its internal governance, and the organization may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.

4. An organization that receives ESG funds shall not, in providing ESG assistance, discriminate against a program participant or prospective program participant on the basis of religion or religious belief. ESG funds may not be used for the rehabilitation of structures to the extent that those structures are used for inherently religious activities. Where a structure is used for both eligible and inherently religious activities, ESG funds may not exceed the cost of those portions of the rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to ESG funds. Sanctuaries, chapels, or other rooms that an ESG-funded religious congregation uses as its principal place of worship, however, are ineligible for funded improvements under the program.

6.9 **Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity**

On February 3, 2012, HUD published a rule in the Federal Register entitled "Equal Access to Housing in HUD Programs regardless of Sexual Orientation or Gender Identity." This rule became effective March 5, 2012. Since that time, an expanded version of the rule was adopted on September 21, 2016, to be found at the following link: **https://www.hudexchange.info/resources/documents/Equal-Access-Final-Rule-2016.pdf**

This rule applies to all McKinney-Vento-funded housing programs, as well as to other housing assisted or insured by HUD. The rule creates a new regulatory provision that generally prohibits considering a

person's marital status, sexual orientation, or gender identity (a person's internal sense of being male or female) in making homeless housing assistance available. As the nation's housing agency, HUD's goal is to ensure that their programs are carried out free from discrimination and are models for equal housing opportunity.

The rule can be found in the Federal Register of September 21, 2016, Volume 81, No. 183. It includes provisions that:

a. Require entities assisted by HUD to make housing available without regard to actual or perceived sexual orientation, gender identity, or marital status;

b. Clarify that the definition of "family" and "household," which identifies who is eligible for HUD's core programs, includes persons regardless of actual or perceived sexual orientation, gender identity, or marital status; and

c. Prohibit HUD-assisted entities from inquiring about an applicant's or occupant's sexual orientation or gender identity for the purpose of determining eligibility or otherwise making housing available.

6.10 **Lobbying Requirements**

No federally appropriated funds will be paid or will be paid, by or on behalf of the sub-recipient, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress in connection with the awarding of any federal contact, the making of any federal grant, the making of any federal loan, and entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement. Sub-recipients shall require the language of this certification in the award documents for all sub-grantees at all tiers.

6.11 **Homeless Participation**

The sub-recipient will ensure that at least one homeless or formerly homeless individual participates in a policy-making function within the organization in accordance with the Federal ESG Regulations. The sub-recipient will involve homeless individuals and families in the operations of the ESG-funded activities through work or volunteer activities to the extent possible.

6.12 Drug-Free Workplace

The State must require its Grantees to adopt a drug-free workplace policy that certifies that the Grantee will or will continue to provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Grantee's workplace and specifying the action that will be taken against employees for violation of such prohibition;

b. Establishing an on-going drug-free awareness program to inform employees about:
   1. The dangers of drug abuse in the workplace;
   2. The Grantee's policy of maintaining a drug-free workplace;
   3. Any available drug counseling, rehabilitation, and employee assistance programs; and
   4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 8.1(a);

d. Notifying the employee in the statement required by paragraph 8.1(a), that, as a condition of employment under the grant, the employee will:
   1. Abide by the terms of the statement; and
   2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five (5) calendar days after such conviction;

e. Notifying the City in writing, within ten (10) calendar days after receiving notice under paragraph 8.1(d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notices shall include the identification number(s) of each affected grant;

f. Taking one of the following actions, within thirty (30) calendar days of receiving notice under paragraph 8.1(d)(2), with respect to any employee who is so convicted:
   1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
   2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law-enforcement, or other appropriate agency;

g. Making a good faith effort to continue to maintain a drug-free workplace through implementation paragraphs 8.1(a) through (f).

The City must require its sub-recipients to administer in good faith a policy designed to ensure that each assisted homeless facility is free from the illegal use, possession or distribution of drugs or alcohol by its beneficiaries. This requirement will apply as long as the assisted facility is used as a facility for the homeless.

This provision is not to be used to deny ESG homeless assistance to any recipient acting in good faith; nor will it be used to allow shelter operators to deny assistance to individuals suspected of drug or alcohol abuse. The intent is to provide a safe environment within homeless shelters.

SECTION 7: SUB RECIPIENT FINANCIAL MANAGEMENT

7.1 Written Agreement

The written agreement between organizations/governmental entities and the City will be a very important document throughout the life of the project. The written agreement must be executed before any funds can be disbursed or expended. FUNDS COMMITTED OR EXPENDED BEFORE THE WRITTEN AGREEMENT IS SIGNED WILL NOT BE REIMBURSED FROM ESG FUNDS. The written agreement will ensure compliance with the regulations of the ESG program.

NON PROFIT ORGANIZATIONS AND GOVERNMENTAL ENTITIES - The requirements of 2 cfr part 200 (Subparts A – F) Subpart A (Acronyms and Definitions), Subpart B (General Provisions), Subpart C (Pre-Federal Award Requirements and Contents of Federal Awards), Subpart D (Post-Federal Award Requirements), Subpart E (Cost Principles), and Subpart F (Audit Requirements) apply to any entity receiving ESG funds.

7.2 Audit Requirements

(1) ESG subrecipients are subject to the audit requirements contained in 2 CFR Part 200, Subpart F, collectively referred to as the "Federal Audit Requirements", which may require the Subrecipient to obtain an audit. In the event, that during the period of the contract, the Subrecipient expends more than $750,000.00 in federal funds in an operating year from this and other federal grants, the Subrecipient must, at its own cost and expense, cause to be carried out an independent audit. The audit must be completed, and a copy furnished to the City, within the earlier of thirty (30) days after receipt of the auditor's report(s), unless a longer period is agreed to in advance by the City. An operating and/or audit year is the equivalent to the Subrecipient's fiscal year. The determination of when ESG Funds are expended is based on when the activity related to the expenditure occurs.

(2) The audit shall be conducted in compliance with 2 CFR § Part 200, Subpart F. In the event the audit shows that the entire funds disbursed, or any portion thereof, were not expended in accordance with the conditions of the contract, the Subrecipient will be held liable for reimbursement to the City of all funds not expended in accordance with the applicable regulations and Agreement provisions within thirty (30) days after the City has notified the Subrecipient of such non-compliance. The reimbursement will not preclude the City from taking any other action as provided in the agreement.

(3) If the sub-recipient does not fall under this requirement, an Independent Financial Audit is required in lieu of the Single Audit. These audits must be kept current and submitted to the City within 60 days of receipt from the auditing agency.

(4) If the single audit report or audited financial statement questions costs, or reflects

management findings or recommendations for improvement of internal controls, this document shall be submitted to the City showing that issues have been resolved.

(5) The sub-recipient shall be expected to maintain complete and accurate records justifying all actual and accrued expenditure of funds. A clear audit trail to points of origin must be available at all times.

(6) New ESG applicants will have 9 months after the first fiscal year to submit their report.

7.3 Grant Expenditures

(1) Sub-recipients must draw down funds not less than once during each quarter. The City and its sub recipients, if applicable, shall make timely payments to each of its sub-recipients within 30 days after the date of receiving a complete payment request.

(2) All grant funds must be expended within 24 months unless otherwise specified in the sub-recipient agreement.

(3) Sub-recipients should refer to http://chattanooga.gov/economic-community-development/community-development for the most current reimbursement forms.

7.4 Changes to Grant Allocations

Sub-recipients must submit in writing requests to amend approved ESG allocations. The request must be submitted on sub-recipient letterhead and include a budget reflecting the amended allocations for each activity. Revisions to approved ESG allocations depend upon federal limitations pertaining to percentages committed to each category, grant expenditure timelines, as well as the sub-recipient's ability to draw down the funds.

7.5 Method of Payment

Payments under the ESG Program will follow a cost reimbursement procedure; sub-recipients will be reimbursed only for costs that have been incurred and corroborated with a draw report and supporting documentation. All requests for reimbursements must reflect a match expenditure from the sub-recipient equal to or more than the ESG funds being requested. If the sub-recipient provides evidence of either cash or in-kind match expenditure with the request for reimbursement, the same documentation required for reimbursement must be submitted with the match. Sub-recipients must submit request at least quarterly and shall include the following documentation:

- Payroll records (copy of check stub or accounting records) for all salaries charged to ESG. Employee timesheets must accompany first reimbursement request.
- Mileage reimbursement requests must include employee mileage logs.
- The sub-recipient must provide evidence that verifies all payments were made to vendors and not to the program participant or to cash. This documentation may be a copy of the canceled check, or a printout from the sub-recipients financial system showing the client's names and names of vendors that received payments during the draw period.

- Financial records or cancelled checks documenting operational expenses.
- Match documentation.

All reimbursement requests must be submitted to the City and be signed by authorized person(s). All requests for payments should be submitted directly to the Community Development Office. Sub-recipients should note that reimbursement requests are honored within 30 days. Reimbursement might take longer in cases where the sub-recipient fails to submit appropriate documentation, or when the amount being requested does not reflect in the approved budget. When in doubt, contact the Community Development Office for assistance. Community Development Office staff will contact the sub-recipient via email or by phone if there are questions regarding what has been submitted.

7.6 Matching Requirements

Each ESG grantee must match the funding provided by the City with an equal amount of funds from other sources. The regulations at 42 U.S.C. 11375(a) contain the requirements for the ESG funding match. In calculating the amount of matching funds, a grantee may include the value of any donated material or building, the value of any lease on a building, any salary paid to staff to carry out the program of the recipient, and the value of the time and services contributed by volunteers to carry out the program.

(a) The value of donated land and buildings shall not exceed its fair market value at the time of donation to the recipient as established by an independent appraiser (e.g., certified real property appraiser or General Services Administration representative) and certified by a responsible official of the recipient.

(b) The value of donated materials for the rehabilitation or conversion of an ESG shelter may be counted as match. Materials must have been purchased with non-federal funds. The sub-recipient must use its normal cost estimating procedures to determine the value of materials, and must document its value determination.

(c) The reasonable value of the use of site preparation and rehabilitation equipment donated to an ESG shelter may be counted as match. Documentation of the match must include a letter from the equipment owner stating the rental rate and number of hours/days donated.

(d) Volunteer services furnished by professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as cost sharing or matching if the service is an integral and necessary part of an approved project or program. Rates for volunteer services shall be consistent with those paid for similar work in the recipient's organization. In those instances in which the required skills are not found in the recipient organization, rates shall be consistent with those paid for similar work in the labor market in which the recipient competes for the kind of services involved. In either case, paid fringe benefits that are reasonable, allowable, and allocable may be included in the valuation.

All requests for reimbursements must reflect a match expenditure from the sub-recipient equal to or more than the ESG funds being requested. If the sub-recipient provides evidence of either cash or in-kind match expenditure with the request for reimbursement, the same documentation required for reimbursement must be submitted with the match.

7.7 Procurement Procedures

In December 2013, the US Office of Management and Budget (OMB) issued comprehensive grant reform rules titled "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards." Final guidance is codified at 2 CFR part 200. With that issuance, there were important updates made to specific areas of Uniform Guidance. Procurement is one of the areas that had significant changes. The procurement sections of the Uniform Guidance, are located at 2 CFR 200.318. The principal general standards require the following:

- Every non-federal entity receiving federal awards must have documented procurement procedures that reflect federal law, Uniform Guidance standards, and any state regulations.
- Entities should focus on the most economical solution during the procurement process, and must avoid using federal funds for the acquisition of unnecessary items. Organizations are encouraged to consider the use of shared services and intergovernmental agreements to foster greater economy and efficiency.
- Written conflict-of-interest policies are required. No employee or agent of the entity may participate in the selection, award, or administration of a contract funded by federal grant dollars if he or she has an actual or apparent conflict of interest.
- The organization must document the procurement steps and activities required to be completed. This includes the basis for the type of procurement, contract type, and the basis for the contractor selection and price.
- Ultimately, the recipient of federal awards must maintain an appropriate level of oversight to ensure that contractors perform in accordance with the terms of their contract.

(a) ESG subrecipients must procure materials in accordance with the requirements of 2 CFR 200. Subrecipients will provide to the City, documentation evidencing adoption of procurement standards in compliance with provisions of federal law as now in effect, and as such law may be amended during the term of the contract, including but not limited to, 24 C.F.R. Part 85, 24 C.F.R. §570.489, and 2 C.F.R. §§200.317 through 200.326. Such procurement standards must include written standards of conduct covering conflicts of interest and governing the actions of Subrecipient's employees engaged in the selection, award and administration of contracts.

(b) The Grantee shall provide goods and services in accordance with a written agreement. For Grantees who are administering a portion of a ESG funded program, any sub-contracts must include at a minimum the following provisions:

i. Use of the ESG funds. The Contract must describe the use of the ESG funds, including the tasks to be performed, a schedule for completing the tasks, a budget, and the length of the Contract.

ii. Program requirements. The Contract must list the requirements applicable to the activities the contractor is administering.

iii Duration of the Contract - The Contract must specify the duration of the Contract Generally, the duration of a contract should not exceed two years

(c) Types of Purchases

i **MICRO-PURCHASE** – The acquisition of goods or services that do not exceed $3,000 (or $2,000 for acquisition for construction involving the Davis-Bacon Act) Micro-purchases may be awarded without soliciting competitive quotations if the subrecipient considers the price to be reasonable When practical, the entity should distribute micro-purchases equitably among qualified suppliers

ii **INFORMAL PURCHASES (BETWEEN $3,000 AND $24,999)** - Informal purchasing procedures are acceptable, but price or rate quotes must be obtained from an adequate number of sources The buyer may solicit these informal purchases without formal advertisement However the objective, still, is to obtain the necessary item at the lowest possible cost. In making informal purchases of goods or services the buyer must obtain three competitive written quotations, when possible, using email, telephone, fax, mail, or a standard quotation form Prior to the performance of any professional services, a written request for statements of qualifications must be sent to at least 3 firms that offer the type of service the subrecipient wishes to procure Copies of documentation must be on file Professional service contracts must be awarded solely on the basis of qualifications and cost

iii **PROCUREMENT THAT REQUIRES BIDDING** - Procurement of equipment, non-professional services and construction contracts whose total cost is more than $25,000 must formally advertise for sealed bids or competitive proposals and a public bid opening in a newspaper of general circulation

1 ADVERTISEMENT REQUIREMENTS - The invitation to bid must be published in a newspaper of general circulation at least 14 days prior to the public bid opening The cost of publication is a reimbursable administrative expense

2 BID SOLICITATION - Bid Solicitation must be a free, open competitive process Every effort must be made to solicit minority and female businesses The Grantee should not structure its procedures in order to keep business "in town" Absolute fairness must prevail in every aspect of the program, and any questions concerning conflict, or apparent conflict of interest should be discussed with the City

3 BID SELECTION - **A minimum of three (3) bids must be received. Bids** will be opened on the date and time previously established A bid tabulation form will be prepared The owner will select the lowest qualified bid **The City requires that the project be re-bid if there are not at least three (3) valid bids in response to the invitation for bids. If after having re-bid the contract or service only one (1) bid is received: then the bid may be accepted.**

iv NONCOMPETITIVE PRURCHASES: - Also known as sole-source procurement, this may be appropriate only when specific criteria are met Examples include when an item is available only from one source, when a public emergency does not allow for the time of the competitive proposal process, when the federal awarding agency authorizes, or after a number of attempts at a competitive process, the competition is deemed inadequate

7.8 Reallocation

The City reserves the right to reallocate ESG funds as provided for in the federal regulations governing the program in order to ensure that the funds provide the maximum benefit to the City's homeless population Funding (grant award) reallocations will be made on the basis of the City's determination of the best use of available funds

7.9 Contracting/Subcontracting

The use of debarred, suspended, or ineligible contractors in association with ESG project activities is prohibited The provisions of 24 CFR Part 24 relating to the employment, engagement of services, awarding of contracts, or funding of any contractors or subcontractors during any period of debarment, suspension, or placement in ineligibility status apply and are enforceable under the ESG Program

7.10 Amendments

Any proposed changes which would affect the scope of work of the projects or activities described in the sub-recipient's application must be approved in writing by the City Modifications or changes to the scope of work or activity will not be approved by the City if it is determined that the change will substantially modify the approved application as selected through the competitive process

7.11 Budget Revisions

Any changes in the sub-recipient's budget of any line item must be approved, in writing by the City prior to any expenditures of ESG funds Sub-recipients must submit a written explanation of the proposed budget change Budget revisions will not be accepted for the following changes:

- An increase in Street Outreach or Shelter funding
- A decrease in Rapid Rehousing funding

The City approves applications based on a maximum level of funding (60%) for Street Outreach and Shelter categories and a minimum level of funding (20%) for Rapid Re-Housing activities

7.12 Grant Close-Out Procedures

At the end of each grant period sub-recipients must provide close-out documentation as required by the City Included shall be a certification of actual expenditures charged to the grant and beneficiary information Close out documents shall be provided to the City within 60 days of the end of the grant period

SECTION 8: MONITORING OVERSIGHT

8.1 Monitoring

The City, as administrator of the ESG program, is required to monitor recipients for compliance with ESG regulations Using techniques, guidelines and Federal regulations at 24 CFR Part 576 from HUD's Monitoring Guidance for the ESG Program, the City has developed a process that includes the following components, to determine the type of monitoring to be conducted during the year:

- Application Process: Some documents and budget issues necessary for compliance are required at the time of application for funding and are reviewed for compliance standards;
- Written Agreement: the City incorporates into the Written Agreement many of the policy issues that are areas of concern to HUD and the City These agreements, signed by authorized agency personnel, represent their willingness to comply with these issues
- Draw Process: Draw processes for reimbursement of funds have been created to include various areas of compliance required by HUD Draw reports will be reviewed for eligible costs prior to the actual request of funds from HUD;
- Desk Audit: A desk audit is the first step of monitoring recipients each year. Compliance issues considered on this assessment will be combined with any non-compliance or outstanding problems noted during the year and will be used to determine whether an on-site visit will be necessary A Desk Audit, which includes a review of draw reimbursement requests, financial statement review by the City's fiscal analysist, and the entity's Risk Assessment Form which will determine if an agency is a Low-, Medium- or High-Risk Agency and is warranted an on-site compliance review
- Risk Assessment: Program staff will conduct a risk assessment of agencies receiving ESG funds at beginning of grant year to determine the need and frequency of site visits during the upcoming grant year. Included in the assessment will be a determination of risk (low, medium or high) using factors such as financial and program issues, allocation amount, and other discretionary criteria The City s Risk Assessment Form will be completed for each agency receiving ESG funds At a minimum, agencies considered High-Risk will receive an on-site review at least annually.
- On-Site Review: On-site visits for certain aspects of compliance-such as facility verifications, equipment inventory, review of client files and accounting records that cannot be monitored by other components of the grant process will be conducted as scheduling allows
- Follow-up of non-compliance issues: the City shall conduct an exit interview at the end of a compliance review and shall issue a follow-up monitoring letter within 30 days of the visit The City will inform the sub-recipient of any findings, concerns or recommendations, and will include instructions on actions to be taken by the sub-recipient in order to be in compliance with program regulations If necessary office staff may conduct a follow-up review to ensure procedures have been implemented that will ensure compliance with the program

Attachments:

Attachment 1 – Homeless Management Information System (HMIS) Policies and Procedures

Attachment 2 – Attached booklet titled "Protect Your Family From Lead In Your Home" or found at the following link: https://www.epa.gov/sites/production/files/2014-02/documents/lead_in_your_home_brochure_1and_b_w_508_easy_print_0.pdf

Attachment 3 – Attached single-page Lead-Based Paint Visual Assessment Form, or found at the following link: https://www.hud.gov/sites/documents/2012FORM5_2_PDF.PDF

Attachment 4 – Attached Housing Quality Standards form, or found at the following link: https://www.hud.gov/sites/documents/DOC_11775.PDF

Homeless Management Information System (HMIS)

Policies and Procedures

HMIS Administered by:

Chattanooga Regional Homeless Coalition

Chattanooga Regional Homeless Coalition

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Purpose

This document provides the policies, procedures, guidelines, and standards that govern the Homeless Management Information System. HMIS staff will provide each HMIS Member Agency providers with a copy of this document. As a condition of participation, each HMIS Member Agency is asked to adhere to all policies within the document as signed in the HMIS Membership of Understanding (MOU).

Exceptions

In order to mitigate risk from participation in the HMIS system, HMIS leadership has the right to grant exemptions to any HMIS policy only in the following instances:

- unique circumstances/programs not encountered before by HMIS staff,
- public policy decisions needing some considerations,
- or in need of quick time lines for implementation.

No other instances will be considered.

Acknowledgments

HMIS would like to thank its many statewide and national colleagues who have shared their policies with us as we were in development of this document. We would also like to the HMIS Member Agencies and local community planners for their thoughts, ideas, and work to help draft and revise this document.

Glossary

This glossary includes a list of terms that will be used throughout this document and by the HMIS staff.

Agency Administrator (AA) – A person designated by a HMIS Member Agency Executive Director/Chief Executive Officer who acts as a liaison and contact person to the HMIS staff.

End User (EU) – Any user who has an active license to HMIS. This can include Agency Administrators.

HUD - Acronym used to refer to the Department of Housing and Urban Development.

HPRP - Acronym used to refer to Homeless Prevention and Rapid Re-housing Program

Member Agency – An agency who has signed all HMIS agreements and who is actively entering data into the system.

Prospective Member Agency – An agency who has inquired about joining HMIS.

ROI - Acronym used to refer to a Release of Information

HMIS - Acronym used to refer to the Homeless Management Information System

Section 1: Historical Perspective

Introduction

The concept of HMIS was a brainchild of the United States Congress and the Department of Housing and Urban Development (HUD). In 1999, Congress mandated the Department of Housing and Urban Development (HUD) find a way to adequately track the scope of homelessness in the United States in the HUD Appropriations Act. The following year, the Department of Housing and Urban Development (HUD) mandated that each community implement or be in the process of implementation of a Homeless Management Information System (HMIS) by October 2004.

HMIS is a secure web-based centralized database where non-profit organizations across our community enter, manage, share and report information about the clients that they serve. It is similar to an electronic health record system in a hospital. The HMIS staff provides training and technical assistance to HMIS Member Agency providers and their users.

Senate and House Appropriations Committee reports have reiterated Congress' directive to HUD to: 1) assist communities in implementing local Homeless Management Information Systems (HMIS), and 2) develop an Annual Homeless Assessment Report (AHAR) that is based on HMIS data from a representative sample of communities. Most recently, Congress renewed its support for the HMIS initiative and the AHAR in conjunction with the passage of the Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Appropriations Act of 2006 (PL 109-115).

In addition to Congressional direction HUD, other federal agencies and the U.S. Inter-agency Council on Homelessness requires HMIS under various statutory authorities and Congressional direction to collect information about the nature and extent of homelessness. Individual programs authorized under the McKinney-Vento Act require the assessment of homeless needs, the provision of services to address those needs, and reporting on the outcomes of federal assistance in helping homeless people to become more independent. The major congressional imperatives in HUD's McKinney-Vento Act programs are:

- Assessing the service needs of homeless persons;
- Ensuring that services are directed to meeting those needs;
- Assessing the outcomes of these services in enabling homeless persons to become more self-sufficient; and
- Reporting to Congress on the characteristics of homeless persons and effectiveness of federal efforts to address homelessness

HMIS Program Goals

Measure the Extent and Nature of Homelessness

The first goal is to inform public policy makers about the extent and nature of the homeless population in our community. This is accomplished through analysis of homeless client and service provider data. HMIS gathers an unduplicated count of those accessing services, service trends, bed utilization rates, re-entry rates, and HMIS system usage. All data is provided in an aggregated (void of any identifying client level information) format and made available to public policy makers, service providers, advocates, and consumer representatives.

Streamline the Intake and Referral Process for Human Service Agencies

The second goal is to streamline the intake and referral process for human service agencies in the community. HMIS provides a standardized mechanism for collecting client information across all providers. Human service providers collect the same client information and then the client can share that information at each program with additional service providers for greater ease of service. As part of the system, a service provider can send an electronic referral to another agency. This streamlined process allows for the development of centralized in-take centers where agencies can store assessments, refer to other programs, and follow clients longitudinally with a shared information system.

Provision for In-depth Case Management by Sharing Client Information

The third goal is to allow for in-depth case management through the sharing of client information in a centralized system. HMIS provides a standardized mechanism in which human service providers collect information and then share it among every participating human service agency to assist clients more efficiently and effectively.

Inventory Homeless Housing

Finally, the fourth goal is to inventory homeless housing options in the community. HMIS captures this inventory and allows for real-time collection and tracking of emergency shelter, transitional housing, and permanent supportive housing.

Section 2: HMIS Roles & Responsibilities

Role

(HMIS) is to act as the Homeless Management Information System (HMIS) Lead Agency for the community.

In addition to acting as the HMIS Lead Agency, the role of HMIS is to provide training and technical support to HMIS Member Agency providers. Lastly, HMIS staff coordinate and participate in numerous projects annually regarding data collection and performance measurement.

Responsibilities

HMIS is responsible for coordinating the following items on behalf of HMIS Member Agencies.

- **All software related issues to the software vendor** - This includes all communication with the vendor including phone, email and conferences as well as submitting feature enhancement requests from HMIS Member Agencies.
- **User training** - HMIS staff is responsible for all End User training. This is to ensure continuity and consistency with training as well as to ensure the proper workflow for HMIS Member Agencies.
- **Technical support as it relates to the software or project** - HMIS staff is responsible for providing technical support to Agency Administrators and End Users. Technical support services attempt to help the user solve specific problems with a product and do not include in-depth training, customization, reporting, or other support services.
- **Data quality initiatives** – Together, Member Agencies and HMIS staff work diligently on adhering to data quality standards in order to ensure that reports both at the provider level and the system level are complete, consistent, accurate, and timely.
- **System-wide reporting on performance measures for local, state and national initiatives** - HMIS staff train HMIS Member Agencies on how to access and run reports on the data they contribute to the HMIS. Additionally, reports are provided to local community planners monthly and to statewide and national partners quarterly and annually. These data are in an aggregate format and details the trends on how clients are being served in the community.

Annual Projects

HMIS coordinates and/or participates in numerous projects annually that include data collection and reporting. Below is a list of current HMIS projects:

- **Annual Homeless Assessment Report (AHAR)** - The Annual Homeless Assessment Report (AHAR) is a report submitted to the Department of Housing and Urban Development (HUD). Data are then submitted to the U.S. Congress detailing the extent and nature of homelessness in the United States. It provides counts of the homeless population and describes their demographic characteristics and service use patterns. The AHAR is based primarily on data from Homeless Management Information Systems (HMIS) in the United States.
- **Emergency Food and Shelter Program (EFSP)** - These funds originate from the Federal Emergency Management Agency (FEMA), but are overseen by a National EFSP Board. The Emergency Food and Shelter Program (EFSP) is a national program that provides additional funds to existing shelters, food pantries, soup kitchens and financial assistance providers.
- **Housing Inventory Chart (HIC)** - The Housing Inventory Chart (HIC) is an annual report submitted to the Department of Urban Development (HUD) that lists all homeless emergency, transitional, safe haven, shelter plus care, and permanent supportive housing bed in our Continuum of Care (CoC).
- **Homelessness Pulse** - Generated on a quarterly basis, this report, similar to the AHAR, provides real-time information on service usage and trends to the Department of Housing and Urban Development.
- **Homeless Point In Time (PIT)** - Bi-annually our Continuum of Care (CoC) is responsible for counting and surveying the homeless population on a given day and submitting those data to local, state and federal government entities. These data are used to estimate the number of individuals in our community experiencing homelessness.
- **Project Homeless Connect (PHC)** - Project Homeless Connect (PHC) is a one-day event where local services come together in one location to provide services to homeless and at-risk clients. HMIS staff coordinate data collection and reporting for the event as well as logistical technical support.

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Section 3: HMIS Member Agency Role & Responsibilities

"HMIS Member Agency" is the term given by the HMIS staff to reference participating health care and/or human service providers who actively enter data into the HMIS.

Participation Requirements

Policy 3.1: A qualified HMIS Member Agency is required to sign and abide by the terms of the HMIS Member Agency Agreement, the HMIS HIPAA Agreement, and the HMIS Policies and Procedures.

Procedure: Any organization that provides a health and human service may qualify to participate in HMIS. To participate in HMIS, Member Agencies must sign and agree to abide by the terms of the HMIS Member Agency Agreement and the HMIS HIPAA Agreement. They must also abide by the policies and procedures outlined in this document as well as the End User Agreement.

All Member Agencies which receive funding from the United States Housing and Urban Development Department (HUD) are mandated to participate in HMIS by contract. For other agencies, participation is voluntary and strongly encouraged by the local CoC.

HMIS Business Agreement

Policy 3.2: The HMIS Business Agreement must be signed by an authorized representative of each HMIS Member Agency.

Document: The HMIS Business Agreement is a legal contract between the HMIS Member Agency and the HMIS Lead Agency regarding specific HMIS guidelines and use. The agreement outlines specific details about the HMIS Member Agency providers' HMIS involvement including, but not limited to, the areas of confidentiality, data entry, security, data quality and reporting.

Procedure for Execution.

1. The Agency's Executive Director (or authorized officer) will sign two copies of the HMIS Member Agency Agreement and mail them to the HMIS Lead Agency.
2. Upon receipt of the signed agreement, it will be signed by the HMIS Lead Agency director.
3. One copy of the HMIS Member Agency Agreement will be scanned and filed both hard copy and electronically with the HMIS Lead Agency. The original copy will be mailed back to the HMIS Member Agency.

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HIPAA Agreement

Policy 3.3: The HIPAA Agreement must be signed by the Executive Director (or authorized representative) of each HMIS Member Agency.

Procedure: The HIPAA Agreement is a HMIS document required by all HMIS Member Agency providers who partner with HMIS. This document details the basic business practices of the HIPAA rules to be followed by each HMIS Member Agency. The document further explains that each HMIS Member Agency will be working with other HMIS Member Agency providers who are HIPAA covered entities. All HMIS End Users will adhere to the basic business practices under HIPAA as it relates to client confidentiality, privacy, and security.

1. The Agency's Executive Director (or authorized officer) will sign two copies of the HMIS HIPAA Agreement and mail them to the HMIS Lead Agency.

2. Upon receipt of the signed agreement, it will be signed by the HMIS Lead Agency director.

3. One copy of the HMIS HIPAA Agreement will be scanned and filed both hard copy and electronically with the HMIS Lead Agency. The original copy will be mailed back to the HMIS Member Agency.

Agency Staff Roles and Requirements

Policy 3.4: For a Member Agency with more than 5 employees and licensed end users, the Member Agency will assign both an Agency Administrator and a back-up Agency Administrator to coordinate HMIS activities for their organization.

Procedure: The Executive Director (or authorized officer) of the Agency will complete the Agency Administrator Designation Form to assign the position to a specific staff person. This role is vital to the success of HMIS at the HMIS Member Agency locations. This practice will ensure that the data is entered in a timely manner, the quality of the data is continuously monitored, and communication and support between HMIS and the HMIS Member Agency is streamlined.

An Agency Administrator is the staff member at a HMIS Member Agency provider who acts as the centralized contact for the HMIS staff.

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Agency Administrator Role and Responsibility. The Agency Administrator role is to act as the operating manager and liaison for the HMIS system at the HMIS Member Agency. This position is required for any Member Agency with 5 or more active licenses. They are responsible for the following items:

- Adhere to and enforce the HMIS Policies and Procedures.
- Attend at least one Agency Administrator Training.
- Maintain current user license in the system by completing the training assignments within 5 days of training and login to the system at least once every 60 days.
- Communicate and authorize personnel and security changes for HMIS End Users to HMIS Staff within 24 hours of a change.
- Act as the first tier of support for HMIS End Users.
- Ensure client privacy, security, and confidentiality for clients.
- Enforce HMIS End User Agreements.
- Ensure the HMIS Privacy Notice is posted in a visible area of the Agency and communicated in a language understandable by clients.
- Enforce data collection, entry, and quality standards.
- Ensure a basic competency with running HMIS system reports and have an understanding of system wide data quality reports.
- Ensure Agency and all users are using the correct HMIS related forms and following the most current HMIS procedures and work flow.
- Attend all HMIS required meetings and conference calls.
- Assist with HMIS projects as needed (AHAR, PIT, EHIC, and Pulse).
- Schedule/Authorize HMIS End User Training.
- Inform HMIS Staff of all program changes with at least 5 business days prior to the change.

Policy 3.4.1: For Member Agency with less than 5 employees and licensed end users, an Agency Administrator is not required, but at least one HMIS Point of Contact is required to communicate with the HMIS staff.

Point of Contact Role and Responsibility. The Point of Contact role is very similar to the Agency Administrator role, but without the technical support aspect. The HMIS staff will fulfill the role of help desk support and triage. A Member Agency should designate a primary and a back-up Point of Contact. The HMIS Point of Contact and is responsible for the following items:

- Adhere to and enforce the HMIS Policies and Procedures.

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- Enforce HMIS End User Agreements.
- Ensure client privacy, security, and confidentiality.
- Communicate and authorize personnel/security changes for HMIS End Users to HMIS Staff within 24 hours of a change.
- Authorize HMIS End Users by completing the HMIS End User Request Form prior to trainings.
- Ensure Agency and all users are using the correct HMIS related forms and following the most current HMIS work flow.
- Inform HMIS Staff of all programmatic changes with at least 5 business days prior to the change.
- Ensure the HMIS Privacy Notice is posted in a visible area of the Agency and communicated in a language understandable by clients.
- Attend all HMIS required meetings and conference calls.
- Assist with HMIS projects as needed (AHAR, PIT, EHIC, and Pulse).

Policy 3.5: A HMIS Member Agency will ensure that at least one person will complete training in order to receive a license to access live client data in HMIS.

Procedure: Once the Agency Administrator/Point of Contact position has been assigned, she or he will be able to work with HMIS Staff to assign End Users and authorize additional licenses for the HMIS Member Agency. The End User will complete training and then be responsible for the timeliness of the data being entered and the quality of the data they enter.

An End User is a term used to refer to all HMIS users at a HMIS Member Agency.

HMIS End Users Roles and Responsibility. Every HMIS End User must attend at least one training and sign a HMIS End User Agreement. This should be completed within 5 business days of training.

Every HMIS End User is responsible for the following items:

- Adhering to all of the policy and procedures outlined in this document
- Attending all trainings required by HMIS staff and the HMIS Member Agency Administrator.
- Entering quality data in a timely and accurate manner.
- Adhere to the data requirements set by the HMIS staff and the HMIS Member Agency.

Initial HMIS Staff Site Visit

Policy 3.6: Prior to signing the HMIS agreements, a prospective HMIS Member Agency will first schedule and complete an on-site Initial HMIS Site Visit at the prospective Member Agency.

Procedure: Prior to signing the Agreements for participation, a prospective HMIS Member Agency provider will first schedule and complete an on-site initial HMIS site visit at the prospective Member Agency. This site visit is between the HMIS staff, the prospective HMIS Member Agency Executive Director and other HMIS Member Agency critical staff at the prospective HMIS Member Agency location. Other staff may include data entry staff, supervisors, managers, intake workers, or case managers. The prospective HMIS Member Agency should include any staff they feel is necessary to HMIS data entry, data quality or the reporting process.

At this site visit, HMIS staff will document the goals of the prospective HMIS Member Agency in regards to HMIS (what do they want to achieve by using the system), go over the required data elements, review the policy and procedures, define entry requirements and set expectations. The site visit also allows HMIS staff to properly assess the prospective HMIS Member Agency providers work flow and user needs, specific implementation issues, and any constraints or risks that will need to be mitigated by the prospective HMIS Member Agency prior to going live. A site demo using a training version of the HMIS system may also be used (at HMIS staff discretion) during the visit to visually explain HMIS and its capabilities.

Minimal Technical Requirements

Policy 3.7: All HMIS End User workstations must meet minimum technical requirements in order for HMIS to be functional and to meet the required security specifications.

Procedure: The following details are the minimal set of technical requirements for hardware and Internet connectivity to the HMIS system. HMIS works with all operating systems.

Hardware:
- Memory: 4 Gig recommended, (2 Gig minimum), if XP – 2 Gig recommended, (1 Gig minimum)
- Monitor: Screen Display - 1024 by 768 (XGA)
- Processor: A Dual-Core processor is recommended.

Internet Connectivity:
- Broadband Internet Connectivity recommended (High Speed Internet)

Authorized Browsers:
- Firefox 3.5 or greater
- Internet Explorer 8.0 or greater
- Safari 4.0 or greater
- Google Chrome 5.0 or greater

Workstation Maintenance:
- Workstations should have their caches refreshed on a regular basis to allow for proper speed and functionality.
- Workstations should continue to be updated to the most current version of Java, as suggested by their software.
- Workstations may need their virtual memory increased.

HMIS Data Use

Policy 3.8: HMIS Member Agency providers will not violate the terms of use of data within HMIS system.

Procedure: HMIS Member Agency providers will not breach system confidentiality by misusing HMIS data. HMIS data is not to be used for any purpose outside the use of case management, program evaluation, education, statistical and research purposes.

Policy 3.8.1: HMIS Member Agency providers shall not use any data within HMIS to solicit clients, organizations, or vendors for any reason.

Procedure: At no time shall confidentiality of clients, organizations and vendors be violated by disclosing client information to non-members. Data in HMIS will not be used to solicit for volunteers, employees, or clients of any type. This information must not be sold, donated, given, or removed from HMIS for any purpose that would violate client, organization, or vendor confidentiality or put participants at harm or risk. Those found in violation of this rule will have their access to HMIS immediately terminated and the violation disclosed to all local government and funding entities.

Policy 3.8.2: HMIS Member Agency providers shall not sell any HMIS client, organization, or vendor data for any reason.

Procedure: At no time shall confidentiality of clients, organizations, and vendors be violated by selling any information. HMIS Member Agency providers shall not profit from disclosure of client, organization, or vendor information. Disclosure of information puts everyone at legal risk. Violation or breaches in HIPAA and 42 CFR regulations can result in fines and jail time. Those found in violation of this rule will have their access to HMIS immediately terminated and the violation disclosed to all local government and funding entities.

HMIS Corrective Action

Policy 3.9: If an HMIS Member Agency or any of its End Users have violated any HMIS policy, the HMIS Staff will implement an action plan upon discovery of the violation.

Procedure: Violations in HMIS policy may occur. HMIS Member Agencies will work to ensure violations in policy are prohibited. If a violation is discovered, it is the role of the HMIS staff to swiftly respond in order to prevent further violations from occurring or the current violation from harming clients or other HMIS Member Agencies. The HMIS staff will determine a course of action depending on the type and the severity of the policy violation.

Critical Risk (For example: Security Breach, Imminent risk to clients, Unresolved Data Quality Errors)
- HMIS System Administrator will suspend all HMIS Member Agency Active End User Licenses. Affected End Users will be suspended until retraining.
- HMIS Program Coordinator immediately reports the violation to the HMIS Lead Agency.
- HMIS Program Coordinator will contact the HMIS Member Agency in question to discuss the violation and course of action.
- HMIS Member Agency will be suspended until violation resolved and placed on probation for at least 90 days.
- HMIS Lead Agency will contact the HMIS Member Agency Contract Manager to discuss violation and action plan.

Medium Risks (For example: Grievance has been filed against HMIS Member Agency or general complaints that threaten or endanger clients.)
- HMIS Program Coordinator immediately contacts and reports to the HMIS Lead Agency to discuss the course of action and plan.
- HMIS Program Coordinator will contact the HMIS Member Agency in question to discuss the violation and course of action.
- The HMIS Lead Agency will contact the HMIS Member Agency Contract Manager to discuss violation and action plan.
- HMIS Member Agency will be placed on Probation for at least 90 days and possible suspension until violation resolved.
- If appropriate, HMIS System Administrator will suspend all HMIS Member Agency Active End User Licenses.

Low Risk (For example: Unresponsive HMIS Member Agency to HMIS Requests, Ceased Data Entry, Incorrect Bed List, End User Inactivity, and Timeliness Issues.)
- HMIS Program Coordinator immediately contacts and reports to the HMIS Lead Agency to discuss the course of action and plan.

- HMIS Program Coordinator will contact the HMIS Member Agency in question to discuss the violation and course of action.
- If appropriate, the HMIS Lead Agency will contact the HMIS Member Agency Contract Manager to discuss violation and action plan.
- If appropriate, HMIS Member Agency will be placed on probation for at least 90 days or until violation resolved.
- If appropriate, HMIS System Administrator will suspend all or some of the HMIS Member Agency End User Licenses in question.

Potential Courses of Action

Probation. The HMIS Program Coordinator will notify the Agency's Executive Director and HMIS Agency Administrator in writing to set up a one-on-one meeting to discuss the violation in question. During the meeting, an action plan will be developed and documented with relevant time frames outlined set to correct actions. If a training issue is identified, the HMIS Program Coordinator will coordinate further follow up with the End Users in question. The Member Agency will be on placed on probation, for a minimum of 90 days, where monitoring and auditing may be required and performed regularly during this period. Notification of probation will be communicated to all local contract managers.

Suspension.

Termination. If the Member Agency violates any policies deemed of critical risk and fails to achieve resolution within the probation period, the HMIS Staff will permanently terminate the Member Agency from HMIS. The HMIS Member Agency will receive a written notice to the Member Agency Executive Director outlining the termination, reasons, and effective date. Notification of the termination will be sent to all local contract managers. In the case of incurred data quality costs and/or transfer costs, the Member Agency will assume responsibility for payment.

Section 4: User Administration

HMIS End User Prerequisites

Policy 4.1: All End Users are required to have minimum set of basic computer competency and skills to adequately perform their data entry roles in HMIS.

Procedure: Each HMIS Member Agency Administrator should meet the skill requirements set forth in the Agency Administrator Minimum Qualifications White Paper. All other End Users should be prepared with basic computer competency/skills to adequately be able to use and navigate HMIS. Users will be evaluated for competency at the beginning of training. Users who do not have a minimum competency will be asked to leave training and seek a basic competency class. Basic computer competency classes can be found at a local library, community center, college, or business learning center. Once the user has completed the basic competency class, they can register and attend HMIS training. Upon return, they will be required to produce proof of attendance at the basic computing class.

Policy 4.2: All End Users should have had a background check prior to being assigned access to HMIS by a HMIS Member Agency.

Procedure: HMIS Member Agency providers are encouraged to have background checks on all staff and volunteers prior to assigning them access to HMIS. HMIS Member Agency shall review the received criminal history report before the end user signs-up for HMIS training. Background checks that come back with a criminal history should be carefully considered prior to giving them access to client information. **See policy 4.3.**

HMIS End User Agreement

Policy 4.3: No prospective end user will be given a license for HMIS if she or he has entered a plea of nolocontendere (no contest) or been found guilty of any fraud (including identity theft) or stalking related felony crimes punishable by imprisonment of one year or more in any state.

Procedure: A HMIS Member Agency should not risk the privacy and confidentiality of client information by allowing any individual convicted of a fraud or stalking related crime (fraud, identity theft, stalking) in any state. In the broadest sense, a fraud is an intentional deception made for personal gain or to damage another individual. An End User needs to be mindful of potential identity theft and improper usage and disclosure of client information. This policy will be taken under consideration and possibly waived if the prospective user has passed a State of Tennessee Level II Background Check.

An End User will be denied HMIS access if they meet any of the following, whether a judgment of guilt was withheld or not:

- has entered a **plea of nolo contendere (no contest)** to a fraud related felony crime (fraud, identity theft, stalking) punishable by imprisonment of one year or more.
- has entered a **plea of guilty** to a fraud related felony crime (fraud, identity theft, stalking) punishable by imprisonment of one year or more for crimes concerning.
- has **been convicted or found guilty** of a fraud related felony crime (fraud, identity theft, stalking) punishable by imprisonment of one year or more for crimes.

Policy 4.4: Any prospective end user who was a previous client of the same program he or she now intends to work or volunteer must not have resided at the facility or been a program participant in the last 6 months prior to gaining access to HMIS.

Procedure: The end user for most residential/homeless service programs must not have been a previous client of the same program he/she now intends in which work or volunteer for last 6 months prior to gaining access to HMIS. An end user should never have access to detailed information on program/service participants that may have received services at the same time as the end user. Any HMIS Member Agency who violates this rule is putting client information at risk of a privacy and confidentiality breach. Upon discovery of the practice, HMIS staff will immediately inactivate the end user in question and notify the agency administrator and end user of the inactivation in writing.

Policy 4.5: All End Users must be provided with a software license by and provided training through the HMIS staff prior to entering or accessing client data in HMIS.

Procedure: Due to the amount of personally identifying information and the confidential nature of the HMIS, every end user must be assigned a software license to access the system and their initial training must come from the HMIS staff. In order to receive a license, a potential end user must not violate HMIS policies 4.0 through 4.4. Furthermore, a condition of being granted a license is that all users must sign and adhere to an End User Agreement. This document outlines the role and responsibility of having and maintaining their access in HMIS. An End User who violates the End User Agreement will be immediately inactivated from HMIS and required to attend re-training to re-gain access.

License Administration

Policy 4.6: Notification of issuance and revocation of access within the HMIS is the responsibility of Agency Administrator.

Procedure: Agency Administrators are responsible for notifying the HMIS staff of a new user, change in user access, or deletion of user access within 24 business hours of their organization's needed change to HMIS access. Agency Administrators should work with the HMIS staff to ensure proper license access is given to qualified HMIS End Users. However, issuance, maintenance, and revocation of software license within the HMIS Lead Agency is the sole responsibility of HMIS staff.

Assignment of End User security settings. The HMIS staff will assign the security level of every end user based on the agreed upon security settings established by the Member Agency at the initial HMIS site visit. The Agency Administrator or Executive Director will assign access to individuals based on their role in the organization and needed access to HMIS. Assignments are best organized by the lowest level of security the staff or volunteer member would need to perform their normal work duties as defined by their official job/position description. If the user is to remain on the system, but has had a change in responsibilities, an Agency Administrator or Executive Director may request a change in any end users security setting.

Additional licenses/changes. All requests for new licenses must be submitted to the HMIS Member Agency Administrator or the HMIS Lead Agency. Request forms must be received and approved no later than 72 hours before the scheduled training date. All new licenses are issued only after a MOU and HIPAA Agreement have been signed by the HMIS Member Agency and the HMIS End User Agreement has been signed by the appropriate End User. Licenses are allocated on a first come-first served basis based upon agency size, use, and adherence to all policies and procedures set forth in this document. If there are no more licenses available, the user will have to wait until a license is available or the HMIS Member Agency may purchase a license for the End User.

Inactivity. An End User must successfully complete all assigned training homework within 5 business days after the initial training date and allow no more than 60 days between log in sessions on the live site to keep their license active. Any End User who is in violation of these rules will have their access inactivated by HMIS staff immediately and the user will be required to attend re-training prior to regaining access. They may be charged a license fee. If a license is no longer needed by the Member Agency, it will be distributed to the pool of available licenses open to all Member Agency providers. An inactivity report is generated and shared with the Agency Administrator.

HMIS Staff removing a user license for cause. HMIS reserves the right to inactivate or delete the license for any end user for cause. In all cases where a licensee is removed for cause, the assigned HMIS Member Agency Administer and Executive Director will be notified immediately via email with the stated cause of license removal. Reasons that a licensee would lose their license or otherwise have their license temporarily inactivated or revoked would include, but not be limited to:

- Multiple failed log on attempts in the same day.
- A consistent lack of good data quality.
- Three consecutive no call, no shows to scheduled training.
- Failure to log on to system at least once in a consecutive 60 day period.
- Sharing system credentials (log in and password) with any other party.
- Allowing non-authorized users to view any data from, have access to, see the screens of, or be provided any print outs of client data from HMIS.
- Other violations of these HMIS Policies.
- Other serious infractions that result in a compromise of the HMIS Member Agency and/or any client level data in the system.

Agency removing a user license. An End User license can only be deactivated by the HMIS staff. Requests for removal of a license by a HMIS Member Agency can only come from the Agency Administrator or Executive Director and the request must be submitted in writing through the HMIS User License Request Form. All license requests should be communicated to HMIS within 24 business hours after the end user has left the employment of the HMIS Member Agency, the end user has changed positions and is no longer in need of HMIS access, or has knowingly breached or is suspected of a system breach where client data has been compromised. Terminations should be submitted using the HMIS License Request Form.

Law Enforcement

Policy 4.8: No active member of law enforcement or detention and corrections staff will be an authorized End User of HMIS.

Procedure: To protect current clients who may be accessing health and human service programs from harassment or harm, active members of law enforcement will not be granted access to HMIS. Limited exceptions may be negotiated and an agreement executed with HMIS, the local COC, when there is a program with direct involvement in an active homeless jail diversion and/or prison release program. Any agreement with exceptions must include a statement that: HMIS use is (1) limited to the purpose for which it was intended; and (2) is only for work with program involved clients.

Former members of law enforcement who may volunteer or are employed at a homeless service provider post-law enforcement career may have access to HMIS if it is imperative to their new responsibilities. HMIS will consider and respond to requests by law enforcement with next of kin searches, searches for clients and in the interest of public safety a person(s) who law enforcement has probable cause or an active warrant for his/her arrest related, to a violent crime and other felony crimes. HMIS will provide law enforcement information related to evidence and information gathering concerning a criminal matter via Court Order, such as a search warrant or subpoena.

Section 5: Clients' Rights

Client Consent

Policy 5.1: A HMIS Member Agency must obtain consent from all clients for whom they are entering or accessing client data into HMIS.

Procedure: No client shall be entered into HMIS without written consent for their information to be entered or accessed in HMIS. The HMIS Member Agency agrees to get written permission on one or both of the following forms signed by the client: Informed Consent and or a Release of Information. All consent forms are not system-wide, but specific to the program/service they are receiving.

Informed Consent. The HMIS Client Informed Consent form is used to record a client's authorization for their data to be entered into HMIS. The original signed Client Informed Consent form should be kept by the HMIS Member Agency and protected from theft or loss. Member Agencies are required to use the HMIS Client Informed Consent form provided. Informed Consent explains to clients their rights and gets consent for data to be retained. HMIS End Users should strive to communicate informed consent in a language the client understands. The form must be completed by each member of the household receiving services who is over the age of 18. The head of the household may sign for any children or members of the household under the age of 18 on the same form. Once the written Informed consent is obtained, it must be recorded in HMIS. After it expires, all clients still receiving services will need to sign another HMIS Informed Consent Form and the data will need to be updated in HMIS. It is important to understand agencies cannot deny services to individuals solely on the basis of the individual deciding not to share information in HMIS.

Release of Information (ROI). The HMIS Release of Information (ROI) form is used to control how client data is shared in HMIS. It should be kept by HMIS Member Agency and protected from loss of theft. Member Agencies are required to use the HMIS Release of Information form provided. Release of information is specific to sharing data among providers in the Continuum of Care, as well as HMIS Member Agencies. Clients have the right to have their records open, partially open or closed. HMIS End Users should strive to communicate a release of information in a language the client understands. The form must be completed by each member of the household receiving services who is over the age of 18 who does not sign the Informed Consent. The head of the household may sign for any children or members of the household under the age of 18 on the same form. Once a written release of information is obtained, it must be recorded in HMIS.)If the client is still receiving services when the ROI expires and the client chooses not to sign the Informed Consent, but still wants to control how their data is shared, they will need to sign another HMIS Release of Information form and the data will need to be updated in HMIS.

Agencies must make reasonable accommodations for persons with disabilities throughout the data collection process. This may include, but is not limited to,

providing qualified sign language interpreters, readers or materials in accessible formats such as Braille, audio, or large type, as needed by the individual with a disability.

Agencies that are recipients of federal assistance shall provide required information in languages other than English that are common in the community, if speakers of these languages are found in significant numbers and come into frequent contact with the program.

Client Access to Information

Policy 5.2: All clients entered into HMIS have a right to view information within their electronic HMIS file.

Procedure: If a HMIS Member Agency has a written policy for providing copies of their paperwork or data collection to clients, the HMIS Member Agency may follow its procedures to allow for providing copies of the HMIS data they collected. Clients can request a copy of their information in writing to the HMIS staff through email or regular mail. Once received, the HMIS staff will fulfill the client's request in an expedited manner.

Filing a Grievance

Policy 5.3: Clients have the right to file a grievance with the HMIS staff about any HMIS Member Agency related to violations of access in HMIS, violations of HMIS policies and procedures, or violations of any law.

Procedure: HMIS staff will entertain any client who wishes to file grievance against any HMIS Member Agency. HMIS staff will request that a client fill out a HMIS Client Grievance Form, which can be obtained by contacting the HMIS staff by phone, email or regular mail. Once completed and submitted by the client, HMIS Staff will investigate the complaint and provide its findings to the client who lodged the grievance. HMIS will notify the parties involved about the alleged incident reported. If the client is not satisfied with the findings of the grievance, the client must submit a grievance request in writing to the U.S. Dept. of Housing and Urban Development.

Policy 5.4: Other HMIS Member Agencies have a right to file a grievance with the HMIS staff about any HMIS Member Agency related to violations of access in HMIS, violations of HMIS policies and procedures, or violations of any law.

Procedure: HMIS staff will entertain any HMIS Member Agency who wishes to file grievance against any other HMIS Member Agency. In cases where a client leaves one HMIS Member Agency to receive services from another HMIS Member Agency and the client reports a suspected violation, the new HMIS Member Agency does have a right to file a grievance or duty to warn the HMIS staff on behalf of the client as long as the client grants their permission to file a

grievance on their behalf. HMIS staff will request a HMIS Client Grievance Form be completed by either the client or the HMIS Member Agency. The form can be obtained by contacting the HMIS staff by phone, email or regular mail. Once completed and submitted by the client, HMIS Staff will investigate the complaint and provide its findings to the client who lodged the grievance. HMIS will notify the parties involved and the appropriate community planners about the alleged incident reported. If the client is not satisfied with the findings of the grievance, the client must submit a grievance request in writing to the U.S. Department of Housing and Urban Development.

Revoking Authorization for HMIS Data Collection

Policy 5.5: All clients who initially agree to participate in HMIS have the right to rescind their permission for data sharing in HMIS.

Procedure: Clients who choose to revoke their information sharing authorization must complete a new Release of Information. The new Release of Information should be sent by the Agency Administrator who will notify the HMIS Staff that the client record is to be "closed" in the system. The HMIS staff will be responsible for closing the client record from view. Once "closed", the HMIS Member Agency will no longer be sharing the currently collected set of client data being entered into HMIS with other Member Agency providers. The previously viewable data will still be seen and shared with other Member Agency providers. The new Release of Information should be kept on file by the Member Agency. In the case that after a Release of Information is signed and a client is accepted into a HMIS participating financial assistance program, the client must sign a client consent form and HMIS staff must be notified to re-open the client record for sharing.

Section 6: Privacy, Safety & Security

National Privacy Requirements

Policy 6.1: HMIS complies with all federal, state, local laws, standards, and regulations.

Procedure: It is imperative that partner agencies have policies and procedures in place that ensure compliance with applicable laws and regulations that govern their programs.

HIPAA Covered Entities. Any Agency that is considered a "covered entity" under the Health Insurance Portability and Accountability act of 1996, 45 C.F.R., Parts 160 & 164, and corresponding regulations established by the U.S. Department of Health and Human services is required to operate in accordance with HIPAA regulations. More information about 45 C.F.R. may be found at: http://www.hhs.gov/ocr/privacy/

42 CFR Part 2 Entities. Any Agency that is considered a "covered entity" under 42 C.F.R. Part 2, and corresponding regulations establishing by the U.S. Department of Health and Human Services is required to operate in accordance with the corresponding regulations. More information about 42 C.F.R. may be found at: http://www.access.gpo.gov/nara/cfr/waisidx_02/42cfr2_02.html

Domestic Violence (DV) Shelters. Any agency that is a victim service provider is barred from disclosing identifying information to HMIS as of 2007. More information about DV Shelters and HMIS may be found at: http://epic.org/privacy/dv/hmis.html

Other Entities. Any Agency that is NOT considered a "covered entity" under any of the above mentioned programs is required to operate in accordance with HMIS/HMIS privacy and security rules, as well as any applicable federal, state, local laws and regulations. More information about HMIS Privacy and Security Rules may be found at: http://www.hmis.info/Default.aspx?classicAsp=resources.asp&QStringcwd=234^ccid=1

Privacy Notice

Policy 6.2: HMIS Member Agency providers must post a HMIS Privacy Notice prominently on their websites and in areas of plain view of the public such as waiting rooms, intake areas, lobbies, or screening or assessment areas. HMIS Member Agency providers are required to provide a copy of the HMIS Privacy Notice to all clients upon request by the client.

Procedure: By law, HMIS Member Agency providers are required to post a Privacy Notice that discloses collection and use of Client Information. HMIS has developed a document for posting for providers without an adequate notice. The HMIS Privacy Policy and Notice are document in Appendix V.

System Security and Privacy Statement

Policy 6.3: The HMIS Lead Agency has implemented extensive technical and procedural measures to protect the confidentiality of personal information while allowing for reasonable, responsible, and limited uses and disclosures of data as recommended in the HMIS Data and Technical Standards.

Procedure: The security and confidentiality of homeless and at-risk client information within HMIS/I IMIS is a major issue. For certain providers and sub-populations, such as Domestic Violence Shelters, Substance Abuse Facilities and HIPAA Covered Entities, security and confidentiality of client information becomes even a much larger concern for all involved. The HMIS Data and Technical Standards, published June 30, 2004 and updated through March, 2010 by the U.S. Department of Housing and Urban Development (HUD), include extensive HMIS Privacy and Security Standards to be followed by Continuum of Services, Homeless Assistance Providers, and HMIS Software companies. These standards were developed after careful review of the Health Insurance Portability and Accountability Act (HIPAA) standards for securing and protecting patient information. The HMIS has and will continue to be in compliance with these Privacy and Security Standards even while not being considered a HIPAA covered entity as an HMIS Lead Agency.

Policy 6.4: HMIS secures the location of the server in a controlled hosting environment providing security from data loss and theft.

Procedure: HMIS contracts with a HUD approved software vendor to provide HMIS to the Continuum of Services. As a web based HMIS solution, the HMIS software and data-bases are hosted on secure servers in a highly secure computer room accessible only by very few employees who are responsible for maintaining and supporting the system. The vendor computers are also protected by firewalls to prevent unauthorized external access.

Policy 6.5: HMIS ensures that only appropriate staff and volunteers at HMIS Member Agency providers gain and retain system access through a user authentication process.

Procedure: As an internet based software system, each HMIS user accesses the system via their internet web browser. To access HMIS, each user must know the web address (URL) for HMIS, which is not available or published outside the community. Once on the website, each user must use a valid user sign on and dynamic password. All user names and initial temporary passwords are issued by HMIS staff only. Passwords are considered expired every 45 days and users are prompted for new dynamic passwords. Additionally, after three failed log in attempts, user ID's and passwords automatically become inactive and users must contact an Agency Administrator or HMIS staff for re-activation. Passwords are always encrypted and can never be seen in clear text.

Policy 6.6: HMIS secures data as it is traveling over the internet and stored on the centralized server by proving encryption for all data.

Procedure: As a cloud or web based software system, it is imperative that all data travel through the internet encrypted or unreadable to an outside user. All HMIS transactions are fully encrypted using Secure Socket Layer (SSL) with 128 bit encryption. This is the highest commercially available encryption level and is the same as used by financial institutions. Users can be assured that the data they are interacting with is secure by noticing the URL, or Web Address while using HMIS begins with the letters HTTPS.

Policy 6.7: HMIS staff, in conjunction with the HMIS Member Agency Administrator, ensures that all End Users have access to the components of the system appropriate for their level of data usage.

Procedure: The HMIS software has a built-in security system that ensures each user only has the minimum access needed to perform their normal duties. Each HMIS End User is assigned a security level in their user profile that grants them access to only the areas they need to accurately do their work. A change to the level of system security for an end user may only be requested by an Agency Administrator or Executive Director for which the end user works.

Policy 6.8: HMIS staff use audit trail tools to ensure system oversight, investigate privacy, or security breaches or filed client grievances.

Procedure: The HMIS software has built-in audit trail applications that allow administrators to audit use and access of data. Audit reporting is an integral part of maintaining system security protocols and is performed on a scheduled basis by HMIS staff.

Policy 6.9: The HMIS is a shared information system with its default visibility and deny security exceptions preset by HMIS staff based on the work flow of the Member Agency.

Procedure: Pursuant 42 and 45 CFR notwithstanding, HMIS is an open or shared HMIS system. The default visibility settings for clients will be set to OPEN for all HMIS clients that are not registered or receiving services from any 42 or 45 CFR facility or program. If client is enrolled in a 42 or 45 CFR covered entity program, program visibility settings will be set in accordance to applicable laws.

The HMIS system utilizes a set of Visibility Settings that allow sharing of only agreed upon data elements among the participating HMIS Member Agencies.

The HMIS system utilizes a set of Deny Exceptions that disallow sharing of certain information by provider programs based upon federal, state, or local laws and guidelines, and by agreement with each HMIS Member Agency provider.

System Visibility settings may only be changed by the HMIS staff. Requests to change visibility settings must be made via written request to HMIS staff. The HMIS System is constructed to offer a dynamic range of levels of security based on the needs of the agency and End User. As a default, End Users will only have enough security access to perform their normal job duties. Requests to change a user status must come from an HMIS Member Agency Administrator or Executive Director.

A client has the right to refuse to have his or her data entered into the HMIS database. The client's individual choice regarding participation will not affect his or her rights to services.

Data Ownership

Policy 6.10: All data is governed by the owner(s) of the data with regard to data use and disclosure.

Procedure: The client ultimately retains ownership of any identifiable client-level information that is stored within *HMIS*. If the client consents to share data, the client, or agency on behalf of the client, has the right to later revoke permission to share her or his data without affecting rights to service provision.

Section 7: User Training

HMIS Training Process

Policy 7.1: All End Users are required to have a basic computer competency prior to attending any HMIS training.

Procedure: Prior to being sent to HMIS training, all End Users should have a basic computer competency. End Users should be able to turn on/off a computer, use a mouse and keyboard, launch a browser, enter a URL, and navigate the World Wide Web. End Users who cannot complete these tasks should be sent to a basic computer competency class prior to be scheduled for HMIS training. HMIS staff will verify the competency of all users prior to training.

Policy 7.2: HMIS Lead Agency has established beginning, advanced, and ongoing training requirements for system users and agency administration.

Procedure:

Beginning Training

- System users *must* attend Beginning Training before accessing the system. Beginning Training is designed to give users an introduction to the system.
- A staff person may attend a specific training, depending on their role within the agency. Training modules are developed on skill level and type of access to the system.
- Under no circumstances should anyone in the agency who has not received official training by HMIS Administration have access to or use the HMIS.

Privacy Training

- Privacy Training, which has now been integrated into the Beginning Training curriculum, is mandatory for all system users.
- This training is designed to ensure that the user safeguards the privacy/confidentiality of the client when accessing the system. The user is instructed on obtaining Client Consent/ Release of Information and the appropriate use and disclosure of client data. The user also receives instruction on maintaining the privacy of his/her username and password.

Reporting Training

- Training for canned and customized reports is available to advanced users. This training must be requested by the HMIS Member Agency.

Onsite Training: HMIS staff is available to deliver onsite training in the event that an agency has a large number of staff to train or wants a specific topic covered.

Section 8: HMIS Technical Support

Policy 8.1: The Homeless Management Information System staff will provide a system that will allow End Users to request technical assistance, general HMIS related inquires, training and work flow questions, and data quality assistance.

Procedure: All requests for technical assistance must be submitted through the HMIS help desk tracking system or email. All tickets or emails will be answered during normal HMIS business hours, Monday through Friday, 8:30am to 5:00pm.

Policy 8.2: The HMIS staff will respond to all inquiries from Member Agencies and clients in a timely manner.

Procedure: Response times for technical assistance varies based on the item that is submitted and the priority associated. HMIS Staff reserve the right to adjust priority levels based on the issue type of the request.

Procedure: Response times for technical assistance varies based on the item that is submitted and the priority associated. HMIS Staff reserve the right to adjust priority levels based on the issue type of the request.

Normal Business Hours. Requests for routine system technical support will be honored on a first come-first served basis categorized in the following manner:

Issue Type	Type Definition	Tool to Report	HMIS Staff Response Time
Rapid Response	Users are unable to use system. For example: the system is down or the site is unreachable.	**Submit a service request or contact staff by phone.**	Immediate. No less than 12 hours.
Priority Response	Users can use the system, but one or more functions important to day-to-day operational use is severely affected. For example: password issues, permission issues, security issues, not accepting data, or screens have changed	**Submit a service request via email or helpdesk.**	Less than 24 hours.
Regular Response	A problem is noted, but users are able to use all functions in the systems without major difficulty. For example: reporting issues, general questions, work flow issues, data entry problems, change to a report, or change to screens.	**Submit a service request via email or helpdesk.**	Less than 48 hours.
Feature Enhancement	Users are able to use all functions in the system as normal, but are requesting an enhancement to the system that is currently not available.	**Submit a service request via email or helpdesk.**	Less than 48 hours.

After Hours. After hours and weekend requests will be treated as if the request was received at opening of the next business day. HMIS staff normal working hours for Technical Assistance are Monday through Friday, 8:30 am through 5:00 pm. Each HMIS can fill in hours. For after-hour requests, please contact your Agency Administrator.

Policy 8.4: HMIS staff will submit to the vendor all feature enhancement requests submitted through the proper channels from Agency Administrator(s) or End Users.

Procedure: It is a stated goal of HMIS to be as efficient and user-friendly as possible within the technical restraints of the system. Feature enhancement requests are welcomed and encouraged. Please submit all possible feature enhancements in the following manner:

- Begin by submitting a service request to a technician.
- Code the request type as a feature enhancement.

- Be as specific as possible in the request.
- If appropriate, describe the current work flow first and the suggested feature enhancement right after.
- If enhancement is for new system functionality, please describe a work flow and diagram as much as possible.
- If appropriate, please denote how much time savings would be achieved if the feature enhancement were to be enacted.
- If appropriate, please denote all of the possible benefits for your agency or End Users and other Member Agency providers if feature enhancement were to be enacted.

Policy 8.5: The Homeless Management Information System staff will hold mandatory periodic in person meetings or conference calls to discuss system changes and provide technical support.

Procedure: Agendas will be driven by submitted requests for agenda or discussion. All information, including agenda and instructions, will be sent to agency administrators via e-mail at least 48 hours before the meeting. All attendance records are open to review by local government entities and other community planners.

Section 9: Data Collection Process

Clients Served vs. Clients Benefiting from Service

Policy 9.1: All client data entered into HMIS by the Member Agency should be that of clients receiving services and/or its family in attendance.

Procedure: Clients entered into HMIS should consist of the clients in attendance at the day of enrollment into the program or services, and can consist of minors under the age of 18 if the legal guardian consents to their entry into HMIS. HMIS is not meant for adult clients who are not in attendance or may benefit from services at a later date. HMIS Member Agency providers should refrain from entering adult clients into HMIS that are not physically seen to be enrolled in the program or provided the service because they cannot give consent in absentia. For those providing financial assistance services per address, it is expected each member of the household receiving the service by the same address must provide consent and be entered as a household unit in HMIS and linked together using a service transaction, otherwise there is a risk of duplication of services. Data on all members of the family should be entered individually, but tied together as a household. The head of household can give consent for all minor children (under 18 years of age) in a family but cannot give consent for any adult members (over the age of 18). All adults must give their consent individually.

Data Entry Requirements

Policy 9.2: The Homeless Management Information System staff requires each HMIS Member Agency to enter client level data based on a set of predefined data standards.

Procedure: HMIS data standards are based on the most current revision of the HUD Homeless Management Information System (HMIS) Data Standards. Every program entering into HMIS must adhere to the requirements set by HUD and the local Continuum of Care. Every program entering data into HMIS is evaluated based on the following elements: completeness, consistency, accuracy, and timeliness. *Refer to Section 10 on Data Quality for details.*

Procedure for All Programs. Every HMIS Member Agency is required to enter the following Universal Data Elements in order to meet minimum standards. The elements required for every person who is entered in the system are: Full Name (First, Last), Social Security Number (full or partial), Social Security Data Quality, Date of Birth, Date of Birth Data Quality, Primary Race, Secondary Race, Ethnicity, Gender, Current Housing Status, Veterans Status, Disabling Condition, Prior Living Situation, Zip Code of Last Permanent Address (90 days or longer at a permanent residence), Zip Code Data Quality, Housing Status, Income Received in the past 30 days, if Yes, Amount and Source, Total Monthly Income, Non-Cash Benefits Received in the past 30 days, if Yes, Source.

Procedure for McKinney-Vento Funded Programs. HMIS Member Agencies who are funded through any of the programs below must meet the basic requirements set by HMIS and also meet additional Program Specific Data Elements (PSDE). Found at HUDHRE.com.

- Emergency Solutions Grant (ESG);
- Housing Prevention and Rapid Re-Housing Program (HPRP);
- Projects in Assistance of Transition from Homelessness (PATH);
- Supportive Housing Program (SHP);
- Shelter Plus Care (S+C);
- Section 8 Moderate Rehabilitation for Single Room Occupancy (SRO);
- Housing Opportunities for Persons with AIDS (HOPWA)

The additional elements to be collected include: Physical Disability, Developmental Disability, Chronic Health Condition, HIV/AIDS, Mental Health, Substance Abuse, Domestic Violence, Destination, Date of Contact (Street Outreach Only), Date of Engagement (Street Outreach Only), Financial Services Provided (HPRP only) and Housing Relocation and Stabilization Services Provided (HPRP only).

All providers receiving HUD funding must have at least one service transaction per client (for HPRP must have at least one service transaction under Financial Assistance and at least one under Housing Relocation and Stabilization). Every client must have a program entry and program exit and the UDE of income and sources and housing status must be recorded at program entry and program exit and at least one time during a year if in the program over a year.

Policy 9.3: All Housing Providers are required to maintain the most current bed inventory in HMIS. HMIS must be notified at least 5 days in advance of a change to any beds at the facility and client inventory in HMIS in real-time must reflect the most current program utilization.

Procedure: All Housing Providers must work with HMIS Staff to build accurate bed lists in HMIS. Each HMIS bed list should be assigned to the appropriate program (Emergency, Transitional, Permanent Supportive, etc.). If there are any changes to the bed lists, the Agency Administrator is required to notify the HMIS System Administrator at least 5 business days prior to the beds becoming available. Clients being assigned to beds or exited from beds in the system should be done in real time as the client is entering the program. In cases where clients are unable to be entered or exited in real time due to technical difficulties, all data must be current within 24 hours. Clients entering as families must be built as families in HMIS prior to bed entry and must be assigned together as part of the ShelterPoint module.

Optional Requirements

Policy 9.4: All member Agency providers are encouraged to record all Program-Specific Data Elements (PSDE) for all clients entered into HMIS even if not required for funding.

Procedure: Optional PSDE is a valuable area of the client record and part case management. Therefore, though not required, users are encouraged to complete these elements for each client, especially if the client is in a housing or financial assistance program. The optional PSDE include: Employment, Adult Education, General Health Status, Pregnancy Status, Veteran's Information, and Children's Education.

Client Self-Sufficiency Outcomes Matrix

Policy 9.5: Case Managers are encouraged to use the HMIS Client Self-Sufficiency Outcomes Matrix as an assessment tool for all clients that are entering and exiting a program.

Procedure: The Client Self-Sufficiency Outcomes Matrix is a newly offered optional assessment tool for each client in the HMIS system. The matrix is built with a series of assessment domains that a case manager may use to evaluate the strengths and weaknesses of a client as they begin and continue their case plans and assistance strategies. The domains to choose from include the following: Income Domain, Employment Domain, Shelter Domain, Food Domain, Childcare Domain, Children's Education Domain, Adult Education Domain, Legal Domain, Health Care Domain, Life Skills Domain, Mental Health Domain, Substance Abuse Domain, Family Relations Domain, Mobility Domain, Community Involvement Domain, Safety Domain, and Parenting Skills Domain. Case Managers utilizing this tool usually pick a series to focus on and then complete at entry, at several points during interim and finally at exit. Client Self-Sufficiency Outcomes Matrix training is part of Level 2 = Case Management training.

HMIS Client Photo ID Cards

Policy 9.6: Member Agency providers are encouraged to create and disseminate HMIS Client Photo ID Card for all clients being entered into HMIS.

Procedure: Some Continuums of Care have established the HMIS Client Photo ID Cards as the identification for all homeless clients in the system. Homeless and at-risk of homeless clients will be issued a HMIS Client Photo ID Card at their first point of entry in to the Continuum of Care. The cards may be issued at major continuum points of access such as day centers and one-stop centers or by other Member Agency providers when a service is rendered.

Policy 9.6.1: HMIS Member Agency providers are encouraged to accept the HMIS Client Photo ID Cards for all clients for which they are providing services as proof

of ID.

Procedure: In order for the Continuum of Services and clients to see the benefit of ID cards, HMIS Member Agency providers should be willing to generate, accept and ask for HMIS Client Photo ID Cards from clients. This will require some education to the clients about the use of the ID cards and how it will help them access services better. HMIS Client Photo ID Cards are covered in Level 3 training on SkanPoint.

Policy 9.6.2: HMIS Member Agency providers are encouraged to use the HMIS Client Photo ID Cards for all clients for which they are providing services as proof of ID to rapidly check them into services and programs.

Procedure: Using the bar code on the HMIS Client Photo ID Cards, scan technology can help HMIS Member Agency providers do business better. For low volume providers, scan technology can be used to access client records more quickly. For high volume providers, scan technology can be used to check people into like services rapidly.

Section 10: Data Quality

Data quality is vitally important to the success of the Homeless Management Information System. HMIS Member Agency providers and HMIS staff will work diligently on adhering to data quality standards in order to ensure that reports both at the provider level and the system level are complete, consistent, accurate, and timely. Adherence to set data quality standards will help bring additional funded dollars into our community as well as ensure our data reflects our communities level of service when reported locally, statewide, or nationally. Data quality will be evaluated on accuracy, completeness, consistency, and timeliness. This data will be used by the Continuum of Care to monitor progress towards meeting its indicators.

Policy 10.1: The Homeless Management Information System staff will evaluate the quality of all HMIS Member Agency data on the accuracy of the data entered monthly.

Procedure: Accuracy is the degree to which data correctly reflects the client situation or episode as self-reported by the client.

Policy 10.1.1: All client data entered into HMIS should reflect what the client self-reported or an accurate assessment of known information by a case manager, where indicated by the 2010 HMIS Data Standards.

Procedure: Data captured for entry into HMIS should be what was client self-reported or data known by case managers. HUD procedures allow case managers to make changes to client data not reported by the client. Client self-reported means any information reported to staff by the client.

Policy 10.1.2: All client data entered into HMIS should be congruent with program details.

Procedure: Client records entered into HMIS should reflect the client population served, match capacity of enrollment, program type, and entry/exit should fall within service parameters. This information is based on consistency of accurate data entered on clients receiving services. For example, if you:

- are a program for men, you should not enter data on women.
- are a state program and state you have 20 beds; there should not be any more than 20 people in shelter unless you are using the overflow beds.
- are a fully HUD funded program; you should only have entry/exit types of HUD-40118.

Policy 10.1.3: While HUD has defined HMIS as the "record of record", if agencies use paper-based files, they must match information entered into HMIS.

Procedure: All client data entered into HMIS should match the information captured and filed in the HMIS Member Agencies client record/case file. Observed discrepancies could be subject to audit by HUD, HMIS staff, a local government entity or other community planner.

Policy 10.2: The Homeless Management Information System staff will evaluate the quality of all HMIS Member Agency data on the completeness of the data entered using detailed Data Quality Reports (DQRs), agency reports, and other tools utilized by local HMIS Administrators.

Procedure: Completeness is the level at which a field has been answered in whole or in its entirety. Measuring completeness can ensure that client profiles are answered in whole and that an entire picture of the client situations emerges.

Policy 10.2.1: For all clients served and entered into HMIS, a HMIS Member Agency must maintain HUD mandated data quality standards.

Procedure: It is expected that HMIS Member Agencies work to maintain no more than 5% missing data for each HUD Universal Data Element, and PSDE if applicable. The HMIS monthly Data Quality Reports, agency reports, and other tools utilized by local HMIS Administrators will be used to address data quality issues with the HMIS Member Agencies. HMIS staff will work collaboratively with Member Agencies to address and improve overall data quality.

Policy 10.2.2: For all clients served and entered into HMIS by a HMIS Member Agency, no more than 5% of all client level data should be "blank/not reported/null".

Procedure: It is expected that HMIS Member Agencies will work with clients to capture all necessary data. HMIS Member Agencies will be expected to have no more than 5% of all client data "blank/not reported/null" value rate for all clients entered into HMIS (or 95% or above completeness). "Blank/not reported/null" values include fields that are left blank or answered with a don't know, refused, or unknown value. While these options may accurately reflect what the client has self-reported, they are considered of a low quality value.

Policy 10.2.3: For all clients served and entered into HMIS by a HMIS Member Agency, all system data quality fields must be completed.

Procedure: In HMIS, there are several data quality fields that are essential to understanding patterns of data entry and client self-reporting. These fields are part of the Universal Data Element (UDE) requirements measured for each HMIS

Member Agency. These fields measure the quality of their associated fields. For example, if the Date of Birth field has been left blank, the Date of Birth Data Quality field is used to explain why the field is blank. There are three quality fields in the system.

- Social Security Data Quality
- Date of Birth Data Quality
- Zip Code of Last Permanent Address Data Quality

These fields allow for reporting only partial answers or full answers in order receive completeness credit. These fields in conjunction with the associated data element field will be used to assess data quality issues.

Policy 10.3: The Homeless Management Information System staff will evaluate the quality of all HMIS Member Agency data on the consistency of the data entered.

Policy 10.3.1: All HMIS Member Agency client data should work consistently to reduce duplication in HMIS by following workflow practices outlined in training.

Procedure: HMIS Member Agencies are trained to search for existing clients in the system before adding a new client into the system. Client data can be searched by Name, Social Security Number, and Client Alias. HMIS Member Agencies are encouraged to follow this protocol.

HMIS staff review duplicate data entries in the system and have to merge client records. When duplicate client records created by HMIS Member Agency providers are discovered, the HMIS staff will contact the designated Agency Administrator to notify and address the user creating the duplication.

Policy 10.3.2: All HMIS Member Agency client data should adhere to HMIS capitalization guidelines.

Procedure: HMIS Member Agencies are trained on the current method and style to enter client level data. No HMIS Member Agency should enter a client in any of the following ways:

- ALL CAPS
- all lower case
- Mix OF loWEr and UPPER cAseIEtters
- Enter nicknames in the name space (please use the Alias box).

Policy 10.4: The Homeless Management Information System staff will evaluate the quality of all HMIS Member Agency data on the timeliness of the data entered.

Procedure: Timeliness is an important measure to evaluate daily bed utilization rates and current client system trends. To ensure reports are accurate, Member Agencies should ensure that their internal processes facilitate real-time data entry.

Policy 10.4.1: All HMIS Member Agency client data should be entered in real-time or no later than 24 hours after intake, assessment, or program or service entry or exit.

Procedure: Real-time is defined as "the actual time during which a process takes place or an event occurs." Client data can be entered into HMIS in real-time - as the client is being interviewed at intake or assessment. The more real-time the data, the more collaborative and beneficial client data sharing will be for all HMIS Member Agencies and clients. The goal is to get all program intake and assessment data into HMIS in real-time.

Policy 10.4.2: All HMIS Member Agency providers should back date any client data not entered in real-time to ensure that the data entered reflects client service provision dates.

Procedure: All required data elements including program entry/exit, service transactions, universal data elements, and bed management must be entered for each client within 24 hours of program entry/exit or service provision dates. If the date was entered more than 24 hours later than the program entry/exit or service provision, the actual date of service or entry/exit must be used.

Policy 10.5: All Homeless Management Information System staff, HMIS Member Agency providers, and data partners will work together to ensure the highest quality of data in HMIS.

Procedure: Due to the many reports and projects the HMIS staff is asked to provide, HMIS Member Agency's' response to HMIS staff inquires and correction of data quality issues is critical. Many of our project partners have very rigid time frames in which the HMIS staff must provide updated information. Therefore, the Member Agency will provide a designated Agency Administrator whose role is to communicate with HMIS staff regarding those issues and ensure that the following measures are met.

Policy 10.5.1: All Agency Administrators should respond to HMIS staff inquiries no later than 24 business hours.

Procedure: The Agency Administrator or back-up Agency Administrator should respond to inquiries from HMIS staff no later than 24 business hours. In instances of vacation or illness, the back-up Agency Administrator will be contacted.

Policy 10.5.2: All HMIS Member Agency providers should correct client data in HMIS within 5 business days of notification of data errors.

Procedure: After a report that outlines data corrections has been sent to the HMIS Agency Administrator or back-up Agency Administrator, it is the responsibility of the Member Agency to correct the issues within 5 business days. Once the corrections have been made, the Agency Administrator or back-up Agency Administrator should update the HMIS staff.

Policy 10.6: All Homeless Management Information System staff, HMIS Member Agency providers, and data partners will work together to ensure accuracy of reporting.

Procedures: The HMIS software includes a series of reports to aid in outcome evaluation, data quality monitoring, and analysis of system trends.

Policy 10.6.3: The Homeless Management Information System staff may provide specialty reports to all HMIS Member Agency providers for a fee.

Procedures: Assistance from the HMIS staff to customize reports may be a fee-based service. A request must be submitted to the HMIS staff for evaluation and fee determination.

Section 11: Performance Measurement

HMIS staff will measure the performance of HMIS Member Agency providers as it relates to the quality of the data entered into the system. Additionally, performance on a system-level will be measured to show the progress towards our Continuum of Care in ending homelessness.

Policy 11.1: HMIS staff will measure the timeliness and completeness of data entered by each HMIS Member Agency.

Procedure: As a quality monitoring tool, the HMIS staff will measure the effectiveness of data entry performed by each HMIS Member Agency. These reports will be generated out of the system on a monthly basis. Each HMIS Member Agency will have 5 business days to seek technical assistance regarding and/or correct any data quality issues.

Policy 11.2: HMIS staff will measure the bed utilization rates of homeless housing providers.

Procedure: As a quality monitoring tool, the HMIS staff will periodically review the bed utilization rates of HMIS Member Agencies.

BY-LAWS
OF
TN-500 Continuum of Care
Chattanooga/Southeast TN

Mission Statement: In conjunction with its Collaborative Applicant and HMIS lead, Chattanooga Regional Homeless Coalition, the TN-500 Continuum of Care is a regional coalition in Southeast Tennessee dedicated to advocating for people who are Homeless of Near-Homeless, strategically planning for housing and services in the region, and maximizing resources and collaborating with community partners to implement housing and services in the region which will result in meeting the federal goals of ending homelessness among veterans by the end of 2015, ending chronic homelessness by the end of 2016, ending homelessness among families and youth by 2020 and setting a course to ultimately end homelessness in Southeast Tennessee.

ARTICLE I: NAME

The name of the Continuum of Care is TN-500 Continuum of Care/ Chattanooga/Southeast TN Region. For the purposes of this document, the TN-500 General Membership will be referred to TN-500 CoC.

ARTICLE II: PURPOSE AND OBJECTIVE

The purpose of the TN-500 CoC is to collaborate with other organizations and individuals in Southeast TN to build solutions to homelessness through improved service delivery, community outreach, and advocacy.

ARTICLE III: MEMBERSHIP

Section 1. **Class of Membership:**

There shall be three membership categories: Organizational, Religious, and Individual. Any individual, religious, or organization subscribing to the purposes and objectives of the TN-500 General Membership and located within the defined geographical region of TN-500 CoC may become a member if they meet the criteria defined below. Membership will be a dual membership to the TN-500 CoC and Chattanooga Regional Homeless Coalition, the Collaborative Applicant and HMIS lead. All memberships are subject to approval by the Governing Council.

a) Organizational: An organizational member is an entity engaged in service to people who are homeless and/or are eligible to apply for funding through the CoC process. In social services nomenclature, this type of organization is called a service provider.
b) Religious: An religious member is an TN-500 General Membership that is not a service provider, but supports the objectives of the TN-500 CoC
c) Individual: A private party who supports the objectives of the TN-500 CoC

Applications for membership are reviewed for approval by the TN-500 CoC Governing Council

Section 2. Membership Dues:

Applications for all categories of membership require payment of dues as follows for the stated categories of membership:

a) Organizational: Based on the organization's annual operating budget the following dues will apply on an annual basis: 0-1 million = $70, 1 million plus = $130.
b) Individual/Family: $25 annually
c) Religious: $55 annually
d) Homeless or Formerly Homeless: Free

Waivers to the dues as listed in these by-laws can be issued by the Executive Committee on an individual basis.

Section 3. Membership Benefits:

Membership in the coalition entitles the organization or individual to the following benefits:

a) One vote per individual, agency, or corporation
b) Receipt of a newsletter
c) Program consulting
d) Networking
e) HMIS participation/support (reasonable fees may be charged)

In addition, appropriate member organizations will be granted the opportunity to request funding through the Continuum of Care (CoC) process.

Section 4. Removal of Members from the General Membership:

Any member can be removed from the membership rolls for acting against the mission of the TN-500 CoC or for failure to observe the obligations of members by two-thirds majority vote of the voting members of the General Membership present at a regular or special meeting, provided a quorum is present.

ARTICLE IV: GOVERNING COUNCIL

Protect Your Family From Lead in Your Home

United States Environmental Protection Agency

United States Consumer Product Safety Commission

United States Department of Housing and Urban Development

September 2013

Are You Planning to Buy or Rent a Home Built Before 1978?

Did you know that many homes built before 1978 have **lead-based paint?** Lead from paint, chips, and dust can pose serious health hazards.

Read this entire brochure to learn:

- How lead gets into the body
- About health effects of lead
- What you can do to protect your family
- Where to go for more information

Before renting or buying a pre-1978 home or apartment, federal law requires:

- Sellers must disclose known information on lead-based paint or lead-based paint hazards before selling a house.
- Real estate sales contracts must include a specific warning statement about lead-based paint. Buyers have up to 10 days to check for lead.
- Landlords must disclose known information on lead-based paint and lead-based paint hazards before leases take effect. Leases must include a specific warning statement about lead-based paint.

If undertaking renovations, repairs, or painting (RRP) projects in your pre-1978 home or apartment:

- Read EPA's pamphlet, *The Lead-Safe Certified Guide to Renovate Right*, to learn about the lead-safe work practices that contractors are required to follow when working in your home (see page 12).

Simple Steps to Protect Your Family from Lead Hazards

If you think your home has lead-based paint:

- Don't try to remove lead-based paint yourself.
- Always keep painted surfaces in good condition to minimize deterioration.
- Get your home checked for lead hazards. Find a certified inspector or risk assessor at epa.gov/lead.
- Talk to your landlord about fixing surfaces with peeling or chipping paint.
- Regularly clean floors, window sills, and other surfaces.
- Take precautions to avoid exposure to lead dust when remodeling.
- When renovating, repairing, or painting, hire only EPA- or state-approved Lead-Safe certified renovation firms.
- Before buying, renting, or renovating your home, have it checked for lead-based paint.
- Consult your health care provider about testing your children for lead. Your pediatrician can check for lead with a simple blood test.
- Wash children's hands, bottles, pacifiers, and toys often.
- Make sure children avoid fatty (or high fat) foods and eat nutritious meals high in iron and calcium.
- Remove shoes or wipe soil off shoes before entering your house.

1

Lead Gets Into the Body in Many Ways

Adults and children can get lead into their bodies if they:

- Breathe in lead dust (especially during activities such as renovations, repairs, or painting that disturb painted surfaces).
- Swallow lead dust that has settled on food, food preparation surfaces, and other places.
- Eat paint chips or soil that contains lead.

Lead is especially dangerous to children under the age of 6.

- At this age, children's brains and nervous systems are more sensitive to the damaging effects of lead.
- Children's growing bodies absorb more lead.
- Babies and young children often put their hands and other objects in their mouths. These objects can have lead dust on them.

Women of childbearing age should know that lead is dangerous to a developing fetus.

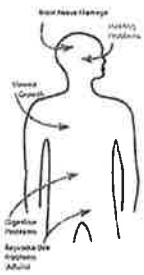
- Women with a high lead level in their system before or during pregnancy risk exposing the fetus to lead through the placenta during fetal development.

2

Health Effects of Lead

Lead affects the body in many ways. It is important to know that even exposure to low levels of lead can severely harm children.

In children, exposure to lead can cause:



- Nervous system and kidney damage
- Learning disabilities, attention deficit disorder, and decreased intelligence
- Speech, language, and behavior problems
- Poor muscle coordination
- Decreased muscle and bone growth
- Hearing damage

While low-lead exposure is most common, **exposure to high amounts of lead can have devastating effects on children, including** seizures, unconsciousness, and, in some cases, death.

Although children are especially susceptible to lead exposure, lead can be dangerous for adults, too.

In adults, exposure to lead can cause:

- Harm to a developing fetus
- Increased chance of high blood pressure during pregnancy
- Fertility problems (in men and women)
- High blood pressure
- Digestive problems
- Nerve disorders
- Memory and concentration problems
- Muscle and joint pain

3

Check Your Family for Lead

Get your children and home tested if you think your home has lead.

Children's blood lead levels tend to increase rapidly from 6 to 12 months of age, and tend to peak at 18 to 24 months of age.

Consult your doctor for advice on testing your children. A simple blood test can detect lead. Blood lead tests are usually recommended for:

- Children at ages 1 and 2
- Children or other family members who have been exposed to high levels of lead
- Children who should be tested under your state or local health screening plan

Your doctor can explain what the test results mean and if more testing will be needed.

4

Where Lead-Based Paint Is Found

In general, the older your home or childcare facility, the more likely it has lead-based paint.[1]

Many homes, including private, federally-assisted, federally-owned housing, and childcare facilities built before 1978 have lead-based paint. In 1978, the federal government banned consumer uses of lead-containing paint.[2]

Learn how to determine if paint is lead-based paint on page 7.

Lead can be found:

- In homes and childcare facilities in the city, country, or suburbs,
- In private and public single-family homes and apartments,
- On surfaces inside and outside of the house, and
- In soil around a home. (Soil can pick up lead from exterior paint or other sources, such as past use of leaded gas in cars.)

Learn more about where lead is found at epa.gov/lead.

[1] "Lead-based paint" is currently defined by the federal government as paint with lead levels greater than or equal to 1.0 milligram per square centimeter (mg/cm), or more than 0.5% by weight

[2] "Lead-containing paint" is currently defined by the federal government as lead in new dried paint in excess of 90 parts per million (ppm) by weight

Identifying Lead-Based Paint and Lead-Based Paint Hazards

Deteriorating lead-based paint (peeling, chipping, chalking, cracking, or damaged paint) is a hazard and needs immediate attention. **Lead-based paint** may also be a hazard when found on surfaces that children can chew or that get a lot of wear and tear, such as:

- On windows and window sills
- Doors and door frames
- Stairs, railings, banisters, and porches

Lead-based paint is usually not a hazard if it is in good condition and if it is not on an impact or friction surface like a window.

Lead dust can form when lead-based paint is scraped, sanded, or heated. Lead dust also forms when painted surfaces containing lead bump or rub together. Lead paint chips and dust can get on surfaces and objects that people touch. Settled lead dust can reenter the air when the home is vacuumed or swept, or when people walk through it. EPA currently defines the following levels of lead in dust as hazardous:

- 40 micrograms per square foot (µg/ft²) and higher for floors, including carpeted floors
- 250 µg/ft² and higher for interior window sills

Lead in soil can be a hazard when children play in bare soil or when people bring soil into the house on their shoes. EPA currently defines the following levels of lead in soil as hazardous:

- 400 parts per million (ppm) and higher in play areas of bare soil
- 1,200 ppm (average) and higher in bare soil in the remainder of the yard

Remember, lead from paint chips—which you can see—and lead dust—which you may not be able to see—both can be hazards.

The only way to find out if paint, dust, or soil lead hazards exist is to test for them. The next page describes how to do this.

Checking Your Home for Lead

You can get your home tested for lead in several different ways:

- A lead-based paint **inspection** tells you if your home has lead-based paint and where it is located. It won't tell you whether your home currently has lead hazards. A trained and certified testing professional, called a lead-based paint inspector, will conduct a paint inspection using methods, such as:
  - Portable x-ray fluorescence (XRF) machine
  - Lab tests of paint samples
- A **risk assessment** tells you if your home currently has any lead hazards from lead in paint, dust, or soil. It also tells you what actions to take to address any hazards. A trained and certified testing professional, called a risk assessor, will:
  - Sample paint that is deteriorated on doors, windows, floors, stairs, and walls
  - Sample dust near painted surfaces and sample bare soil in the yard
  - Get lab tests of paint, dust, and soil samples
- A combination inspection and risk assessment tells you if your home has any lead-based paint and if your home has any lead hazards, and where both are located.

Be sure to read the report provided to you after your inspection or risk assessment is completed, and ask questions about anything you do not understand.

Checking Your Home for Lead, continued

In preparing for renovation, repair, or painting work in a pre-1978 home, Lead-Safe Certified renovators (see page 12) may:

- Take paint chip samples to determine if lead-based paint is present in the area planned for renovation and send them to an EPA-recognized lead lab for analysis. In housing receiving federal assistance, the person collecting these samples must be a certified lead-based paint inspector or risk assessor
- Use EPA-recognized tests kits to determine if lead-based paint is absent (but not in housing receiving federal assistance)
- Presume that lead-based paint is present and use lead-safe work practices

There are state and federal programs in place to ensure that testing is done safely, reliably, and effectively. Contact your state or local agency for more information, visit epa.gov/lead, or call **1-800-424-LEAD (5323)** for a list of contacts in your area.[3]

[3] Hearing- or speech-challenged individuals may access this number through TTY by calling the Federal Relay Service at 1-800-877-8339

What You Can Do Now to Protect Your Family

If you suspect that your house has lead-based paint hazards, you can take some immediate steps to reduce your family's risk:

- If you rent, notify your landlord of peeling or chipping paint.
- Keep painted surfaces clean and free of dust. Clean floors, window frames, window sills, and other surfaces weekly. Use a mop or sponge with warm water and a general all-purpose cleaner. (Remember: never mix ammonia and bleach products together because they can form a dangerous gas.)
- Carefully clean up paint chips immediately without creating dust.
- Thoroughly rinse sponges and mop heads often during cleaning of dirty or dusty areas, and again afterward.
- Wash your hands and your children's hands often, especially before they eat and before nap time and bed time.
- Keep play areas clean. Wash bottles, pacifiers, toys, and stuffed animals regularly.
- Keep children from chewing window sills or other painted surfaces, or eating soil.
- When renovating, repairing, or painting, hire only EPA- or state-approved Lead-Safe Certified renovation firms (see page 12).
- Clean or remove shoes before entering your home to avoid tracking in lead from soil.
- Make sure children avoid fatty (or high fat) foods and eat nutritious meals high in iron and calcium. Children with good diets absorb less lead.

Reducing Lead Hazards

Disturbing lead-based paint or removing lead improperly can increase the hazard to your family by spreading even more lead dust around the house.

- In addition to day-to-day cleaning and good nutrition, you can **temporarily** reduce lead-based paint hazards by taking actions, such as repairing damaged painted surfaces and planting grass to cover lead-contaminated soil. These actions are not permanent solutions and will need ongoing attention.
- You can minimize exposure to lead when renovating, repairing, or painting by hiring an EPA- or state-certified renovator who is trained in the use of lead-safe work practices. If you are a do-it-yourselfer, learn how to use lead-safe work practices in your home.
- To remove lead hazards permanently, **you should hire a certified lead** abatement contractor. Abatement (or permanent hazard elimination) methods include removing, sealing, or enclosing lead-based paint with special materials. Just painting over the hazard with regular paint is not permanent control.

Always use a certified contractor who is trained to address lead hazards safely.

- Hire a Lead-Safe Certified firm (see page 12) to perform renovation, repair, or painting (RRP) projects that disturb painted surfaces.
- To correct lead hazards permanently, hire a certified lead abatement professional. This will ensure your contractor knows how to work safely and has the proper equipment to clean up thoroughly.

Certified contractors will employ qualified workers and follow strict safety rules as set by their state or by the federal government.

Reducing Lead Hazards, continued

If your home has had lead abatement work done or if the housing is receiving federal assistance, once the work is completed, dust cleanup activities must be conducted until clearance testing indicates that lead dust levels are below the following levels:

- 40 micrograms per square foot (µg/ft²) for floors, including carpeted floors
- 250 µg/ft² for interior windows sills
- 400 µg/ft² for window troughs

For help in locating certified lead abatement professionals in your area, call your state or local agency (see pages 14 and 15), or visit epa.gov/lead, or call 1-800-424-LEAD.

Renovating, Remodeling, or Repairing (RRP) a Home with Lead-Based Paint

If you hire a contractor to conduct renovation, repair, or painting (RRP) projects in your pre-1978 home or childcare facility (such as pre-school and kindergarten), your contractor must:

- Be a Lead-Safe Certified firm approved by EPA or an EPA-authorized state program
- Use qualified trained individuals (Lead-Safe Certified renovators) who follow specific lead-safe work practices to prevent lead contamination
- Provide a copy of EPA's lead hazard information document, *The Lead-Safe Certified Guide to Renovate Right*

RRP contractors working in pre-1978 homes and childcare facilities must follow lead-safe work practices that:

- **Contain the work area.** The area must be contained so that dust and debris do not escape from the work area. Warning signs must be put up, and plastic or other impermeable material and tape must be used.
- **Avoid renovation methods that generate large amounts of lead-contaminated dust.** Some methods generate so much lead-contaminated dust that their use is prohibited. They are:
  - Open-flame burning or torching
  - Sanding, grinding, planing, needle gunning, or blasting with power tools and equipment not equipped with a shroud and HEPA vacuum attachment and
  - Using a heat gun at temperatures greater than 1100°F
- **Clean up thoroughly.** The work area should be cleaned up daily. When all the work is done, the area must be cleaned up using special cleaning methods.
- **Dispose of waste properly.** Collect and seal waste in a heavy duty bag or sheeting. When transported, ensure that waste is contained to prevent release of dust and debris.

To learn more about EPA's requirements for RRP projects visit epa.gov/getleadsafe, or read *The Lead-Safe Certified Guide to Renovate Right.*

Other Sources of Lead

While paint, dust, and soil are the most common sources of lead, other lead sources also exist:

- **Drinking water.** Your home might have plumbing with lead or lead solder. You cannot see, smell, or taste lead, and boiling your water will not get rid of lead. If you think your plumbing might contain lead:
  - Use only cold water for drinking and cooking.
  - Run water for 15 to 30 seconds before drinking it, especially if you have not used your water for a few hours.

  Call your local health department or water supplier to find out about testing your water, or visit epa.gov/lead for EPA's lead in drinking water information.
- **Lead smelters** or other industries that release lead into the air.
- **Your job.** If you work with lead, you could bring it home on your body or clothes. Shower and change clothes before coming home. Launder your work clothes separately from the rest of your family's clothes.
- **Hobbies** that use lead, such as making pottery or stained glass, or refinishing furniture. Call your local health department for information about hobbies that may use lead.
- **Old toys and furniture** may have been painted with lead-containing paint. Older toys and other children's products may have parts that contain lead.*
- Food and liquids cooked or stored in **lead crystal** or **lead-glazed pottery or porcelain** may contain lead.
- Folk remedies, such as **"greta"** and **"azarcon,"** used to treat an upset stomach.

* In 1978, the federal government banned toys, other children's products, and furniture with lead-containing paint (16 CFR 1303). In 2008, the federal government banned lead in most children's products. The federal government currently bans lead in excess of 100 ppm by weight in most children's products (76 FR 44463).

For More Information

The National Lead Information Center
Learn how to protect children from lead poisoning and get other information about lead hazards on the Web at epa.gov/lead and hud.gov/lead, or call **1-800-424-LEAD (5323).**

EPA's Safe Drinking Water Hotline
For information about lead in drinking water, call **1-800-426-4791**, or visit epa.gov/lead for information about lead in drinking water.

Consumer Product Safety Commission (CPSC) Hotline
For information on lead in toys and other consumer products, or to report an unsafe consumer product or a product-related injury, call **1-800-638-2772**, or visit CPSC's website at cpsc.gov or saferproducts.gov.

State and Local Health and Environmental Agencies
Some states, tribes, and cities have their own rules related to lead-based paint. Check with your local agency to see which laws apply to you. Most agencies can also provide information on finding a lead abatement firm in your area, and on possible sources of financial aid for reducing lead hazards. Receive up-to-date address and phone information for your state or local contacts on the Web at epa.gov/lead, or contact the National Lead Information Center at **1-800-424-LEAD.**

Hearing- or speech-challenged individuals may access any of the phone numbers in this brochure through TTY by calling the toll-free Federal Relay Service at **1-800-877-8339.**

U. S. Environmental Protection Agency (EPA) Regional Offices

The mission of EPA is to protect human health and the environment. Your Regional EPA Office can provide further information regarding regulations and lead protection programs.

Region 1 (Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, Vermont)
Regional Lead Contact
U.S. EPA Region 1
5 Post Office Square, Suite 100, OES 05-4
Boston, MA 02109-3912
(888) 372-7341

Region 2 (New Jersey, New York, Puerto Rico, Virgin Islands)
Regional Lead Contact
U.S. EPA Region 2
2890 Woodbridge Avenue
Building 205, Mail Stop 225
Edison, NJ 08837-3679
(732) 321-6671

Region 3 (Delaware, Maryland, Pennsylvania, Virginia, DC, West Virginia)
Regional Lead Contact
U.S. EPA Region 3
1650 Arch Street
Philadelphia, PA 19103
(215) 814-2088

Region 4 (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)
Regional Lead Contact
U.S. EPA Region 4
AFC Tower, 12th Floor, Air, Pesticides & Toxics
61 Forsyth Street, SW
Atlanta, GA 30303
(404) 562-8998

Region 5 (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)
Regional Lead Contact
U.S. EPA Region 5 (DT-8J)
77 West Jackson Boulevard
Chicago, IL 60604-3666
(312) 886-7836

Region 6 (Arkansas, Louisiana, New Mexico, Oklahoma, Texas, and 66 Tribes)
Regional Lead Contact
U.S. EPA Region 6
1445 Ross Avenue, 12th Floor
Dallas, TX 75202-2733
(214) 665-7704

Region 7 (Iowa, Kansas, Missouri, Nebraska)
Regional Lead Contact
U.S. EPA Region 7
11201 Renner Blvd
WWPD/TOPE
Lenexa, KS 66219
(800) 223-0425

Region 8 (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)
Regional Lead Contact
U.S. EPA Region 8
1595 Wynkoop St.
Denver, CO 80202
(303) 312-6966

Region 9 (Arizona, California, Hawaii, Nevada)
Regional Lead Contact
U.S. EPA Region 9 (CMD-4-2)
75 Hawthorne Street
San Francisco, CA 94105
(415) 947-4280

Region 10 (Alaska, Idaho, Oregon, Washington)
Regional Lead Contact
U.S. EPA Region 10
Solid Waste & Toxics Unit (WCM-128)
1200 Sixth Avenue, Suite 900
Seattle, WA 98101
(206) 553-1200

Consumer Product Safety Commission (CPSC)

The CPSC protects the public against unreasonable risk of injury from consumer products through education, safety standards activities, and enforcement. Contact CPSC for further information regarding consumer product safety and regulations.

CPSC
4330 East West Highway
Bethesda, MD 20814-4421
1-800-638-2772
cpsc.gov or saferproducts.gov

U. S. Department of Housing and Urban Development (HUD)

HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. Contact HUD's Office of Healthy Homes and Lead Hazard Control for further information regarding the Lead Safe Housing Rule, which protects families in pre-1978 assisted housing, and for the lead hazard control and research grant programs.

HUD
451 Seventh Street, SW, Room 8236
Washington, DC 20410-3000
(202) 402-7698
hud.gov/offices/lead/

This document is in the public domain. It may be produced by any individual or organization without permission. Information provided in this booklet is based upon current scientific and technical understanding of the issues presented and is reflective of the jurisdictional boundaries established by the statutes governing the co-authoring agencies. Following the advice given will not necessarily provide complete protection in all situations or against all health hazards that can be caused by lead exposure.

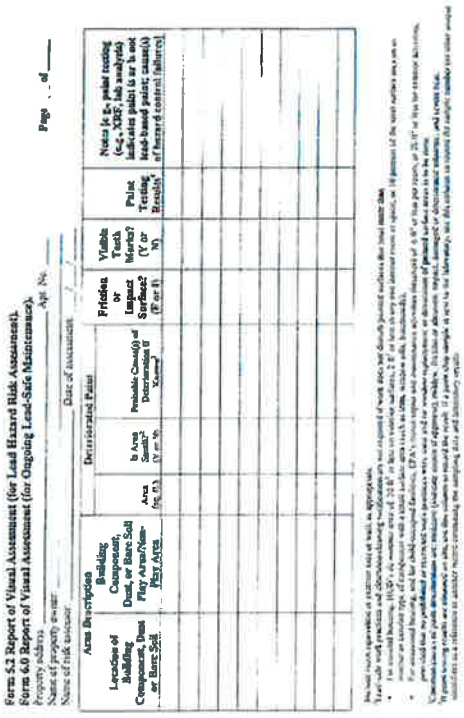
U.S. EPA Washington DC 20460
U.S. CPSC Bethesda MD 20814
U.S. HUD Washington DC 20410

EPA-747-K-97-001
September 2013

IMPORTANT!

Lead From Paint, Dust, and Soil In and Around Your Home Can Be Dangerous If Not Managed Properly

- Children under 6 years old are most at risk for lead poisoning in your home.
- Lead exposure can harm young children and babies even before they are born.
- Homes, schools, and child care facilities built before 1978 are likely to contain lead-based paint.
- Even children who seem healthy may have dangerous levels of lead in their bodies.
- Disturbing surfaces with lead-based paint or removing lead-based paint improperly can increase the danger to your family.
- People can get lead into their bodies by breathing or swallowing lead dust, or by eating soil or paint chips containing lead.
- People have many options for reducing lead hazards. Generally, lead-based paint that is in good condition is not a hazard (see page 10).



Form 5.2 Report of Visual Assessment (for Lead Hazard Risk Assessment).
Form 6.0 Report of Visual Assessment (for Ongoing Lead-Safe Maintenance).

Page ___ of ___

Property address: _____ Apt. No. _____
Name of property owner: _____
Name of risk assessor: _____ Date of assessment: ___/___/___

Area Description			Deteriorated Paint							
Location of Building Component, Dust or Bare Soil	Building Component, Dust, or Bare Soil Play Area/Non-Play Area	Area (sq. ft.)	Is Area Small? (Y or N)	Probable Cause(s) of Deterioration	Friction or Impact Surface? (Y or N)	Visible Tooth Marks? (Y or N)	Paint Testing Results	Notes (e.g., paint testing (e.g., XRF, lab analysis) indicates paint is or is not lead-based paint; cause(s) of hazard control failure)		

Inspection Checklist

Housing Choice Voucher Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0169
(Exp. 03/31/2015)

Public reporting burden for this collection of information is estimated to average 0.50 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless this collection displays a valid OMB control number.

Assurances of confidentiality are not provided under this collection.

This collection of information is authorized under Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f). The information is used to determine if a unit meets the housing quality standards of the Section 8 rental assistance program. HUD may disclose this information to Federal, State and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. It is not to be otherwise disclosed or released outside of HUD, except as permitted or required by law. Failure to provide any of the information may result in delay or rejection of family participation.

Name of Family | Tenant ID Number | Date of Request (mm/dd/yyyy)

Address | Neighborhood/Census Tract | Date of Inspection (mm/dd/yyyy)

Type of Inspection: ☐ Initial ☐ Special ☐ Reinspection | Date of Last Inspection (mm/dd/yyyy) | Time

A. General Information

Inspected Unit — Year Constructed (yyyy) — No. Address (including Street, City, County, State, Zip)

Housing Type (check as appropriate):
☐ Single Family Detached
☐ Duplex or Two Family
☐ Row House or Town House
☐ Low Rise (1-4 Stories, Including Garden Apartment)
☐ High Rise (5 or More Stories)
☐ Manufactured Home
☐ Congregate
☐ Cooperative
☐ Independent Group Residence
☐ Single Room Occupancy
☐ Shared Housing
☐ Other

Number of Children 6 Years Old or Younger

Owner — Name of Owner or Agent Authorized to Lease this Property — Phone Number

Address of Owner or Agent

B. Summary Decision On Unit (To be completed after form has been filled out)

☐ Pass ☐ Fail ☐ Inconclusive

Number of Bedrooms for Purposes of the FMR or Payment Standard

Number of Sleeping Rooms

Inspection Checklist

Item No.	1. Living Room	Yes Pass	No Fail	In Cons.	Comment	Final Approval Date (mm/dd/yyyy)
1.1	Living Room Present					
1.2	Electricity					
1.3	Electrical Hazards					
1.4	Security					
1.5	Window Condition					
1.6	Ceiling Condition					
1.7	Wall Condition					
1.8	Floor Condition					

Previous editions are obsolete — Page 1 of 7 — form HUD-52580 (3/2001) ref Handbook 7420.8

Item No.	1. Living Room (Continued)	Yes Pass	No Fail	In Cons.	Comment	Final Approval Date (mm/dd/yyyy)
1.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?				☐ Not Applicable	
	2. Kitchen					
2.1	Kitchen Area Present					
2.2	Electricity					
2.3	Electrical Hazards					
2.4	Security					
2.5	Window Condition					
2.6	Ceiling Condition					
2.7	Wall Condition					
2.8	Floor Condition					
2.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?				☐ Not Applicable	
2.10	Stove or Range with Oven					
2.11	Refrigerator					
2.12	Sink					
2.13	Space for Storage, Preparation, and Serving of Food					
	3. Bathroom					
3.1	Bathroom Present					
3.2	Electricity					
3.3	Electrical Hazards					
3.4	Security					
3.5	Window Condition					
3.6	Ceiling Condition					
3.7	Wall Condition					
3.8	Floor Condition					
3.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?				☐ Not Applicable	
3.10	Flush Toilet in Enclosed Room in Unit					
3.11	Fixed Wash Basin or Lavatory in Unit					
3.12	Tub or Shower in Unit					
3.13	Ventilation					

Previous editions are obsolete — Page 2 of 7 — form HUD-52580 (3/2001) ref Handbook 7420.8

Item No.	4. Other Rooms Used For Living and Halls	Yes Pass	No Fail	In Cons.	Comment	Final Approval Date (mm/dd/yyyy)
4.1	Room Code* and Room Location	(Circle One) Right/Center/Left		(Circle One) Front/Center/Rear	___Floor Level	
4.2	Electricity/Illumination					
4.3	Electrical Hazards					
4.4	Security					
4.5	Window Condition					
4.6	Ceiling Condition					
4.7	Wall Condition					
4.8	Floor Condition					
4.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?				☐ Not Applicable	
4.10	Smoke Detectors					
4.1	Room Code* and Room Location	(Circle One) Right/Center/Left		(Circle One) Front/Center/Rear	___Floor Level	
4.2	Electricity/Illumination					
4.3	Electrical Hazards					
4.4	Security					
4.5	Window Condition					
4.6	Ceiling Condition					
4.7	Wall Condition					
4.8	Floor Condition					
4.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?				☐ Not Applicable	
4.10	Smoke Detectors					
4.1	Room Code* and Room Location	(Circle One) Right/Center/Left		(Circle One) Front/Center/Rear	___Floor Level	
4.2	Electricity/Illumination					
4.3	Electrical Hazards					
4.4	Security					
4.5	Window Condition					
4.6	Ceiling Condition					
4.7	Wall Condition					
4.8	Floor Condition					
4.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?				☐ Not Applicable	
4.10	Smoke Detectors					

Previous editions are obsolete — Page 3 of 7 — form HUD-52580 (3/2001) ref Handbook 7420.8

Item No.	4. Other Rooms Used For Living and Halls	Yes Pass	No Fail	In Cons.	Comment	Final Approval Date (mm/dd/yyyy)
4.1	Room Code* and Room Location	(Circle One) Right/Center/Left		(Circle One) Front/Center/Rear	___Floor Level	
4.2	Electricity/Illumination					
4.3	Electrical Hazards					
4.4	Security					
4.5	Window Condition					
4.6	Ceiling Condition					
4.7	Wall Condition					
4.8	Floor Condition					
4.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?				☐ Not Applicable	
4.10	Smoke Detectors					
4.1	Room Code* and Room Location	(Circle One) Right/Center/Left		(Circle One) Front/Center/Rear	___Floor Level	
4.2	Electricity/Illumination					
4.3	Electrical Hazards					
4.4	Security					
4.5	Window Condition					
4.6	Ceiling Condition					
4.7	Wall Condition					
4.8	Floor Condition					
4.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?				☐ Not Applicable	
4.10	Smoke Detectors					
	5. All Secondary Rooms (Rooms not used for living)					
5.1	None Go to Part 8					
5.2	Security					
5.3	Electrical Hazards					
5.4	Other Potentially Hazardous Features in these Rooms					

Previous editions are obsolete — Page 4 of 7 — form HUD-52580 (3/2001) ref Handbook 7420.8

Item No.	6. Building Exterior	Pass	Fail	N/A	Fail Approval Date (mm/dd/yyyy)
6.1	Foundation				
6.2	Condition of Stairs, Rails, and Porches				
6.3	Condition of Roof/Gutters				
6.4	Condition of Exterior Surfaces				
6.5	Condition of Chimney				
6.6	**Lead Paint: Exterior Surfaces** Are all painted surfaces free of deteriorated paint?			☐ Not Applicable	
	If not, do deteriorated surfaces exceed 20 square feet of total exterior surfaces area?				
6.7	Manufactured Home: Tie Downs				
	7. Heating and Plumbing				
7.1	Adequacy of Heating Equipment				
7.2	Safety of Heating Equipment				
7.3	Ventilation/Cooling				
7.4	Water Heater				
7.5	Approvable Water Supply				
7.6	Plumbing				
7.7	Sewer Connection				
	8. General Health and Safety				
8.1	Access to Unit				
8.2	Fire Exits				
8.3	Evidence of Infestation				
8.4	Garbage and Debris				
8.5	Refuse Disposal				
8.6	Interior Stairs and Common Halls				
8.7	Other Interior Hazards				
8.8	Elevators				
8.9	Interior Air Quality				
8.10	Site and Neighborhood Conditions				
8.11	Lead-Based Paint: Owner's Certification			☐ Not Applicable	

If the owner is required to correct any lead-based paint hazards at the property including deteriorated paint or other hazards identified by a visual assessor, a certified lead-based paint risk assessor, or certified lead-based paint inspector, the PHA must obtain certification that the work has been done in accordance with all applicable requirements of 24 CFR Part 35. The Lead Based Paint Owner Certification must be received by the PHA before the execution of the HAP contract or within the time period stated by the PHA in the owner HQS violation notice. Receipt of the completed and signed Lead-Based Paint Owner Certification signifies that all HQS lead-based paint requirements have been met and no re-inspection by the HQS inspector is required.

C. Special Amenities (Optional)

The purpose of the optional use of the HA may be required to collect additional information about other positive features of the unit that may be present. Although the features listed below are not included in the Housing Quality Standards, the tenant and HA may want to take them into consideration when deciding the unit and the reasonableness of the rent.
Checklist any positive features found in relation to the unit

1. Living Room
- ☐ High quality floors or wall coverings
- ☐ Working fireplace or stove (Balcony, patio, deck, porch (Special windows or doors
- ☐ Exceptional size relative to needs of family
- ☐ Other: (Specify)

2. Kitchen
- ☐ Dishwasher
- ☐ Separate freezer
- ☐ Garbage disposal
- ☐ Eating counter/breakfast nook
- ☐ Pantry or abundant shelving or cabinets
- ☐ Double oven/self cleaning oven, microwave
- ☐ Double sink
- ☐ High quality cabinets
- ☐ Abundant counter-top space
- ☐ Modern appliance(s)
- ☐ Exceptional size relative to needs of family
- ☐ Other: (Specify)

3. Other Rooms Used for Living
- ☐ High quality floors or wall coverings
- ☐ Working fireplace or stove (Balcony, patio, deck, porch (Special windows or doors
- ☐ Exceptional size relative to needs of family
- ☐ Other: (Specify)

4. Bath
- ☐ Special feature shower head
- ☐ Quality heat lamp
- ☐ Large mirrors
- ☐ Glass door on shower/tub
- ☐ Separate dressing room
- ☐ Double sink or special lavatory
- ☐ Exceptional size relative to needs of family
- ☐ Other: (Specify)

5. Overall Characteristics
- ☐ Storm windows and doors
- ☐ Other forms of weatherization (e.g., insulation, weather stripping) Screen doors or windows
- ☐ Good upkeep of grounds (i.e., tidy cleanliness, landscaping, condition of lawn)
- ☐ Garage or parking facilities
- ☐ Driveway
- ☐ Large yard
- ☐ Good maintenance of building exterior
- ☐ Other: (Specify)

6. Disabled Accessibility
Unit is accessible to a particular disability ☐ Yes ☐ No
Disability _____

D. Questions to ask the Tenant (Optional)
1. Does the owner make repairs when asked? Yes ☐ No ☐
2. How many people live there? _____
3. How much money do you pay to the owner/agent for rent? $ _____
4. Do you pay for anything else? (specify) _____
5. Who owns the range and refrigerator? (insert O = Owner or T = Tenant) Range _____ Refrigerator _____ Microwave _____
6. Is there anything else you want to tell us? (specify) Yes ☐ No ☐

E. Inspector Summary/Comments (Optional)
Provide a summary description of each item which resulted in a rating of "Fail" or "Pass with Comments."

Tenant ID Number	Inspector	Date of Inspection (mm/dd/yyyy)	Results of Inspection (Y/N)

Type of Inspection: Initial ☐ Special ☐ Reinspection ☐

Item Number	Reasons for "Fail" or "Pass with Comments" Rating

Continued on additional page(s) ☐ Yes ☐ No

Attachment 3: SF424s & Certifications

OMB Number: 4040-0004
Expiration Date: 12/31/2019

Application for Federal Assistance SF-424

* 1. Type of Submission:
- [ ] Preapplication
- [x] Application
- [ ] Changed/Corrected Application

* 2. Type of Application:
- [x] New
- [ ] Continuation
- [ ] Revision

* If Revision, select appropriate letter(s):

* Other (Specify):

* 3. Date Received:

4. Applicant Identifier:

5a. Federal Entity Identifier:

5b. Federal Award Identifier:

State Use Only:

6. Date Received by State:

7. State Application Identifier:

8. APPLICANT INFORMATION:

* a. Legal Name: City of Chattanooga

* b. Employer/Taxpayer Identification Number (EIN/TIN): 626000259

* c. Organizational DUNS: 0431123410000

d. Address:

* Street1: 101 East 11th Street, Suite 200

Street2:

* City: Chattanooga

County/Parish: Hamilton

* State: TN: Tennessee

Province:

* Country: USA: UNITED STATES

* Zip / Postal Code: 37402-4201

e. Organizational Unit:

Department Name: Economic & Community Dev.

Division Name: Community Development

f. Name and contact information of person to be contacted on matters involving this application:

Prefix:

* First Name: Sandra

Middle Name: H.

* Last Name: Gober

Suffix:

Title: Manager, Community Development

Organizational Affiliation:

* Telephone Number: (423)643-7332

Fax Number: (423)643-7341

* Email: sgober@chattanooga.gov

Application for Federal Assistance SF-424

*** 9. Type of Applicant 1: Select Applicant Type:**

C: City or Township Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

* Other (specify):

*** 10. Name of Federal Agency:**

U.S. Department of Housing and Urban Development

11. Catalog of Federal Domestic Assistance Number:

14.218

CFDA Title:

Community Development Block Grant

*** 12. Funding Opportunity Number:**

14.218

* Title:

Community Development Block Grant

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Add Attachment | Delete Attachment | View Attachment

*** 15. Descriptive Title of Applicant's Project:**

CDBG projects and programs for housing, economic development, public services, and community development.

Attach supporting documents as specified in agency instructions.

Add Attachments | Delete Attachments | View Attachments

Application for Federal Assistance SF-424

16. Congressional Districts Of:

* a. Applicant: 3 * b. Program/Project: 3

Attach an additional list of Program/Project Congressional Districts if needed.

Add Attachment | Delete Attachment | View Attachment

17. Proposed Project:

* a. Start Date: 07/01/2019 * b. End Date: 06/30/2020

18. Estimated Funding ($):

* a. Federal	1,609,780.00
* b. Applicant	
* c. State	
* d. Local	
* e. Other	
* f. Program Income	512,000.00
* g. TOTAL	2,121,780.00

*** 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

☐ a. This application was made available to the State under the Executive Order 12372 Process for review on

☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.

☐ c. Program is not covered by E.O. 12372.

*** 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

☐ Yes ☒ No

If "Yes", provide explanation and attach

Add Attachment | Delete Attachment | View Attachment

21. *By signing this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

☒ ** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: Mr. * First Name: Andy

Middle Name:

* Last Name: Berke

Suffix:

* Title: Mayor, City of Chattanooga

* Telephone Number: (423)643-7800 Fax Number:

* Email: mayor@chattanooga.gov

* Signature of Authorized Representative: * Date Signed: 9/16/19

OMB Number: 4040-0004
Expiration Date: 12/31/2019

Application for Federal Assistance SF-424

* 1. Type of Submission:	* 2. Type of Application:	* If Revision, select appropriate letter(s):
☐ Preapplication	☒ New	
☒ Application	☐ Continuation	* Other (Specify):
☐ Changed/Corrected Application	☐ Revision	

* 3. Date Received:	4. Applicant Identifier:

5a. Federal Entity Identifier:	5b. Federal Award Identifier:

State Use Only:

6. Date Received by State:	7. State Application Identifier:

8. APPLICANT INFORMATION:

* a. Legal Name:	City of Chattanooga
* b. Employer/Taxpayer Identification Number (EIN/TIN):	626000259
* c. Organizational DUNS:	0431123410000

d. Address:

* Street1:	101 East 11th Street, Suite 200
Street2:	
* City:	Chattanooga
County/Parish:	Hamilton
* State:	TN: Tennessee
Province:	
* Country:	USA: UNITED STATES
* Zip / Postal Code:	37402-4201

e. Organizational Unit:

Department Name:	Division Name:
Economic & Community Dev.	Community Development

f. Name and contact information of person to be contacted on matters involving this application:

Prefix:		* First Name:	Sandra
Middle Name:	H.		
* Last Name:	Gober		
Suffix:			

Title:	Manager, Community Development
Organizational Affiliation:	
* Telephone Number:	(423) 643-7332
Fax Number:	(423) 643-7341
* Email:	sgober@chattanooga.gov

Application for Federal Assistance SF-424

*** 9. Type of Applicant 1: Select Applicant Type:**

C: City or Township Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

* Other (specify):

*** 10. Name of Federal Agency:**

U.S. Department of Housing and Urban Development

11. Catalog of Federal Domestic Assistance Number:

14.231

CFDA Title:

Emergency Solutions Grant

*** 12. Funding Opportunity Number:**

14.231

* Title:

Emergency Solutions Grant

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Add Attachment | Delete Attachment | View Attachment

*** 15. Descriptive Title of Applicant's Project:**

ESG programs providing services to stabilize households facing homelessness through rapid re-housing and prevention.

Attach supporting documents as specified in agency Instructions.

Add Attachments | Delete Attachments | View Attachments

Application for Federal Assistance SF-424

16. Congressional Districts Of:

* a. Applicant: 3 * b. Program/Project: 3

Attach an additional list of Program/Project Congressional Districts if needed.

Add Attachment | Delete Attachment | View Attachment

17. Proposed Project:

* a. Start Date: 07/01/2019 * b. End Date: 06/30/2020

18. Estimated Funding ($):

* a. Federal	143,490.00
* b. Applicant	
* c. State	
* d. Local	
* e. Other	
* f. Program Income	
* g. TOTAL	143,490.00

*** 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

☐ a. This application was made available to the State under the Executive Order 12372 Process for review on

☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.

☐ c. Program is not covered by E.O. 12372.

*** 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

☐ Yes ☒ No

If "Yes", provide explanation and attach

Add Attachment | Delete Attachment | View Attachment

21. *By signing this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

☒ ** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix:	Mr.
* First Name:	Andy
Middle Name:	
* Last Name:	Berke
Suffix:	
* Title:	Mayor, City of Chattanooga
* Telephone Number:	(423)643-7800
Fax Number:	
* Email:	mayor@chattanooga.gov

* Signature of Authorized Representative:

* Date Signed: 5/10/19

OMB Number: 4040-0004
Expiration Date: 12/31/2019

Application for Federal Assistance SF-424

* 1. Type of Submission:	* 2. Type of Application:	* If Revision, select appropriate letter(s):
☐ Preapplication	☒ New	
☒ Application	☐ Continuation	* Other (Specify):
☐ Changed/Corrected Application	☐ Revision	

* 3. Date Received:	4. Applicant Identifier:

5a. Federal Entity Identifier:	5b. Federal Award Identifier:

State Use Only:

6. Date Received by State:	7. State Application Identifier:

8. APPLICANT INFORMATION:

* a. Legal Name:	City of Chattanooga
* b. Employer/Taxpayer Identification Number (EIN/TIN):	626000259
* c. Organizational DUNS:	0431123410000

d. Address:

* Street1:	101 East 11th Street, Suite 200
Street2:	
* City:	Chattanooga
County/Parish:	Hamilton
* State:	TN: Tennessee
Province:	
* Country:	USA: UNITED STATES
* Zip / Postal Code:	37402-4201

e. Organizational Unit:

Department Name:	Division Name:
Economic & Community Dev.	Community Development

f. Name and contact information of person to be contacted on matters involving this application:

Prefix:		* First Name:	Sandra
Middle Name:	H.		
* Last Name:	Gober		
Suffix:			

Title:	Manager, Community Development
Organizational Affiliation:	
* Telephone Number:	(423) 643-7332
Fax Number:	(423) 643-7341
* Email:	sgober@chattanooga.gov

Application for Federal Assistance SF-424

*** 9. Type of Applicant 1: Select Applicant Type:**

C: City or Township Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

* Other (specify):

*** 10. Name of Federal Agency:**

U.S. Department of Housing and Urban Development

11. Catalog of Federal Domestic Assistance Number:

14.239

CFDA Title:

HOME Investment Partnership Program

*** 12. Funding Opportunity Number:**

14.239

* Title:

HOME Investment Partnership Program

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Add Attachment | Delete Attachment | View Attachment

*** 15. Descriptive Title of Applicant's Project:**

HOME Projects - Affordable housing access, production, and preservation.

Attach supporting documents as specified in agency instructions

Add Attachments | Delete Attachments | View Attachments

Application for Federal Assistance SF-424

16. Congressional Districts Of:

* a. Applicant: 3 | * b. Program/Project: 3

Attach an additional list of Program/Project Congressional Districts if needed.

Add Attachment | Delete Attachment | View Attachment

17. Proposed Project:

* a. Start Date: 07/01/2019 | * b. End Date: 06/30/2020

18. Estimated Funding ($):

* a. Federal	774,238.00
* b. Applicant	
* c. State	
* d. Local	
* e. Other	
* f. Program Income	450,000.00
* g. TOTAL	1,224,238.00

*** 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

☐ a. This application was made available to the State under the Executive Order 12372 Process for review on

☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.

☐ c. Program is not covered by E.O. 12372.

*** 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

☐ Yes ☒ No

If "Yes", provide explanation and attach

Add Attachment | Delete Attachment | View Attachment

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☒ ** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix:	Mr.
* First Name:	Andy
Middle Name:	
* Last Name:	Berke
Suffix:	
* Title:	Mayor, City of Chattanooga
* Telephone Number:	(423)643-7800
Fax Number:	
* Email:	mayor@chattanooga.gov
* Signature of Authorized Representative:	
* Date Signed:	5/10/19

CERTIFICATIONS

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

Affirmatively Further Fair Housing --The jurisdiction will affirmatively further fair housing.

Uniform Relocation Act and Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (42 U.S.C. 4601-4655) and implementing regulations at 49 CFR Part 24. It has in effect and is following a residential anti-displacement and relocation assistance plan required under 24 CFR Part 42 in connection with any activity assisted with funding under the Community Development Block Grant or HOME programs.

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

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

3. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of Jurisdiction --The consolidated plan is authorized under State and local law (as applicable) and the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan --The housing activities to be undertaken with Community Development Block Grant, HOME, Emergency Solutions Grant, and Housing Opportunities for Persons With AIDS funds are consistent with the strategic plan in the jurisdiction's consolidated plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR Part 135.

Signature of Authorized Official

7/10/19

Date

Mayor

Title

Specific Community Development Block Grant Certifications

The Entitlement Community certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105.

Community Development Plan -- Its consolidated plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that that have been developed in accordance with the primary objective of the CDBG program (i.e., the development of viable urban communities, by providing decent housing and expanding economic opportunities, primarily for persons of low and moderate income) and requirements of 24 CFR Parts 91 and 570.

Following a Plan -- It is following a current consolidated plan that has been approved by HUD.

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

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

2. Overall Benefit. The aggregate use of CDBG funds, including Section 108 guaranteed loans, during program year(s) 2019, 2020, 2021 [a period specified by the grantee of one, two, or three specific consecutive program years], shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period.

3. Special Assessments. It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

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

In addition, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force -- It has adopted and is enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and

2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction.

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

Lead-Based Paint -- Its activities concerning lead-based paint will comply with the requirements of 24 CFR Part 35, Subparts A, B, J, K and R.

Compliance with Laws -- It will comply with applicable laws.

Signature of Authorized Official

5/10/4
Date

Mayor
Title

Specific HOME Certifications

The HOME participating jurisdiction certifies that:

Tenant Based Rental Assistance -- If it plans to provide tenant-based rental assistance, the tenant-based rental assistance is an essential element of its consolidated plan.

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

Subsidy layering -- Before committing any funds to a project, it will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing;

Signature of Authorized Official

5/10/19
Date

Mayor
Title

Emergency Solutions Grants Certifications

The Emergency Solutions Grants Program recipient certifies that:

Major rehabilitation/conversion/renovation – If an emergency shelter's rehabilitation costs exceed 75 percent of the value of the building before rehabilitation, the recipient will maintain the building as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed rehabilitation.

If the cost to convert a building into an emergency shelter exceeds 75 percent of the value of the building after conversion, the recipient will maintain the building as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed conversion.

In all other cases where ESG funds are used for renovation, the recipient will maintain the building as a shelter for homeless individuals and families for a minimum of 3 years after the date the building is first occupied by a homeless individual or family after the completed renovation.

Essential Services and Operating Costs – In the case of assistance involving shelter operations or essential services related to street outreach or emergency shelter, the recipient will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure, so long the recipient serves the same type of persons (e.g., families with children, unaccompanied youth, disabled individuals, or victims of domestic violence) or persons in the same geographic area.

Renovation – Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

Supportive Services – The recipient will assist homeless individuals in obtaining permanent housing, appropriate supportive services (including medical and mental health treatment, victim services, counseling, supervision, and other services essential for achieving independent living), and other Federal State, local, and private assistance available for these individuals.

Matching Funds – The recipient will obtain matching amounts required under 24 CFR 576.201.

Confidentiality – The recipient has established and is implementing procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project, except with the written authorization of the person responsible for the operation of that shelter.

Homeless Persons Involvement – To the maximum extent practicable, the recipient will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under the ESG program, in providing services assisted under the ESG program, and in providing services for occupants of facilities assisted under the program.

Consolidated Plan – All activities the recipient undertakes with assistance under ESG are consistent with its consolidated plan.

Discharge Policy – The recipient will establish and implement, to the maximum extent practicable and where appropriate, policies and protocols for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, mental health facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent this discharge from immediately resulting in homelessness for these persons.

Signature of Authorized Official

5/18/15
Date

Mayor
Title

APPENDIX TO CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING CERTIFICATION:

Lobbying Certification

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

ASSURANCES - CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of the project described in this application.

2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.

3. Will not dispose of, modify the use of, or change the terms of the real property title, or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal interest in the title of real property in accordance with awarding agency directives and will include a covenant in the title of real property aquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.

4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.

5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progress reports and such other information as may be required by the assistance awarding agency or State.

6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.

7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).

9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.

12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.

14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is $10,000 or more.

15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).

16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).

18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE
	Mayor
APPLICANT ORGANIZATION	DATE SUBMITTED
City of Chattanooga	5/10/15