Standards for the Emergency Solutions Grant Program (ESG) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act)

AMENDMENT

Introduction
The CARES Act appropriated a total of $4 billion in supplemental ESG CARES Act funding (ESG-CV) nationwide. The U.S. Department of Housing and Urban Development (HUD) awarded the State of Nebraska $8.5 million to prevent, prepare for, and respond to COVID-19 among individuals and families who are at risk of or presently experiencing homelessness as a result of the COVID-19 pandemic. These policies will be in place until such time as determined to no longer be necessary by the U.S. Department of Housing and Urban Development.

Outlined below are the standards for each component type allowed under ESG-CV programming. Unless exceptions are outlined below, all other requirements outlined in the Balance of State Continuum of Care/ESG Written Standards shall apply.

Guiding Principles
Low Barrier
Individuals and families experiencing homelessness must not be required to receive treatment or perform any other prerequisite activities as a condition for receiving shelter, rental assistance, or other services provided with ESG-CV funds. Program participants cannot be required to sign leases or occupancy agreements, receive treatment, receive drug testing, receive COVID-19 testing, or perform any other prerequisite activities as a condition of staying in any shelter or receiving services.

Applicable Rules
Program Income
Program income includes any amount of a security or utility deposit returned to the recipient or subrecipient, as provided by 24 CFR 576.2. For ESG-CV funding, program income may be treated as an addition to the non-profit organization’s grant, provided that the program income is used in accordance with the purposes and conditions of that grant or subgrant. Otherwise, program income must be deducted from allowable costs as provided by 2 CFR 200.307(e)(1). Costs that are incidental to generating program income and not charged to the ESG-CV subgrant may be deducted from gross income to determine program income, as allowed under 2 CFR 200.307(b).

Homeless Prevention Standards
1. ESG-CV Additional Eligible Activities for Homeless Prevention:
   a. Infectious Disease Prevention Training: ESG-CV funds may be used for training on infectious disease prevention and mitigation for staff working directly to prevent, prepare for, and respond to coronavirus among persons who are homeless or at risk of homelessness. Infectious Disease Prevention Training costs must be tracked separately.
   b. Hazard Pay: ESG-CV funds may be used to provide hazard pay for staff working directly to prevent, prepare for, and respond to coronavirus among persons who are homeless or at risk of homelessness. Examples of staff working directly in support of coronavirus response include staff providing essential services (e.g., outpatient health, outpatient...
mental health, and housing navigators), staff working in proximity to persons with coronavirus, or staff working in locations with a high likelihood of contracting coronavirus.

c. **Landlord Incentives:** ESG-CV funds may be used to pay landlord incentives, as is reasonable and necessary, to obtain housing for individuals and families experiencing homelessness and at risk of homelessness. ESG-CV funds may not be used to pay landlord incentives in an amount that exceeds three times the rent charged for the unit. Eligible landlord incentive costs include:

i. Signing bonuses equal to up to 2 months of rent
ii. Security deposits equal to up to 3 months of rent
iii. Paying the cost to repair damages incurred by the program participant not covered by the security deposit or that are incurred while the program participant is still residing in the unit
iv. Paying the costs of extra cleaning or maintenance of a program participant’s unit or appliances

d. **Volunteer Incentives:** ESG-CV funds may be used to pay for the cost of providing reasonable incentives to volunteers (e.g., cash or gift cards), who are helping to provide necessary essential services or housing relocation and stabilization services during the coronavirus outbreak. The provision to allow the payment for reasonable volunteer incentive costs will increase the number of people available to provide the needed services and connections to housing for individuals and families experiencing homelessness to prevent the spread of coronavirus. In addition, this provision acknowledges that the normal volunteer pool available to grantees may not be available.

2. **Participant Eligibility:**

People who qualify as “at risk of homelessness”, based on categories (2 or 4) of the “homeless” definition or the “at risk of homelessness” definition found at 24 CFR 576.2, and have annual income below 50% of the Area Median Income (AMI), are eligible for the following services, in compliance with federal ESG rules (24 CFR 576.103, 576.105, 576.106):

a. **Financial Assistance:** moving costs, rental application fees, security deposits, last month’s rent, utility deposits, utility payments

b. **Housing Relocation and Stabilization Services:** housing search/placement, housing stability case management, mediation and legal services, credit repair/budgeting/money management

c. **Rental Assistance:** Short-term (up to 3 months) and medium-term (4-24 months) rental assistance

3. **Participant Contribution:**

Minimum standards for determining what percentage or amount of rent and utilities costs each program participant shall pay while receiving homelessness prevention assistance are:

a. Participant’s income shall be verified prior to approval for initial and additional financial assistance. Documentation of the participant’s income and expenses, including how the participant is contributing to housing costs (if at all) shall be maintained in the participant’s file. This file shall also contain a plan to sustain housing following the assistance, including either a plan to increase income, decrease expenses, or both.
b. Participants are not required to contribute rent. Providers funded under ESG-CV may pay up to 100 percent of the reasonable rent and utility costs for program participants. Providers may, at their discretion, choose to impose rental charges on participants.

c. Any additional requirements regarding the percentage or amount of rent and utility costs each program participant shall pay shall be determined by the individual service provider’s policies and be clearly communicated to program participants.

4. Service Type, Amount, and Duration Standards:

a. Financial Assistance:
   
i. Use with other subsidies: Payment for Financial Assistance costs shall not be provided to a participant who is receiving the same type of financial assistance through other public sources, except for a one-time payment of rental arrears on the tenant's portion of the rental payment or deposit for subsidized housing.

   ii. Rental application fees: Payment shall only be made for fees charged by the owner to all applicants.

   iii. Security deposits: Payment shall not exceed 3 month’s rent.

   iv. Last month’s rent: Payment shall not exceed 1 month’s rent and shall be included in calculating the participant’s total rental assistance.

   v. Utility deposits: Payment shall only be made for gas, electric, water and sewage deposits.

   vi. Utility payments:
      
      (1) A partial payment counts as 1 month.

      (2) Payment shall only be made if the utility account is in the name of the participant or a member of the same household.

      (3) Payment shall only be made for gas, electric, water and sewage costs.

      (4) Participants shall not receive more than 24 months of utility assistance within any 3-year period.

      (5) Payments may include up to 6 months of utility payments in arrears, per service.

   vii. Moving costs: Reasonable one-time moving expenses are eligible.

b. Housing Relocation and Stabilization Services:

   i. Payment for housing relocation and stabilization services will not exceed 24 months in any 36 month period (24 CFR 576.105(c)), except for program participants who reach their 24 month maximum during the period beginning on January 21, 2020 and ending February 28, 2021. Housing relocation and stabilization services shall only be extended for a maximum of an additional 6 months. (Notice: CPD-20-08)

   ii. Housing search and placement services: Payment shall only be made for assisting participants to locate, obtain and retain suitable permanent housing through the provision of the following services:

      (1) Assessment of housing barriers, needs and preferences

      (2) Development of an action plan for locating housing

      (3) Housing search

      (4) Outreach to and negotiation with owners

      (5) Assistance with submitting rental applications and understanding leases
(6) Assessment of housing for compliance with ESG housing standards, lead-based paint and rent reasonableness

(7) Assistance with obtaining utilities and making moving arrangements

iii. Housing stability case management: Payment shall only be made for assessing, arranging, coordinating and monitoring the delivery of individualized services to facilitate housing stability for a participant who resides in permanent housing or to assist a participant in overcoming immediate barriers to obtaining housing through the provision of the following services:

1. Using the All Doors Lead Home Coordinated Entry System
2. Conducting the initial evaluation, including verifying and documenting participant eligibility
3. Counseling
4. Developing, securing and coordinating services and obtaining Federal, State and local benefits
5. Monitoring and evaluating participant progress
6. Providing information and referral to other providers
7. Developing an individualized housing and service plan
8. Conducting re-evaluations

Payment for housing stability case management services provided while the participant is seeking permanent housing shall not exceed 30 days.

iv. Mediation: Payment shall only be made for the cost of mediation between the participant and the owner or person with whom the participant is living, if it is necessary to prevent the participant from losing the permanent housing where he or she resides.

v. Legal services: The Nebraska Homeless Assistance Program (NHAP) contracts with Legal Aid of Nebraska to provide legal services for individuals assisted with NHAP funds. Legal Aid of Nebraska only assists with legal problems that prohibit the participant from obtaining permanent housing or will likely result in the participant losing the permanent housing where he or she resides. Assistance may NOT be provided for immigration, citizenship or mortgage related matters. Payment arrangements may NOT include retainer or contingency fee agreements. Eligible subject matters for legal services include child support, guardianship, paternity, emancipation, legal separation, orders of protection for victims of domestic violence, appeal of benefit claim denials, landlord tenant disputes and resolution of outstanding criminal warrants.

vi. Credit repair: Payment shall only be made for the cost of assisting the participant in obtaining skills related to household budgeting, managing money, accessing a free personal credit report and resolving personal credit problems. Payment will not be made for a debt or modification of a debt.

vii. Any additional requirements regarding the type, amount, and duration of housing stabilization and/or relocation services that will be provided to a program participant, including any limitations shall be determined by the individual service provider’s policies and clearly communicated to program participants.

c. Rental Assistance:
   i. Payment for short-term rental assistance shall not exceed 3 months.
ii. Payment for medium-term rental assistance shall be for more than 3 months, but shall not exceed 24 months.

iii. Rental assistance shall not exceed 24 months in any 36 month period (24 CFR 576.105(c)), except for program participants who reach their 24-month maximum during the period beginning on January 21, 2020 and ending February 28, 2021. Rental assistance shall only be extended for a maximum of an additional 6 months. (Notice: CPD-20-08)

iv. Minimum standards for determining the duration of rental assistance:
   (1) Approve the minimum amount of financial assistance necessary to prevent homelessness.
   (2) Documentation of financial need shall be kept in the participant’s file for each month of financial assistance received.
   (3) Participants shall not be approved for more rental assistance than can be justified given their income and expenses at a given time.
   (4) Initial rental assistance shall be granted per the individual service provider’s written policies and protocols.
   (5) Additional requirements regarding rental assistance and adjustments shall be determined by the individual service provider’s policies and clearly communicated to program participants.

v. Payment for rent arrears shall not exceed 6 months and shall be a one-time payment, including any late fees.

vi. Except for a one-time payment of rental arrears on the participant’s portion, payment shall not be provided to a participant who is receiving tenant-based rental assistance or living in a unit receiving project-based assistance.

vii. Rent amount must meet the HUD standard for rent reasonableness (24 CFR 982.507). Per CPD-20-08 Notice, fair market rent requirements are waived for ESG-CV funds. There must be a rental agreement between the landlord and agency and a written lease between tenant and landlord. (NOT ALLOWABLE: mortgage and mortgage arrearage payments)

viii. Calculation of the rental payment amount shall only include monthly rent for the unit, any occupancy fees under the lease (except for pet and late fees) and if the participant pays separately for utilities, the monthly utility allowance established by the public housing authority for the area in which the housing is located.

ix. Payment shall only be made when there is a rental assistance agreement between the agency and the owner. The agreement will include the terms under which rental assistance will be provided, including:
   (1) A requirement that the owner provide the sub recipient with a copy of any notice to vacate given to the participant or any complaint used to commence an eviction action;
   (2) Protections for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking that apply to tenants and applicants under 24 CFR part 5, subpart L;
   (3) The same payment due date, grace period and late payment penalty requirement as the participant’s lease.

x. Payment of any late payment penalties incurred by the agency shall not be claimed for reimbursement.
xi. Payment shall only be made when there is a legally binding written lease for the rental unit between the participant and the owner, except for payment of rental arrears.

xii. Payment shall only be made for units that have been inspected for ESG Habitability Standards and re-inspected no less frequently than annually. Rental assistance shall not be paid on behalf of any unit that does not meet ESG Habitability Standards.

1. Inspections may be conducted via photos or video conference. There is not a requirement that ESG Habitability Standard inspections be conducted in-person.

xiii. Tenant-Based Rental Assistance: The rental assistance agreement with the unit owner shall be terminated without further payment if:

1. The participant moves out of the unit;
2. The lease terminates and is not renewed; or
3. The participant becomes ineligible to receive ESG rental assistance.

xiv. Project-Based Rental Assistance: Payment shall only be made under the following conditions:

1. The lease has an initial term of one year;
2. The rental assistance agreement covers one or more permanent housing units in the same building;
3. Each unit covered by the agreement is only occupied by participants; and,
4. Payment will only be made for up to 100% of the first month’s rent, if the participant signs a lease and moves into the unit before the end of the month.

5. Re-evaluations:
Following the minimum standards for completing eligibility, participants shall be re-evaluated not less than once every 3 months.

Street Outreach Standards

1. ESG-CV Additional Eligible Activities for Street Outreach:
   a. Handwashing Stations and Portable Bathrooms: ESG-CV funds may be used to pay for installing and maintaining handwashing stations and bathrooms (e.g. portable toilets) in outdoor locations for people experiencing unsheltered homelessness. Allowing ESG-CV funds to pay for the costs of handwashing stations and bathroom facilities will help prevent the spread of coronavirus by providing people living in unsheltered locations regular access to bathrooms and the ability to wash their hands.
   b. Infectious Disease Prevention Training: ESG-CV funds may be used for training on infectious disease prevention and mitigation for staff working directly to prevent, prepare for, and respond to coronavirus among persons who are homeless or at risk of homelessness. Infectious Disease Prevention Training costs must be tracked separately.
   c. Hazard Pay: ESG-CV funds may be used to provide hazard pay for staff working directly to prevent, prepare for, and respond to coronavirus among persons who are homeless or at risk of homelessness. Examples of staff working directly in support of coronavirus response include street outreach teams, staff working in proximity to persons with
coronavirus, or staff working in locations with a high likelihood of contracting coronavirus.

d. **Volunteer Incentives**: ESG-CV funds may be used to pay for the cost of providing reasonable incentives to volunteers (e.g., cash or gift cards), who are helping to provide necessary essential services or housing relocation and stabilization services during the coronavirus outbreak. The provision to allow the payment for reasonable volunteer incentive costs will increase the number of people available to provide the needed services and connections to housing for individuals and families experiencing homelessness to prevent the spread of coronavirus. In addition, this provision acknowledges that the normal volunteer pool available to grantees may not be available.

2. **Participant Eligibility**:  
People who qualify as “unsheltered homeless”, based on category (1)(i) of the “homeless” definition found at 24 CFR 576.2, are eligible for the following activities in compliance with federal ESG rules (24 CFR 576.101): engagement; case management; emergency health and mental health services; transportation; and provision of handwashing stations and portable bathrooms.

3. **Service Provision**:  
Street outreach workers are often the initial point of contact, have the ability to maintain contact throughout the process and connect individuals with mainstream resources and community based services as needed. Street outreach services include:
   a. Educating and training on the process of Coordinated Entry, how to perform the initial standardized assessment and how to make referrals.
   b. Maintaining contact and open communication regarding housing status and resources being utilized.
   c. Providing assistance to those unsheltered who may be in need of additional supports.
   d. Installation and maintenance of handwashing stations and portable bathrooms in outdoor locations for people experiencing unsheltered homelessness.

**Emergency Shelter Standards**

1. **ESG-CV Additional Eligible Activities for Emergency Shelter**:  
   a. **Infectious Disease Prevention Training**: ESG-CV funds may be used for training on infectious disease prevention and mitigation for staff working directly to prevent, prepare for, and respond to coronavirus among persons who are homeless or at risk of homelessness. Infectious Disease Prevention Training costs must be tracked separately.
   b. **Hazard Pay**: ESG-CV funds may be used to provide hazard pay for staff working directly to prevent, prepare for, and respond to coronavirus among persons who are homeless or at risk of homelessness. Examples of staff working directly in support of coronavirus response include emergency shelter intake, maintenance, and security staff, as well as staff working in proximity to persons with coronavirus or working in locations with a high likelihood of contracting coronavirus.
   c. **Volunteer Incentives**: ESG-CV funds may be used to pay for the cost of providing reasonable incentives to volunteers (e.g., cash or gift cards), who are helping to provide necessary essential services or housing relocation and stabilization services during the
coronavirus outbreak. The provision to allow the payment for reasonable volunteer incentive costs will increase the number of people available to provide the needed services and connections to housing for individuals and families experiencing homelessness to prevent the spread of coronavirus. In addition, this provision acknowledges that the normal volunteer pool available to grantees may not be available.

4. **Participant Eligibility:**

People who qualify as “homeless”, based on categories (1, 2, or 4) of the “homeless” definition found at 24 CFR 576.2, are eligible for the following activities in compliance with federal ESG rules (24 CFR 576.102): case management; child care; education, employment and life skills services; legal services (not allowable: mortgage and mortgage arrearage payments); health, mental health and substance abuse services; and transportation.

5. **Minimum Standards:**

   a. **Admission:** Providers of Emergency Shelter services shall admit individuals and families who meet the HUD definition of “homeless,” as specified in 24 CFR 576.2 (1, 2, & 4) and the agency’s eligibility criteria.

   b. **Assessment:** Individuals and families shall be offered an initial evaluation to determine eligibility for ESG assistance, as well as the amount and types of assistance needed to regain stability in permanent housing.

   c. **The following Emergency Shelter services may be provided as needed and appropriate:** case management; childcare; education services; employment assistance and job training; outpatient health services; legal services; life skills training; mental health services; substance abuse treatment services; transportation; and services for special populations.

   d. **Prioritization/Diversion/Referral:** Permanent housing shall be prioritized for individuals who are literally homeless. When appropriate, based on the individual’s needs and wishes, a referral to Rapid Rehousing services shall be made quickly to assist individuals in obtaining safe and appropriate housing. Referrals to Transitional Housing shall be made for transitional aged youth, individuals fleeing domestic violence, individuals re-entering from institutions, individuals recovering from substance abuse, or other individuals with transitional housing needs.

   e. **Reassessment:** Program participants will be reassessed as case management progresses, based on the individual service provider’s policies.

   f. **Discharge/Length of Stay:** Program participants shall be discharged from Emergency Shelter services when they choose to leave or when they have successfully obtained safe, permanent housing. Any length of stay limitations shall be determined by the individual service provider’s policies and shall be clearly communicated to program participants. Providers of shelter services are strongly encouraged not to discharge individuals and families who have not secured permanent housing.

   g. **Safety and Shelter Safeguards for Special Populations:** Safety and shelter safeguards shall be determined by the provider’s special population policies and shall be clearly communicated to program participants.
Rapid Rehousing Standards

1. ESG-CV Additional Eligible Activities for Homeless Prevention:
   a. **Infectious Disease Prevention Training**: ESG-CV funds may be used for training on infectious disease prevention and mitigation for staff working directly to prevent, prepare for, and respond to coronavirus among persons who are homeless or at risk of homelessness. Infectious Disease Prevention Training costs must be tracked separately.
   b. **Hazard Pay**: ESG-CV funds may be used to provide hazard pay for staff working directly to prevent, prepare for, and respond to coronavirus among persons who are homeless or at risk of homelessness. Examples of staff working directly in support of coronavirus response include staff providing essential services (e.g. outpatient health, outpatient mental health, and housing navigators), staff working in proximity to persons with coronavirus, or staff working in locations with a high likelihood of contracting coronavirus.
   c. **Landlord Incentives**: ESG-CV funds may be used to pay landlord incentives, as is reasonable and necessary, to obtain housing for individuals and families experiencing homelessness and at risk of homelessness. ESG-CV funds may not be used to pay landlord incentives in an amount that exceeds three times the rent charged for the unit. Eligible landlord incentive costs include:
      i. Signing bonuses equal to up to 2 months of rent
      ii. Security deposits equal to up to 3 months of rent
      iii. Paying the cost to repair damages incurred by the program participant not covered by the security deposit or that are incurred while the program participant is still residing in the unit
      iv. Paying the costs of extra cleaning or maintenance of a program participant’s unit or appliances
   d. **Volunteer Incentives**: ESG-CV funds may be used to pay for the cost of providing reasonable incentives to volunteers (e.g., cash or gift cards), who are helping to provide necessary essential services or housing relocation and stabilization services during the coronavirus outbreak. The provision to allow the payment for reasonable volunteer incentive costs will increase the number of people available to provide the needed services and connections to housing for individuals and families experiencing homelessness to prevent the spread of coronavirus. In addition, this provision acknowledges that the normal volunteer pool available to grantees may not be available.

2. Participant Eligibility:
   To be eligible for rapid rehousing services individuals must be “homeless”, based on category 1 of the “homeless” definition found at 24 CFR 576.2. In addition, to be eligible for the following activities, individuals must be moving into a housing unit that meets ESG standards for permanent housing (24 CFR 576.403(c)) and lead-based paint standards (24 CFR 576.403(a)) in compliance with federal ESG (24 CFR 576.104, 576.105, 576.106):
   a. **Financial Assistance**: moving costs, rental application fees, security deposits, last month’s rent, utility deposits, utility payments
b. **Housing Relocation and Stabilization Services**: housing search/placement, housing stability case management, mediation and legal services, credit repair/budgeting/money management

c. **Rental Assistance**: Short-term (up to 3 months) and medium-term (4-24 months) rental assistance

3. **Contribution**:

Minimum standards for determining what percentage or amount of rent and utilities costs each program participant shall pay while receiving rapid rehousing assistance are:

a. Participant’s income shall be verified prior to approval for initial and additional financial assistance. Documentation of the participant’s income and expenses, including how the participant is contributing to housing costs, if at all, shall be maintained in the participant’s file. This file shall also contain a plan to sustain housing following the assistance, including either a plan to increase income, decrease expenses, or both.

b. Participants are not required to contribute rent. Providers funded under ESG-CV may pay up to 100 percent of the reasonable rent and utility costs for program participants. Providers may, at their discretion, choose to impose rental charges on participants.

c. Any additional requirements regarding the percentage or amount of rent and utilities costs each program participant shall pay shall be determined by the individual service provider’s policies and clearly communicated to program participants.

4. **Service Type, Amount, and Duration**:

a. **Financial Assistance**:

i. Use with other subsidies: Payment for Financial Assistance costs shall not be provided to a participant who is receiving the same type of financial assistance through other public sources except for a one-time payment of rental arrears on the tenant’s portion of the rental payment or deposit for subsidized housing.

ii. Rental application fees: Payment shall only be made for fees charged by the owner to all applicants.

iii. Security deposits: Payment shall not exceed 3 month’s rent.

iv. Last month’s rent: Payment shall not exceed 1 month’s rent and shall be included in calculating the participant’s total rental assistance.

v. Utility deposits: Payment shall only be made for gas, electric, water and sewage deposits.

vi. Utility payments:

   (1) Payment shall not exceed 24 months per participant, including no more than 6 months of utility payments in arrears, per service.

   (2) A partial payment counts as 1 month.

   (3) Payment shall only be made if the utility account is in the name of the participant or a member of the same household.

   (4) Payment shall only be made for gas, electric, water and sewage costs.

vii. Moving costs: reasonable one-time moving expenses are eligible.

b. **Housing Relocation and Stabilization Services**:

i. Payment for housing relocation and stabilization services will not exceed 24 months in any 36 month period (24 CFR 576.105(c)), except for program participants who reach their 24-month maximum during the period beginning on January 21, 2020 and ending February 28, 2021. Assistance under this section shall only be extended for a maximum of an additional 6 months. (Notice: CPD-20-08)
ii. Housing search and placement services: Payment shall only be made for assisting participants to locate, obtain and retain suitable permanent housing through provision of the following services:
   (1) Assessment of housing barriers, needs and preferences
   (2) Development of an action plan for locating housing
   (3) Housing search
   (4) Outreach to and negotiation with owners
   (5) Assistance with submitting rental applications and understanding leases
   (6) Assessment of housing for compliance with ESG standards for permanent housing, lead-based paint remediation and disclosure, and rent reasonableness
   (7) Assistance with obtaining utilities and making moving arrangements

iii. Housing stability case management: Payment shall only be made for assessing, arranging, coordinating and monitoring the delivery of individualized services to facilitate housing stability for a participant who resides in permanent housing or to assist a participant in overcoming immediate barriers to obtaining housing through provision of the following services:
   (1) Using the All Doors Lead Home Coordinated Entry System
   (2) Conducting the initial evaluation, including verifying and documenting participant eligibility
   (3) Counseling
   (4) Developing, securing and coordinating services and obtaining Federal, State and local benefits
   (5) Monitoring and evaluating participant progress
   (6) Providing information and referral to other providers
   (7) Developing an individualized housing and service plan
   (8) Conducting re-evaluations

Payment for housing stability case management services provided while the participant is seeking permanent housing shall not exceed 30 days.

iv. Mediation: Payment shall only be made for the cost of mediation between the participant and the owner or person with whom the participant is living, if it is necessary to prevent the participant from losing the permanent housing where he/she resides.

v. Legal services: Payment shall only be made for the cost of legal services, if they are necessary to resolve a legal problem that prohibits the participant from obtaining permanent housing or will likely result in the participant losing the permanent housing where he/she resides. Assistance may NOT be provided for immigration, citizenship or mortgage related matters. Payment arrangements may NOT include retainer or contingency fee agreements. Eligible subject matters for legal services include child support, guardianship, paternity, emancipation, legal separation, orders of protection for victims of domestic violence, appeal of benefit claim denials, landlord tenant disputes and resolution of outstanding criminal warrants. Only approved Legal Services provider through NHAP can provide ESG legal services.

vi. Credit repair: Payment shall only be made for the cost of assisting the participant in obtaining skills related to household budgeting, managing money, accessing a free personal credit report and resolving personal credit problems. Payment will not be made for a debt or modification of a debt.
vii. Any additional requirements regarding the type, amount, and duration of housing stabilization and/or relocation services that will be provided to a program participant, including any limitations shall be determined by the individual service provider’s policies and clearly communicated to program participants.

c. Rental Assistance:
   i. Payment for short-term rental assistance shall not exceed 3 months.
   ii. Payment for medium-term rental assistance shall be for more than 3 months, but shall not exceed 24 months.
   iii. Rental assistance will not exceed 24 months in any 36 month period (24 CFR 576.105(c)), except for program participants who reach their 24-month maximum during the period beginning on January 21, 2020 and ending February 28, 2021. Rental assistance shall only be extended for a maximum of an additional 6 months. (Notice: CPD-20-08)
   iv. Minimum standards for determining the duration of rental assistance:
       (1) Approve the minimum amount of financial assistance necessary to prevent homelessness.
       (2) Documentation of financial need shall be kept in the participant’s file for each month of financial assistance received.
       (3) Participants shall not be approved for more rental assistance than can be justified given their income and expenses at a given time.
       (4) Initial rental assistance shall be granted per the individual service provider’s written policies and protocols.
       (5) Additional requirements regarding rental assistance and adjustments shall be determined by the individual service provider’s policies and clearly communicated to program participants.
   v. Payment for rent arrears shall not exceed 6 months and shall be a one-time payment, including any late fees.
   vi. Except for a one-time payment of rental arrears on the participant’s portion, payment shall not be provided to a participant who is receiving tenant-based rental assistance or living in a unit receiving project-based assistance.
   vii. Payment shall comply with HUD’s standard of rent reasonableness (24 CFR 982.507).
   viii. Calculation of the rental payment amount shall only include monthly rent for the unit, any occupancy fees under the lease (except for pet and late fees) and if the participant pays separately for utilities, the monthly utility allowance established by the public housing authority for the area in which the housing is located.
   ix. Payment shall only be made when there is a rental assistance agreement between the agency and the owner. The agreement will include the terms under which rental assistance will be provided, including:
       (1) A requirement that the owner provide the sub recipient with a copy of any notice to vacate given to the participant or any complaint used to commence an eviction action;
       (2) Protections for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking that apply to tenants and applicants under 24 CFR part 5, subpart L; and
       (3) The same payment due date, grace period and late payment penalty requirement as the participant’s lease.
   ix. Payment of any late payment penalties incurred by the agency shall not be claimed for reimbursement.
x. Payment shall only be made when there is a legally binding, written lease for the rental unit between the participant and the owner, except for payment of rental arrears.

xi. Payment shall only be made for units that have been inspected for ESG Habitability Standards and re-inspected no less frequently than annually. Rental assistance shall not be paid on behalf of any unit that does not meet ESG Habitability Standards.

xii. Tenant-Based Rental Assistance: The rental assistance agreement with the unit owner shall be terminated without further payment if:
(1) The participant moves out of the unit;
(2) The lease terminates and is not renewed; or
(3) The participant becomes ineligible to receive ESG rental assistance.

xiii. Project-Based Rental Assistance Payment shall only be made under the following conditions:
(1) The lease has an initial term of 1 year;
(2) The rental assistance agreement covers one or more permanent housing units in the same building; and
(3) Each unit covered by the agreement is only occupied by participants.

xiv. Payment will only be made for up to 100% of the first month’s rent, if the participant signs a lease and moves into the unit before the end of the month.

5. Re-evaluations:
The minimum standards for completing eligibility re-evaluations requires that participants shall be re-evaluated not less than once annually.