

# **Long Beach Continuum of Care**

## **Written Standards**



**Department of Health and Human Services**

Homeless Services Bureau

## REVIEW RELEASE DATES AND BOARD APPROVAL DATES

<i>Continuum of Care Grant Written Standards</i>	
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# **LONG BEACH CONTINUUM OF CARE WRITTEN STANDARDS**

## **INTRODUCTION**

The Long Beach Continuum of Care (CoC) is a comprehensive system of care that is committed to respond to the diverse needs of individuals and families in the City of Long Beach who are experiencing homelessness and those who are at risk of homelessness. This comprehensive system of care involves the collaborative efforts of local agencies, city leaders, and community groups that together provide services and programs designed to reduce and end homelessness in Long Beach.

## **PURPOSE**

The Continuum of Care (CoC) and Emergency Solutions Grant (ESG) Program interim rules require recipients and CoCs to develop written standards for administering assistance. This is necessary to establish community-wide expectations on the operations of projects within the community, to ensure the system is transparent to users and operators, to establish a minimum set of standards and expectations of the quality expected of projects, to make the local priorities transparent to recipients and subrecipient of funds, and to create consistency and coordination between projects.

The Written Standards establishes uniform criteria for eligibility determination, system delivery, prioritization, and performance measures throughout the CoC. These standards will ensure that households at risk of homelessness and those experiencing homelessness will be given similar information and support to access and maintain services. All projects that receive CoC and/or ESG funding are required to abide by the Written Standards.

The Written Standards will be reviewed and updated with the approval of the CoC Board.

## **SECTION I: GENERAL REQUIREMENTS**

The Long Beach Continuum of Care's (CoC) geographic boundary is the entire jurisdiction of the City of Long Beach. Through the Long Beach CoC, the City, and its community partners strive to create a balance of emergency, bridge, transitional, and permanent housing, and supportive services that empower individuals and families who are homeless, or at risk of homelessness, to make the critical transition from housing crisis to self-sufficiency and stable permanent housing.

### **COORDINATED ENTRY SYSTEM**

By way of the Long Beach Coordinated Entry System (CES), people at risk of homelessness and people experiencing homelessness are linked to services and/or housing. Refer to the Long Beach Coordinated Entry System Policies and Procedures for more detailed information regarding the Long Beach CES.

### **HOUSING FIRST**

Funded agencies will be required to adhere to a Housing First approach in the design and operations of their projects. Housing First is a proven approach in which all people experiencing homelessness are believed to be housing ready and are provided with permanent housing immediately and with few to no preconditions, behavioral contingencies, or barriers. Effectively implementing a Housing First approach involves prioritizing people with the highest needs and vulnerabilities, engaging more landlords and property owners, and making our projects client-centered spaces without barriers to entering and remaining in the project. Supportive services are offered to maximize housing stability and prevent returns to homelessness as opposed to addressing predetermined treatment goals prior to permanent housing entry. Housing First is premised on the following principles:

- Homelessness is first and foremost a housing crisis and can be addressed through the provision of safe and affordable housing.
- All people experiencing homelessness, regardless of their housing history and duration of homelessness, can achieve housing stability in permanent housing. Some may need very little support for a brief period of time, while others may need more intensive and long-term supports.
- Everyone is "housing ready." Sobriety, compliance in treatment, or even criminal histories are not necessary to succeed in housing. Rather, homelessness programs and housing providers must be "consumer ready."
- Many people experience improvements in quality of life, in the areas of health, mental health, substance use, and employment, as a result of achieving housing.

- People experiencing homelessness have the right to self-determination and should be treated with dignity and respect.
- The exact configuration of housing and services depends upon the needs and preferences of the population.

Permanent supportive housing models that use a Housing First approach have been proven to be highly effective for ending homelessness, particularly for people experiencing chronic homelessness who have higher service needs. An increasing body of research has shown that Housing First permanent supportive housing models result in long-term housing stability, improved physical and behavioral health outcomes, and reduced use of crisis services such as emergency departments, hospitals, and jails. The core components of Housing First in the context of permanent supportive housing models feature:

- Few to no programmatic prerequisites to permanent housing entry
- Low barrier admission policies
- Rapid and streamlined entry into housing
- Supportive services are voluntary, but can and should be used to persistently engage tenants to ensure housing stability
- Tenants have full rights, responsibilities, and legal protections
- Practices and policies to prevent lease violations and evictions
- Applicable in a variety of housing models

## **STANDARDS FOR DETERMINING TERMINATION OF ASSISTANCE**

CoC and ESG funded projects may terminate assistance to project participants who violate program requirements or conditions of occupancy. Termination under this section does not bar the housing provider from providing further assistance later to the same individual or family. The housing provider may terminate assistance in accordance with a formal process established by the housing provider that recognizes the rights of individuals affected by this process. At a minimum, the termination process must consist of:

- Providing the participant with a written copy of program rules and the termination process before the participant begins to receive assistance;
- Written notice to the program participant containing a clear statement of the reasons for termination;
- A review of the decision, in which the program participant is given the opportunity to present written or oral objections before a person other than the person (or a



subordinate of that person) who made or approved the decision to terminate. This process must be in alignment with the agencies grievance policies and procedures; and

- Prompt written notice of the final decision to the program participant.

## **STANDARDS FOR PROJECT PARTICIPANT CONFIDENTIALITY**

To ensure the safety and security of program households, CoC and ESG partners are required to develop and implement written policies and procedures to guarantee the confidentiality of records concerning program participants in accordance with [24 CFR § 576.500\(x\)](#) and [24 CFR § 578.103\(b\)](#). Confidentiality must always be protected. This includes all written information, any release of information, program participant records and adequate confidential space for services. To comply with these requirements, the agency should, for example, keep written records or files under lock and key with only particular personnel granted access to those files. Confidentiality statements must be signed by every employee and kept on file. Standardized forms must be used to show program participant consent when program participant information is exchanged from agency to agency and kept in the program participant chart or file. The policy regarding program participant confidentiality and the completion of required forms must be in place. All HMIS users will adhere to the privacy standards set forth in the [City of Long Beach Homeless Management Information System \(HMIS\) Policies and Procedures](#).

## **STANDARDS FOR FAIR AND EQUAL ACCESS AND INCLUSIVITY**

The Long Beach CoC and ESG Program funded projects must comply with the nondiscrimination and equal opportunity provisions of Federal civil rights laws, including, but not limited to, the following: Fair Housing Act, Section 504 of the Rehabilitation Act, Title VI of the Civil Rights Act, Title II or III of the Americans with Disabilities Act, and Title II of the Americans with Disabilities Act. Housing assisted by HUD and made available through the CoC must also be made available to individuals and families without regard to actual or perceived sexual orientation, gender identity, or marital status in accordance with [24 CFR § 5.105\(a\)\(2\)](#). All funded agencies that the Long Beach CoC has Memoranda of Understanding (MOUs) with must be compliant with nondiscrimination provisions of Federal civil rights laws. Subrecipients who leverage alternate funding which restricts access to partner projects based on specific program participant attributes or characteristics shall disclose these additional restrictions to the City's Homeless Services Bureau in writing.

The Long Beach CoC ensures fair and equal access to programs and services for all program participants regardless of actual or perceived race, color, religion, national origin, age, gender identity, pregnancy, citizenship, familial status, household composition,

disability, Veteran status, or sexual orientation. The Long Beach CES includes provisions for all priority subpopulations including households experiencing chronic homelessness, veterans, families, youth, seniors, disabled and specialized provisions for those fleeing domestic violence. If an individual's self-identified gender or household composition creates challenging dynamics among residents within a facility, the host program should make every effort to accommodate the individual or assist in locating alternative accommodation that is appropriate and responsive to the individual's needs.

Language Access. The City of Long Beach and the Long Beach CoC understands that removing language barriers is critical to equitable access to services. The goal of the City's Language Access Policy is to attain meaningful and understandable access for limited English language proficiency individuals. Therefore, the City has set up translation and interpretation services in these three languages: Spanish, Tagalog, and Khmer.

### **ASSURANCE OF COMPLIANCE WITH THE VIOLENCE AGAINST WOMEN REAUTHORIZATION ACT OF 2013**

The Violence Against Women Act (VAWA) provides housing protections for households experiencing domestic violence, dating violence, sexual assault, and stalking seek services in the Long Beach CoC. The Long Beach CoC shall utilize the local domestic violence hotline to coordinate intake and services for households fleeing domestic violence and seeking shelter. Households seeking entry into domestic violence shelters are not required to access services through the CES. Long Beach CoC assures that:

1. Applicants or tenants experiencing domestic violence, dating violence, sexual assault, and stalking are not denied assistance as an applicant, or evicted, or have assistance terminated because the applicant or tenant is or has experienced domestic violence, dating violence, sexual assault, and stalking
2. Its housing providers provide protections against denials, terminations, and evictions that directly results from being a person experiencing domestic violence, dating violence, sexual assault, or stalking, if the applicant otherwise qualifies for admission, assistance, participation, or occupancy.
3. Its housing providers will implement emergency transfer plans that allow for persons experiencing domestic violence, dating violence, sexual assault or stalking to move to another safe and available unit if they fear for their life or safety.

Additional information and more detailed information regarding protections and options for persons experiencing domestic violence, dating violence, sexual assault, and stalking can be found in the [Long Beach CoC's Violence Against Women Act Protections, Procedures, and Policy](#).

## **LIVED EXPERIENCE PARTICIPATION REQUIREMENT**

Specified in the Long Beach [CoC Governance Charter and Bylaws](#), the CoC Board must have a person with lived experience of homelessness serving as a voting member. All Long Beach CoC funded partners must have participation of at least one homeless individual or formerly homeless individual on their board of directors or equivalent policymaking entity. Additionally, all Long Beach CoC funded partners must, to the maximum extent practicable, involve homeless individuals and families through employment, volunteer services, or otherwise in constructing, rehabilitating, maintaining, and operating the project, and in providing support services for the project.

## **PERFORMANCE STANDARDS**

The CoC and ESG Programs contribute to the overall Long Beach CoC system performance by providing resources to increase permanent housing placements, reduce the length of homelessness, increase housing retention, and maintain/increase household income.

The Long Beach CoC utilizes the local HMIS to regularly monitor progress, ensure compliance with eligibility requirements, and effectively coordinate CoC services and housing resources. HMIS data is utilized to track program participation and report on outputs and outcomes as required by funders.

## **SYSTEM EVALUATION**

The Long Beach CoC System Performance evaluation will be overseen by the Long Beach Continuum of Care Quality, Data, and Performance subcommittee. System evaluation includes:

- A monthly reporting of metrics from the coordinated entry system process including occupancy reports, length of stay, and utilization of beds.
- A program participant focus group with people experiencing homelessness that have accessed the coordinated entry process.
- An annual performance report with a section devoted to coordinated entry system outcomes. The report may include assessment data, as well as the total number of assessments and referrals made, successes to be shared. Major findings from this report are presented to the CoC Board.

## **TRAINING AND PARTICIPATION REQUIREMENT**

Subrecipients are required to participate in the CoC General Membership meetings, webinars, and any relevant subcommittees that support quality service delivery within the system of care. Additional trainings may be required prior to contracting with subrecipients and as part of ongoing technical assistance and project

monitoring.

## **CONSULTATION WITH CONTINUUM OF CARE MEMBERSHIP**

The City of Long Beach Department of Development Services, Neighborhood Services Bureau manages the Consolidated Planning process for the City and collaborates with the Department of Health and Human Services (DHHS), Homeless Services Bureau, which is the designated Lead Entity for the Long Beach CoC. The Homeless Services Bureau administers the following components of the City's Consolidated Plan: Emergency Solutions Grant and HOME Move-in Deposit Program.

The CoC Membership includes CoC- and ESG-funded partners and other non-funded community stakeholders who provide input and guidance on the development and implementation of funding priorities, performance standards, system-wide policies and procedures, program implementation, and the HMIS for the Long Beach CoC. The Homeless Services Bureau also hosts regular CoC Membership meetings to review system wide coordination. The CoC Membership has the following standing subcommittees outlined in the [CoC Governance Charter and Bylaws](#):

1. Policies and Standards
2. Coordinated Entry System
3. Quality, Data, and Performance

## **SECTION II: CONTINUUM OF CARE (COC) PROGRAM BACKGROUND, POLICIES, PROCEDURES, AND STANDARDS**

### **BACKGROUND**

Beginning in 1987, the City of Long Beach has committed to shaping a comprehensive and coordinated system of care that responds to the diverse needs of individuals and families currently and at-risk of experiencing homelessness. The City continues to expand services to these populations and facilitates a seamless delivery system using an active collaboration of local agencies, city leaders, community groups, and other public and private resources. Funding by the U.S. Department of Housing and Urban Development's (HUD) CoC Program allows the Long Beach CoC to advance the following efforts:

- Promote communitywide commitment to the goal of ending homelessness;
- Provide funding for efforts by nonprofit providers, and State and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness;
- Promote access to and effect utilization of mainstream programs by homeless individuals and families; and
- Optimize self-sufficiency among individuals and families experiencing homelessness.

### **POLICIES AND PROCEDURES FOR EVALUATING HOUSEHOLD ELIGIBILITY FOR ASSISTANCE UNDER 24 CFR 578**

Households are triaged at time of initial intake for program eligibility and level of assistance needed. Households are assessed to determine the least level of assistance needed to maintain or obtain sustainable housing by utilizing the CES prioritization system. The household must meet the requirements of an applicable AND eligible category under the definition of "At Risk of Homelessness" OR definition of "Homeless" as established by HUD at [24 CFR § 578.3](#), in addition to all applicable requirements for each project. The City does not intend to use the risk factor under Paragraph (1)(iii)(G) of the "at risk of homelessness" definition and Paragraph (3) of the "homeless" definition.

Housing status and annual income, where required, are verified by program staff prior to program enrollment. Additionally, the evidence relied upon to establish and verify homeless status and annual income are included in the Homeless Management Information System (HMIS) record to demonstrate compliance with program regulations, prevent duplication of services, and enhance interagency coordination within the CoC.

### **Calculation of Annual Income**

Sufficient records must be established and maintained to enable the recipient and HUD to determine whether the applicable program requirements are being met. Long Beach CoC projects must assess and document annual income for each program participant who receives Emergency Solutions Grant (ESG) homelessness prevention assistance or ESG rapid re-housing assistance, as well as for each Continuum of Care (CoC) program participant who receives housing assistance where rent or an occupancy charge is paid by the program participant, as required by the applicable program regulations and local requirements. The subrecipient must calculate annual income in accordance with [24 CFR § 5.609](#) and [24 CFR § 5.611\(a\)](#) for ESG program participants. See Attachment A for more information.

The evidence relied upon to establish and verify annual income must be included in the participant's file and be sufficient to demonstrate compliance with such regulations. It is strongly recommended that subrecipients utilize the CPD Income Eligibility Calculator, available at <https://www.hudexchange.info/incomecalculator/>, to document the calculation of a program participant's annual income. Please see the Long Beach CoC's Calculation of Annual Income and Recordkeeping Standards for information on documentation standards.

### **POLICIES AND PROCEDURES FOR DETERMINING AND PRIORITIZING WHICH ELIGIBLE INDIVIDUALS AND FAMILIES WILL RECEIVE TRANSITIONAL HOUSING ASSISTANCE**

The Long Beach CES provides referrals to transitional housing placement for homeless households requiring long-term shelter (more than 90-days) with the goal to secure permanent housing. The CoC prioritizes households fleeing or experiencing domestic violence as the primary cause of their current housing.

Eligible households for transitional housing placement include, but are not limited to:

- Households with no income or limited income
- Household cannot sustain fair market rent
- Head of household with:
  - Recent history of substance abuse, or actively using drugs or alcohol
  - Sporadic employment history
  - Criminal background
- Survivors of domestic violence

### **POLICIES AND PROCEDURES FOR DETERMINING AND PRIORITIZING WHICH ELIGIBLE INDIVIDUALS AND FAMILIES WILL RECEIVE RAPID RE-HOUSING ASSISTANCE.**

The prioritization for Rapid Re-Housing (RRH) assistance remains dynamic based upon the current availability of permanent housing resources. Current resources impact the

level of need for assistance that is prioritized for RRH. Households prioritized for RRH are those that lack financial resources and support networks needed to obtain immediate housing but have the ability to maintain housing with sufficient income and social supports with RRH assistance. The Long Beach CoC prioritizes those with the greatest needs first, so if someone has higher needs than RRH, yet indicates that as an assistance model they want to access they will be enrolled and can be supported with a higher level of services if needed.

Households prioritized for RRH include:

- Head of Household:
  - Recently lost employment or recently began experiencing homelessness
  - Has a job or public benefits, that can sustain rent but need assistance getting back into the housing market, or have the potential to increase income to sustain market rate rent
  - Moderate experiences of homelessness (6 months to 1 year)
  - Moderate VI-SPDAT scores (4-8)

Rapid Re-housing projects may establish an income requirement for continued eligibility at re-evaluation, a maximum amount or percentage of rental assistance that a program participant may need, a maximum number of months that a program participant may receive rental assistance, and a maximum number of times that a program participant may receive rental assistance in accordance with [24 CFR § 578.51](#).

Supportive services include a wide range of services outlined in [24 CFR § 578.53](#). Supportive services may be provided up to 6 months after rental assistance stops. At a minimum, program participants must be offered monthly case management meetings.

## **STANDARDS FOR DETERMINING WHAT PERCENTAGE OR AMOUNT OF RENT EACH PROGRAM PARTICIPANT MUST PAY WHILE RECEIVING RAPID RE-HOUSING ASSISTANCE.**

If agency project has a requirement of program participant rent contribution, occupancy charge or utility reimbursement will be determined at time of household's program intake and will be approved as the smallest amount needed in order to maintain or obtain housing. CoC-funded rental assistance cannot be provided to a program participant who is receiving the same type of assistance through other public sources, or to a program participant who is being provided with replacement housing payments under the [Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 \(URA\)](#) at the same time. Units assisted with rental assistance must also meet rent reasonableness standards and have both a rental assistance agreement and written lease agreement before financial assistance payments are approved. CoC-funded rental assistance will be paid directly to the appropriate third-party (e.g., property owner).

Refer to Appendix B for [HUD's Notice CPD-17-11: Determining a Program Participant's Rent Contribution, Occupancy Charge or Utility Reimbursement in the Continuum of Care \(CoC\) Program when the Program Participant is Responsible for the Utilities](#)

## **POLICIES AND PROCEDURES FOR DETERMINING AND PRIORITIZING WHICH ELIGIBLE INDIVIDUALS AND FAMILIES WILL RECEIVE PERMANENT SUPPORTIVE HOUSING ASSISTANCE.**

Order of priority for Permanent Supportive Housing (PSH) beds will be determined in accordance with Exhibit A, [Notice CPD-16-011: Prioritizing Persons Experiencing Chronic Homelessness and other Vulnerable Homeless Persons in Permanent Supportive Housing](#).

*Priority Levels:* An order of priority is used to prioritize chronically homeless individuals and families for housing. The order of priority is based upon the severity of needs, and not upon diagnosis or disability type. PSH projects are required to follow the order of priority when selecting participants for housing in accordance with the CoC's written standards and current grant agreement. Order of priority for occupancy in PSH is as follows:

- First Priority – Chronically Homeless Individuals and Families with the Longest History of Homelessness and with the Most Severe Service Needs.
- Second Priority – Chronically Homeless Individuals and Families with the Longest History of Homelessness.
- Third Priority – Chronically Homeless Individuals and Families with the Most Severe Service Needs.



- Fourth Priority – All Other Chronically Homeless Individuals and Families.

Other Considerations and Requirements for PSH Projects

- Compliance of CoC funded PSH agencies with recordkeeping requirements that document a program participant's status as chronically homeless.

## **SECTION III: EMERGENCY SOLUTIONS GRANT (ESG) PROGRAM BACKGROUND, POLICIES, PROCEDURES, AND STANDARDS**

### **BACKGROUND**

In accordance with [24 CFR § 91.220\(l\)\(4\)\(i\)](#) and [24 CFR § 567.400\(e\)\(1\)](#), the City of Long Beach and the Long Beach CoC have developed the following written standards for the provision and prioritization of Emergency Solutions Grant (ESG) funding. The following standards are intended as basic, minimum standards to which individual ESG applicants and/or subrecipients can add additional and more stringent standards applicable only to their own projects. These required standards help to ensure that the ESG Program is administered fairly and methodically. The City and the Long Beach CoC will continue to build upon and refine this document.

The City of Long Beach is awarded Federal ESG funds annually from the U.S. Department of Housing and Urban Development (HUD) as part of the Annual Action Plan Process. These funds are 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 quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness.

The ESG Program allows the City to set priorities based on the needs of the community. These standards outline the specific guidelines and priorities that will be used by the City in awarding and administering ESG funding. Currently, eligible program components that are considered for allocation under the City's ESG Program are Emergency Shelter, Street Outreach, Rapid Re-Housing, Administrative Costs, Homeless Management Information System (HMIS), and Homelessness Prevention. Applications for projects in other components will not be considered at this time. The City and Long Beach CoC may revise ESG component prioritization in subsequent years.

In response to the economic impacts of the COVID-19 pandemic, the federal government authorized the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), which resulted in an increased appropriation of the ESG Program. An addendum to these Written Standards has been included to specify the regulations and requirements of the additional ESG-CV funding.

## **POLICIES AND PROCEDURES FOR EVALUATING HOUSEHOLD ELIGIBILITY FOR ASSISTANCE UNDER EMERGENCY SOLUTIONS GRANT (ESG)**

All ESG-funded projects will ensure that all program participants meet the applicable eligibility requirements for the project. At a minimum, this includes:

- An initial evaluation, conducted in accordance with the CES Policies and Procedures, these written standards, and Long Beach CoC Standards of Care, to determine:
  - Eligibility of each household for ESG assistance; AND
  - The amount and types of assistance needed to (re)gain stability in permanent housing; AND
- The household must meet the requirements of an applicable AND eligible category under the definition of “At Risk of Homelessness” OR definition “Homeless” as established by HUD at [24 CFR § 576.2](#); AND
- For Homelessness Prevention assistance:
  - The household income must be below 30% area median income (AMI).
  - The household has not identified any subsequent housing options.
  - The household lacks the financial resources and support networks necessary to retain immediate housing or remain in their existing housing without ESG assistance.
- For Rapid Re-housing assistance:
  - The household has not identified any subsequent housing options.
  - The household lacks the financial resources and support networks needed to obtain immediate housing.

### ESG Income Limits

Determining eligibilities using ESG Program income limits must be consistent with the latest HUD fiscal year guidance. The following are key considerations when working with ESG program income limits:

- **Extremely Low Income vs. Area Median Income Limits.** The “Extremely Low Income (ELI) families” limits do NOT apply to the ESG or Continuum of Care (CoC) programs. ESG does not use the ELI measure to establish income limits but instead uses the 30% of Area Median Income (AMI) income limits. Please use the 30% of AMI tables. If ESG recipients/subrecipients were to use the ELI standard, some applicants for ESG assistance might be falsely determined to be eligible for homelessness prevention assistance, when actually their incomes were over 30% of AMI. Under the ESG program, income eligibility is based on the

HUD income limits in effect at the time of income verification. Income eligibility is not based on HUD income limits that correspond with the grant year under which the ESG funds were awarded.

- **Rapid Re-Housing Income Requirements.** Please keep in mind for program participants receiving ESG “Rapid Re-Housing” assistance, an income assessment is not required at initial evaluation. At re-evaluation -- which must take place not less than once annually for rapid re-housing -- the participant's household must have an annual income that does not exceed 30% of AMI.
- **Homelessness Prevention Income Requirements.** Homelessness Prevention assistance may be provided to households who meet the criteria under the At Risk of Homelessness definition, or who meet the criteria in paragraph (2), (3), or (4) of the homeless definition, lack the resources to obtain other permanent housing, and have an annual income that does not exceed 50% of AMI when using ESG-CV and annual ESG funds to prevent, prepare for, respond to, and mitigate the impacts of coronavirus. When using annual ESG funds for homelessness prevention purposes NOT related to preventing, preparing for, responding to, and mitigating the impacts of coronavirus, individual and family income must be below 30% of AMI at intake and at or below 30% of AMI at re-evaluation.

Housing status and annual income must be verified through recordkeeping and documentation procedures outlined by HUD in [24 CFR part 576](#). Additionally, the evidence relied upon to establish and verify homeless or at risk for homelessness status and annual income must be included in the program HMIS participant record sufficient to demonstrate compliance with the program regulations.

## **STANDARDS FOR STREET OUTREACH**

Funded projects under the street outreach component provide outreach and engagement to all people experiencing homelessness regardless of subpopulation. Outreach efforts are focused on those individuals and families who are least likely to access services on their own and are determined to be vulnerable. For the purposes of ESG-funded street outreach projects, the term “unsheltered homeless people” means individuals and families who qualify as homeless under paragraph (1)(i) of the “homeless” definition under the [24 CFR § 576.2](#). Projects can use funds for costs to provide essential services necessary to reach out to unsheltered homeless people to 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 facility.

## **POLICIES AND PROCEDURES FOR ADMISSION, DIVERSION, REFERRAL, AND DISCHARGE BY EMERGENCY SHELTERS ASSISTED UNDER ESG, INCLUDING STANDARDS REGARDING LENGTH OF STAY, IF ANY, AND SAFEGUARDS TO MEET THE SAFETY AND SHELTER NEEDS OF SPECIAL POPULATION.**

ESG-funded emergency shelter programs serve households that meet the definition of “homeless” as defined by HUD at [24 CFR § 576.2](#). Households served by ESG-funded emergency shelters lack a fixed, regular, and adequate nighttime residence; cannot be served by other programs or resources; and have no other options for overnight shelter. Households are referred to ESG- funded emergency shelters after exhausting all available options for diversion.

Projects funded under the Emergency Shelter component work directly with the CES for open shelter beds. Households are screened using a standardized assessment tool to evaluate program eligibility and identify the appropriate intervention(s) to meet the household’s needs. Households are assessed to determine the lowest level of assistance needed to maintain or obtain sustainable housing. Households needing immediate shelter will be placed based on availability.

Diversion from emergency shelter is one of the strategies the Long Beach CoC utilizes to reduce homelessness within the local community. During intake assessment, households are assessed for existing support systems and resources to prevent them from entering the shelter system. Intake staff provide linkages to mainstream resources such as childcare, employment services, and food resources to stabilize households.

Discharges from the emergency shelter will be coordinated through the Long Beach CES for matching to permanent housing opportunity, or to other programs for emergency services using a client-centered approach.

## **POLICIES AND PROCEDURES FOR ASSESSING, PRIORITIZING, AND REASSESSING HOUSEHOLD NEEDS FOR ESSENTIAL SERVICES RELATED TO EMERGENCY SHELTER**

Due to limited length of stay in emergency shelter, households will be assessed for essential services on a regular basis. Households will also be reassessed to determine progress on goals pertaining to increasing income and linkages to mainstream and homeless services resources. Emergency shelter staff will work with the CoC partners to ensure linkages to mainstream services, employment, and housing resources are expedited through the Long Beach CES process. Eligible Essential Services include case management; childcare; educational services; employment assistance and job training; outpatient health services, but only to the extent that other appropriate health services are unavailable in the community; legal services, but only to the extent that other appropriate legal services are unavailable or inaccessible in the community; life skills training; mental health services, but only to the extent that other appropriate mental

health services are unavailable or inaccessible in the community; substance abuse treatment services, but only to the extent that other appropriate substance abuse treatment services are unavailable or inaccessible within the community; and transportation.

**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**

Coordination among the emergency shelters, homelessness prevention, rapid re-housing, homeless assistance, and mainstream service providers will be facilitated via the CES. Representatives from mainstream benefits and employment services are located onsite to increase income and earning capacity for those served by the Long Beach CoC.

**POLICIES AND PROCEDURES FOR DETERMINING AND PRIORITIZING WHICH ELIGIBLE FAMILIES AND INDIVIDUALS WILL RECEIVE HOMELESSNESS PREVENTION ASSISTANCE AND WHICH ELIGIBLE FAMILIES AND INDIVIDUALS WILL RECEIVE RAPID RE- HOUSING ASSISTANCE**

To be eligible for homeless prevention services under ESG, the household must meet the following minimum eligibility criteria:

- Individual or family who meets one of the following categories of HUD’s Homeless Definition at [24 CFR § 576.2](#), AND has an annual income below 30% of area median family income:
  - Category 2 (Imminent Risk of Homelessness)\*
  - Category 3 (Homeless Under Other Federal Statutes)
  - Category 4 (Fleeing/Attempting to Flee Violence, and not living in a place described in Category 1

*\*The definition includes the requirement that individuals and families have no other residence AND lack the resources and support networks to obtain other permanent housing.*

OR

Individual or family who meets one of the three categories of HUD’s At Risk of Homelessness Definition at [24 CFR § 576.2](#), AND has an annual income below 30% of the area median family income:

- Category 1\*\*

- Category 2 (Children/youth who do not qualify as homeless under the homeless definition in [24 CFR § 576.2](#) but qualify as homeless under another Federal statute)
- Category 3 (Children/youth and their families who do not qualify as homeless under the homeless definition in [24 CFR § 576.2](#), but who do qualify as homeless under [Section 725\(2\) of the McKinney-Vento Homeless Assistance Act](#))

*\*\*The definition includes the requirement that individuals and families lack sufficient resources or support networks immediately available to prevent them from moving to an emergency shelter or another place described in Category 1 of the homeless definition.*

**Note:** *ESG homelessness prevention assistance is intended to provide rental assistance and housing relocation and stabilization services necessary to prevent an individual or family from moving into an emergency shelter, the streets, or a place not meant for human habitation.*

Rapid Re-Housing resources will be provided to individuals and families who meet the following minimum eligibility criteria:

- Individual or family who meets one of the following categories of HUD's Homeless Definition at §576.2:
  - Category 1 (Literally homeless)
  - Category 4 (Fleeing/Attempting to Flee Violence and living in a place described in Category 1)\*

*\*The definition includes the requirement that individuals and families have no other residence AND lack the resources and support networks to obtain other permanent housing.*

:

## **STANDARDS FOR DETERMINING WHAT PERCENTAGE OR AMOUNT OF RENT AND UTILITIES COSTS EACH PROGRAM PARTICIPANT MUST PAY WHILE RECEIVING HOMELESSNESS PREVENTION OR RAPID RE-HOUSING ASSISTANCE**

Determination of the share of rent and utilities cost will be determined at time of household's intake assessment and will be approved as the smallest amount needed to maintain or obtain housing. ESG-funded financial assistance, including rental assistance, cannot be provided to a program participant who is receiving the same type of assistance through other public sources or to a program participant who has been provided with replacement housing payments under the [Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 \(URA\)](#), during the period covered by the URA payments. Units assisted with rental assistance must also meet rent reasonableness standards, be at or below Fair Market Rent (FMR) and have both a rental assistance agreement and written lease agreement before financial assistance payments are approved. ESG-funded financial assistance, including rental assistance, will be paid directly to the appropriate third-party (e.g., utility company, property owner). Any late fees incurred while receiving ESG assistance will be the responsibility of the subrecipient or tenant; such fees must be paid by non-CoC/ESG funds.

## **STANDARDS FOR DETERMINING HOW LONG A PARTICULAR PROGRAM PARTICIPANT WILL BE PROVIDED WITH RENTAL ASSISTANCE AND WHETHER AND HOW THE AMOUNT OF THAT ASSISTANCE WILL BE ADJUSTED OVER TIME**

Households receiving Rapid Re-Housing assistance or Homelessness Prevention will be re-evaluated every three months to determine if the household maintains program eligibility. Per household rental assistance should not exceed more than 24 months in a three-year period. Furthermore, ESG-funded projects will be responsible for follow up evaluations with households for tracking housing retention.

## **STANDARDS FOR DETERMINING THE TYPE, AMOUNT, AND DURATION OF HOUSING STABILIZATION AND/OR RELOCATION SERVICES**

The type of housing stabilization and/or relocation services a household receives will be determined at the time of initial assessment, and at each re-evaluation. Households will be assessed for the lowest amount of need for housing stabilization. The projects will retain flexibility to promote improved outcomes among a population with diverse and individualized needs. In accordance with the interim rule, no household will receive more than 24 months housing stabilization and/or relocation services in a 3-year period.



## **DETERMINATIONS OF INELIGIBILITY**

For each household determined ineligible to receive Emergency Solutions Grant (ESG) assistance, the household's record must include documentation of the reason for that determination.

## **ADDENDUM I**

### **EMERGENCY SOLUTIONS GRANT – CARES ACT (ESG-CV) WRITTEN STANDARDS**

#### **BACKGROUND**

The CARES Act appropriated \$4 billion through the Emergency Solutions Grants (ESG) Program “to prevent, prepare for, and respond to coronavirus, among individuals and families who are homeless or receiving homeless assistance and to support additional homeless assistance and homelessness prevention activities to mitigate the impacts created by coronavirus under the Emergency Solutions Grants program ([42 U.S.C. 11371](#)).” This addendum augments the CoC Written Standards, which outlines additional requirements under the ESG-CV Program in response to COVID-19 pandemic.

#### **COORDINATION WITH PUBLIC HEALTH PARTNERS TO ESTABLISH COVID-19-SPECIFIC PROCEDURES WHERE APPROPRIATE. IF COMPLIANCE WITH PUBLIC HEALTH GUIDANCE IS DIFFERENT FOR VICTIMS OF DOMESTIC VIOLENCE OR OTHER PROTECTED POPULATIONS, ALTERNATIVE PROCEDURES MUST BE DOCUMENTED.**

For shelters utilizing symptom screening as a part of intake procedures, the process must adhere to the Long Beach City Health Order, in addition to relevant guidance provided by the Los Angeles County Department of Public Health and the State’s Health Order. Shelters funded by ESG-CV must establish referral pathways to isolation and quarantine if a client is in need of such services. Shelters funded through ESG-CV will maintain social distancing requirements established in partnership with the local Department of Health and Human Services.

#### **EXPANDED DEFINITION OF ESG-CV ELIGIBLE SHELTER FUNDS.**

The purpose of ESG-CV funds is to prevent, prepare for, and respond to COVID-19 in order to prevent and mitigate the spread of COVID-19 among people experiencing homelessness and the staff that provide services to these individuals. This requires that existing shelters implement public health protocols such as enforcing social distancing, establishing an isolation space (especially for residents suspected of having COVID-19, those with confirmed cases, and high-risk residents such as elderly people and people with pre-existing health conditions), using personal protective equipment (PPE), and cleaning/disinfecting shared and living spaces. In many communities where existing shelter is not available or where current shelters are not able to implement these safety protocols, additional space may need to be identified to allow people to have shelter while staying as healthy as possible. This may be space within an existing shelter (e.g., an office not being used) that could be temporarily converted into a quarantine space for someone who has tested positive or is awaiting test results, or it could be an entirely separate building. Eligible shelter spaces may include public spaces, pop up or modular structures in compliance with [U.S. Department of Housing and Urban Development \(HUD\) guidance](#).

#### **STANDARD POLICIES AND PROCEDURES FOR EVALUATING INDIVIDUALS’ AND FAMILIES’ ELIGIBILITY FOR ASSISTANCE UNDER ESG.**

In collaboration with the Long Beach Department of Health and Human Services and the City Health Officer, the Long Beach CoC has streamlined and updated the CES Assessment to include COVID-19 vulnerabilities outlined in the state protective health order which established non-congregate shelters (NCS) for people experiencing homelessness. This assessment will be used for housing placement during the pandemic.

## **STANDARDS FOR TARGETING AND PROVIDING ESSENTIAL SERVICES RELATED TO STREET OUTREACH**

Street outreach activities funded by the Long Beach CoC must be in coordination with the City's public health protocols to ensure the safety of those involved in engagement efforts. Such additional street outreach activities that are eligible under ESG-CV can include:

- Distribution of masks or other PPE, if available, to people who are unsheltered;
- Provision of handwashing stations and portable bathrooms;
- Maintaining social distancing requirements during engagement;
- Coordination of medical care via case management;
- Transportation such as train or bus tokens, taxi or rideshare for program participants' travel to and from medical care; and
- Expanded staffing such as hiring additional staff to support infectious disease preparedness or providing hazard pay to staff with direct participant contact.

## **POLICIES AND PROCEDURES FOR ADMISSION, DIVERSION, REFERRAL, AND DISCHARGE BY EMERGENCY SHELTERS ASSISTED UNDER ESG, INCLUDING STANDARDS REGARDING THE LENGTH OF STAY, IF ANY, AND SAFEGUARDS TO MEET THE SAFETY AND SHELTER NEEDS OF SPECIAL POPULATIONS (E.G., VICTIMS OF DOMESTIC VIOLENCE, SEXUAL ASSAULT, AND STALKING) AND INDIVIDUALS AND FAMILIES WHO HAVE THE HIGHEST BARRIERS TO HOUSING AND ARE LIKELY TO BE HOMELESS THE LONGEST.**

Shelters funded by ESG-CV may not turn away eligible program participants and must establish referral pathways to other shelter or housing if the shelter is at maximum capacity. Shelters must establish referral pathways to isolation and quarantine if a client is in need of such services.

Someone who presents at an ESG-funded shelter with respiratory symptoms (e.g., cough) should not be turned away solely because of their health symptoms.

Shelters funded by ESG-CV are strongly discouraged from implementing a maximum length of stay when a discharge will result in program participants returning to unsheltered settings or situations putting them at a higher risk of COVID-19 infection.

Any ESG-funded shelter that is considering closing or not accepting new residents must immediately notify the local CoC, public health authority, and emergency management officials.

## **POLICIES AND PROCEDURES FOR ASSESSING, PRIORITIZING, AND REASSESSING INDIVIDUALS' AND FAMILIES' NEEDS FOR ESSENTIAL SERVICES RELATED TO EMERGENCY SHELTER**

Under this state of emergency, HUD supports communities considering other prioritization elements as necessary to prevent the spread of COVID-19 among those who are homeless or at risk of homelessness and to respond to those already impacted by the pandemic. In response to the COVID-19 pandemic, the Long Beach CES incorporated additional assessment and prioritization elements to include COVID-19 vulnerabilities such as age, specific health conditions, and/or medical frailty.

**POLICIES AND PROCEDURES FOR COORDINATION AMONG EMERGENCY SHELTER PROVIDERS, ESSENTIAL SERVICES PROVIDERS, HOMELESSNESS PREVENTION, AND RAPID REHOUSING (RRH) ASSISTANCE PROVIDERS; OTHER HOMELESS ASSISTANCE PROVIDERS; AND MAINSTREAM SERVICE AND HOUSING PROVIDERS (SEE §576.400(B) AND (C) FOR A LIST OF PROGRAMS WITH WHICH ESG-FUNDED ACTIVITIES MUST BE COORDINATED AND INTEGRATED TO THE MAXIMUM EXTENT PRACTICABLE).**

The local Long Beach Health Department is available to conduct testing for people experiencing homelessness at a variety of shelters or City locations. ESG-CV funded shelters and outreach programs should encourage (but may not require) people experiencing homelessness to get tested if they are experiencing COVID-19 symptoms.

Shelters in the jurisdiction are encouraged to use funds provided through ESG-CV to purchase technology to access telehealth services provided through Healthcare for the Homeless.

**POLICIES AND PROCEDURES FOR DETERMINING AND PRIORITIZING WHICH ELIGIBLE FAMILIES AND INDIVIDUALS WILL RECEIVE HOMELESSNESS PREVENTION ASSISTANCE AND WHICH ELIGIBLE FAMILIES AND INDIVIDUALS WILL RECEIVE RRH ASSISTANCE.**

The Long Beach CoC may prioritize the use of ESG-CV funds for proven strategies, especially RRH for those experiencing homelessness. Note: people cannot be denied RRH because of zero income.

Focused Prevention: Based on race equity analysis, the Long Beach CoC may focus prevention services to marginalized areas of town. These areas of Long Beach serve disproportionately large communities of Black, Indigenous, and people of color who experience homelessness. They have been historically underserved and had poor access to permanent housing solutions offered by the homeless response system.

The CES will prioritize placement in ESG-CV-funded RRH programs for people who meet the state's protective health order that provides non congregate shelter to protect people experiencing homelessness from becoming seriously ill from COVID-19. The protective health order outlines a variety of eligibility factors for non-congregate shelter. Validation of priority status must be obtained from the NCS operator.

**STANDARDS FOR DETERMINING WHAT PERCENTAGE OR AMOUNT OF RENT AND UTILITIES COSTS EACH PROGRAM PARTICIPANT MUST PAY WHILE RECEIVING HOMELESSNESS PREVENTION OR RRH ASSISTANCE.**

Under the Coronavirus Aid, Relief, and Economic Security (CARES) Act ESG-CV funding, there will be no rental payment requirement for households receiving financial assistance. Projects funded are expected to serve people with zero income.

**STANDARDS FOR DETERMINING HOW LONG A PARTICULAR PROGRAM PARTICIPANT WILL BE PROVIDED WITH RENTAL ASSISTANCE AND WHETHER AND HOW THE AMOUNT OF THAT ASSISTANCE WILL BE ADJUSTED OVER TIME.**

The CARES Act provides that ESG-CV funds may be used to mitigate the economic impact of COVID-19. Programs are encouraged to consider the maximum number of rental assistance months be extended/adjusted to address unemployment, loss of income, or benefits due to COVID-19.

RRH sub-recipients must use a progressive engagement model; this practice supports using the least intensive intervention to help resolve homelessness for the individual or family. Providers are to add more assistance only as necessary if the less intensive intervention is unsuccessful. RRH households receiving rental assistance subsidies must contribute a minimum of 30 percent of their monthly adjusted income toward their monthly rent. This tenant rent contribution may be adjusted at any time based on changes to household income. There is no minimum rent requirement and tenant rent contribution may be zero for households with no income.

**STANDARDS FOR DETERMINING THE TYPE, AMOUNT, AND DURATION OF HOUSING STABILIZATION AND/OR RELOCATION SERVICES TO PROVIDE TO A PROGRAM PARTICIPANT, INCLUDING THE LIMITS (IF ANY) ON THE HOMELESSNESS PREVENTION OR RRH ASSISTANCE THAT EACH PROGRAM PARTICIPANT MAY RECEIVE (SUCH AS THE MAXIMUM AMOUNT OF ASSISTANCE, MAXIMUM NUMBER OF MONTHS THE PROGRAM PARTICIPANT MAY RECEIVE ASSISTANCE, OR THE MAXIMUM NUMBER OF TIMES THE PROGRAM PARTICIPANT MAY RECEIVE ASSISTANCE).**

ESG-CV funds may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance necessary to prevent an individual or family from moving into an emergency shelter or another place described in paragraph (1) of the 'homeless' definition in [24 CFR 576.2](#). This assistance, referred to as homelessness prevention, may be provided to individuals and families who meet the criteria under the 'at risk of homelessness' definition, or who meet the criteria in the 'homeless' definition at [24 CFR 576.2](#) and have an annual income below 50 percent of median family income for the area, as determined by HUD. The costs of homelessness prevention are only eligible to the extent that the assistance is necessary to help the program participant regain stability in the program participant's current permanent housing or move into other permanent housing and achieve stability in that housing. Homelessness prevention must be provided in accordance with the housing relocation and stabilization services requirements in [24 CFR 576.105](#), the short- and medium-term rental assistance requirements in [24 CFR 576.106](#), and the written standards and procedures established under [24 CFR 576.400](#).

Landlord Incentives: ESG-CV funds may be used to pay for landlord incentives that are reasonable and necessary to obtain housing for individuals and families experiencing homelessness and at risk of homelessness. Landlord incentives may not exceed three times the rent charged for the unit. Eligible landlord incentives include:

- Signing bonuses equal to 2 months of rent.
- Security deposits equal to up to three months of rent, or the state statute.
- Costs 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.
- Paying the costs of extra cleaning or maintenance of a program participant's unit or appliances.

**APPENDIX A**

[HUD's Notice CPD-16-11: Prioritizing Persons Experiencing Chronic Homelessness and Other Vulnerable Homeless Persons in Permanent Supportive Housing](#)



**Special Attention of:**

All Secretary's  
Representatives

**Notice: CPD-16-11**

**Issued: July 25, 2016**

**Expires:** This Notice is effective until it is amended, superseded, or rescinded

**Issued:**

All Regional Directors for  
CPD

**Cross Reference:** 24 CFR Parts 578 and  
42 U.S.C. 11381, *et seq.*

**Expires:**

All CPD Division Directors  
Continuums of Care (CoC)  
Recipients of the Continuum of Care (CoC)  
Program

**Subject: Notice on Prioritizing Persons Experiencing Chronic Homelessness and Other Vulnerable Homeless Persons in Permanent Supportive Housing**

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## I. Purpose

This Notice supersedes Notice CPD-14-012 and provides guidance to Continuums of Care (CoC) and recipients of Continuum of Care (CoC) Program (24 CFR part 578) funding for permanent supportive housing (PSH) regarding the order in which eligible households should be served in **all** CoC Program-funded PSH. This Notice reflects the new definition of chronically homeless as defined in CoC Program interim rule as amended by the Final Rule on Defining "Chronically Homeless" (herein referred to as the Definition of Chronically Homeless final rule) and updates the orders of priority that were established under the prior Notice. CoCs that previously adopted the orders of priority established in Notice CPD-14-012, which this Notice supersedes, and who received points for having done so in the FY2015 CoC Program Competition are encouraged to update their written standards to reflect the updates to the orders of priority as established in this Notice. CoCs that have not previously adopted the orders of priority established in Notice CPD-14-012 are also encouraged to incorporate the orders of priority included in this Notice into their written standards

### A. Background

In June 2010, the Obama Administration released *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness (Opening Doors)*, in which HUD and its federal partners set goals to end Veteran and chronic homelessness by 2015, and end family and youth homelessness by 2020. Although progress has been made there is still a long way to go. In 2015, the United States Interagency Council on Homelessness extended the goal timeline for achieving the goal of ending chronic homelessness nationally from 2015 to 2017. In 2015, there were still 83,170 individuals and 13,105 persons in families with children that were identified as chronically homeless in the United States. To end chronic homelessness, it is critical that CoCs ensure that limited resources awarded through the CoC Program Competition are being used in the most effective manner and that households that are most in need of assistance are being prioritized.

Since 2005, HUD has encouraged CoCs to create new PSH dedicated for use by persons experiencing chronic homelessness (herein referred to as dedicated PSH). As a result, the number of dedicated **PSH** beds funded through the CoC Program for persons experiencing chronic homelessness has increased from 24,760 in 2007 to 59,329 in 2015. This increase has contributed to a 30.6 percent decrease in the number of chronically homeless persons reported in the Point-in-Time Count between 2007 and 2015. Despite the overall increase in the number of dedicated PSH beds, this only represents 31.6 percent of all CoC Program-funded PSH beds.

To ensure that all PSH beds funded through the CoC Program are used as strategically and effectively as possible, PSH needs to be targeted to serve persons with the highest needs and greatest barriers towards obtaining and maintaining housing on their own - persons experiencing chronic homelessness. HUD's experience has shown that many communities and recipients of CoC Program-funded PSH continue to serve persons on a "first-come, first-serve" basis or based on tenant selection processes that screen-in those who are most likely to succeed while screening out those with the highest level of need. These approaches to tenant

selection have not been effective in reducing chronic homelessness, despite the increase in the number of PSH beds nationally.

## **B. Goals of this Notice**

The overarching goal of this Notice is to ensure that those individuals and families who have spent the longest time in places not meant for human habitation, in emergency shelters, or in safe havens and who have the most severe service needs within a community are prioritized for PSH. By ensuring that persons with the longest histories of homelessness and most severe service needs are prioritized for PSH, progress towards the Obama Administration's goal of ending chronic homelessness will increase. In order to guide CoCs in ensuring that all CoC Program-funded PSH beds are used most effectively, this Notice revises the orders of priority related to how persons should be selected for PSH as previously established in Notice CPD-14-012 to reflect the changes to the definition of chronically homeless as defined in the Definition of Chronically Homeless final rule. CoCs are strongly encouraged to adopt and incorporate them into the CoC's written standards and coordinated entry process.

HUD seeks to achieve two goals through this Notice:

1. Establish a recommended order of priority for dedicated and prioritized PSH which CoCs are encouraged to adopt in order to ensure that those persons with the longest histories residing in places not meant for human habitation, in emergency shelters, and in safe havens and with the most severe service needs are given first priority.
2. Establish a recommended order of priority for PSH that is not dedicated or prioritized for chronic homelessness in order to ensure that those persons who do not yet meet the definition of chronic homelessness but have the longest histories of homelessness and the most severe service needs, and are therefore the most at risk of becoming chronically homeless, are prioritized.

## **C. Applicability**

The guidance in this Notice is provided to all CoCs and all recipients and subrecipients of CoC Program funds-the latter two groups referred to collectively as recipients of CoC Program-funded PSH. CoCs are strongly encouraged to incorporate the order of priority described in this Notice into their written standards, which CoCs are required to develop per 24 CFR 578.7(a)(9), for their CoC Program-funded PSH. Recipients of CoC Program funds are required to follow the written standards for prioritizing assistance established by the CoC (see 24 CFR 578.23(c)(10)); therefore, if the CoC adopts these recommended orders of priority for their PSH, all recipients of CoC Program-funded PSH will be required to follow them as required by their grant agreement. CoCs that adopted the orders of priority established in Notice CPD-14-012, which this Notice supersedes, and who received points for having done so in the most recent CoC Program Competition are strongly encouraged to update their written standards to reflect the updates to the orders of priority as established in this Notice. Lastly, where a CoC has chosen to not adopt HUD's recommended orders of priority into their written standards, recipients of CoC Program-funded PSH are encouraged to follow these standards for selecting participants into their programs as long as it is not inconsistent with the CoC's written standards.

## D. Key Terms

1. **Housing First.** A model of housing assistance that prioritizes rapid placement and stabilization in permanent housing that does not have service participation requirements or preconditions for entry (such as sobriety or a minimum income threshold). HUD encourages all recipients of CoC Program-funded PSH to follow a Housing First approach to the maximum extent practicable.
2. **Chronically Homeless.** The definition of "chronically homeless", as stated in Definition of Chronically Homeless final rule is:
  - (a) A "homeless individual with a disability," as defined in section 401(9) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11360(9)), who:
    - i. lives in a place not meant for human habitation, a safe haven, or in an emergency shelter; and
    - ii. Has been homeless and living as described in paragraph (a)(i) continuously for at least 12 months or on at least four separate occasions in the last 3 years, as long as the combined occasions equal at least 12 months and each break **in** homelessness separating the occasions included at least 7 consecutive nights of not living as described in paragraph (a)(i). Stays **in** institutional care facilities for fewer than 90 days will not constitute as a break in homelessness, but rather such stays are included in the 12-month total, as long as the individual was living or residing in a place not meant for human habitation, a safe haven, or an emergency shelter immediately before entering an institutional care facility;
  - (b) An individual who has been residing in an institutional care facility, including a jail, substance abuse or mental health treatment facility, hospital, or other similar facility, for fewer than 90 days and met all of the criteria in paragraph (a) of this definition, before entering the facility;
  - (c) A family with an adult head of household (or if there is no adult in the family, a minor head of household) who meets all of the criteria in paragraph (a) or (b) of this definition (as described in Section I.D.2.(a) of this Notice), including a family whose composition has fluctuated while the head of household has been homeless.
3. **Severity of Service Needs.** This Notice refers to persons who have been identified as having the most severe service needs.
  - (a) For the purposes of this Notice, this means an individual for whom at least one of the following is true:
    - i. History of high utilization of crisis services, which include but are not limited to, emergency rooms, jails, and psychiatric facilities; and/or

- ii. Significant health or behavioral health challenges, substance use disorders, or functional impairments which require a significant level of support in order to maintain permanent housing.
- iii. For youth and victims of domestic violence, high risk of continued trauma or high risk of harm or exposure to very dangerous living situations.
- iv. When applicable CoCs and recipients of CoC Program-funded PSH may use an alternate criteria used by Medicaid departments to identify high-need, high cost beneficiaries.

(b) Severe service needs as defined in paragraphs i.-iv. above should be identified and verified through data-driven methods such as an administrative data match or through the use of a standardized assessment tool and process and should be documented in a program participant's case file. The determination must not be based on a specific diagnosis or disability type, but only on the severity of needs of the individual. The determination cannot be made based on any factors that would result in a violation of any nondiscrimination and equal opportunity requirements, see 24 C.F.R. § 5.105(a).

## **II. Dedication and Prioritization of Permanent Supportive Housing Strategies to Increase Number of PSH Beds Available for Chronically Homeless Persons**

### **A. Increase the number of CoC Program-funded PSH beds that are dedicated to persons experiencing chronic homelessness.**

Dedicated PSH beds are those which are required through the project's grant agreement to only be used to house persons experiencing chronic homelessness unless there are no persons within the CoC that meet that criteria. If there are no persons within the CoC's geographic area that meet the definition of chronically homeless at a point in which a dedicated PSH bed is vacant, the recipient may then follow the order of priority for non-dedicated PSH established in this Notice, if it has been adopted into the CoC's written standards. The bed will continue to be a dedicated bed, however, so when that bed becomes vacant again it must be used to house a chronically homeless person unless there are still no persons who meet that criterion within the CoC's geographic area at that time. These PSH beds are also reported as "CH Beds" on a CoC's Housing Inventory Count (HIC).

### **B. Prioritize non-dedicated PSH beds for use by persons experiencing chronic homelessness.**

Prioritization means implementing an admissions preference for chronically homeless persons for CoC Program-funded PSH beds. During the CoC Program competition project applicants for CoC Program-funded PSH indicate the number of non-dedicated beds that will be prioritized for use by persons experiencing chronic homelessness during the operating year of that grant, when awarded. These projects are then required to prioritize chronically homeless persons in their non-dedicated CoC Program-funded PSH beds for the applicable operating year as the project application is incorporated into the

grant agreement. All recipients of non-dedicated CoC Program-funded PSH are encouraged to change the designation of their PSH to dedicated, however, at a minimum are encouraged to prioritize the chronically homeless as beds become vacant to the maximum extent practicable, until there are no persons within the CoC's geographic area who meet that criteria. Projects located in CoCs where a sub-CoC approach to housing and service delivery has been implemented, which may also be reflected in a sub-CoC coordinated entry process, need only to prioritize assistance within their specified area. For example, if a Balance of State CoC has chosen to divide the CoC into six distinct regions for purposes of planning and housing and service delivery, each region would only be expected to prioritize assistance within its specified geographic area.<sup>1</sup>

The number of non-dedicated beds designated as being prioritized for the chronically homeless may be increased at any time during the operating year and may occur without an amendment to the grant agreement.

### **III. Order of Priority in CoC Program-funded Permanent Supportive Housing**

The definition of chronically homeless included in the final rule on "Defining Chronically Homeless", which was published on December 4, 2015 and went into effect on January 15, 2016, requires an individual or head of household to have a disability and to have been living in a place not meant for human habitation, in an emergency shelter, or in a safe haven for at least 12 months either continuously or cumulatively over a period of at least 4 occasions in the last 3 years. HUD encourages all CoCs adopt into their written standards the following orders of priority for all CoC Program-funded PSH. CoCs that adopted the orders of priority established in Notice CPD-14-012, which this Notice supersedes, and who received points for having done so in the most recent CoC Program Competition are strongly encouraged to update their written standards to reflect the updates to the orders of priority as established in this Notice. Where a CoC has chosen to not incorporate HUD's recommended orders of priority into their written standards, recipients of CoC Program-funded PSH are encouraged to follow these standards for selecting participants into their programs as long as it is not inconsistent with the CoC's written standards.

As a reminder, recipients of CoC Program-funded PSH are required to prioritize otherwise eligible households in a nondiscriminatory manner. Program implementation, including any prioritization policies, must be implemented consistent with the nondiscrimination provisions of the Federal civil rights laws, including, but not limited to the Fair Housing Act, Section 504 of the Rehabilitation Act, Title VI of the Civil Rights Act, and Title II or III of the Americans with Disabilities Act, as applicable. For example, while it is acceptable to prioritize based on level of need for the type of assistance being offered, prioritizing based on specific disabilities would not be consistent with fair housing requirements or program regulations.

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<sup>1</sup> For the State of Louisiana grant originally awarded pursuant to "Department of Housing and Urban Development-Permanent Supportive Housing" in chapter 6 of title III of the Supplemental Appropriations Act, 2008 (Public Law 110--252; 122 Stat. 2351), projects located within the geographic area of a CoC that is not the CoC through which the State is awarded the grant may prioritize assistance within that geographic area instead of within the geographic area of the CoC through which the State is awarded the grant.

**A. Prioritizing Chronically Homeless Persons in CoC Program-funded Permanent Supportive Housing Beds Dedicated or Prioritized for Occupancy by Persons Experiencing Chronic Homelessness**

1. CoCs are strongly encouraged to revise their written standards to include an order of priority, determined by the CoC, for CoC Program-funded PSH that is dedicated or prioritized for persons experiencing chronic homelessness that is based on the length of time in which an individual or family has resided in a place not meant for human habitation, a safe haven, or an emergency shelter and the severity of the individual's or family's service needs. Recipients of CoC Program-funded PSH that is dedicated or prioritized for persons experiencing chronic homelessness would be required to follow that order of priority when selecting participants for housing, in a manner consistent with their current grant agreement.
2. Where there are no chronically homeless individuals and families within the CoC's geographic area, CoCs and recipients of CoC Program-funded PSH are encouraged to follow the order of priority in Section III.B. of this Notice. For projects located in CoC's where a sub-CoC approach to housing and service delivery has been implemented, which may also be reflected in a sub-CoC coordinated entry process, need only to prioritize assistance within their specified sub-CoC area. <sup>2</sup>
3. Recipients of CoC Program-funded PSH should follow the order of priority above while also considering the goals and any identified target populations served by the project. For example, a CoC Program-funded PSH project that is permitted to target homeless persons with a serious mental illness should follow the order of priority under Section III.A. I. of this Notice to the extent in which persons with serious mental illness meet the criteria. In this example, if there were no persons with a serious mental illness that also met the criteria of chronically homeless within the CoC's geographic area, the recipient should follow the order of priority under Section III.B for persons with a serious mental illness.
4. Recipients must exercise due diligence when conducting outreach and assessment to ensure that chronically homeless individuals and families are prioritized for assistance based on their total length of time homeless and/or the severity of their needs. HUD recognizes that some persons-particularly those living on the streets or in places not meant for human habitation-might require significant engagement and contacts prior to their entering housing and recipients of CoC Program-funded PSH are not required to allow units to remain vacant indefinitely while waiting for an identified chronically homeless person to accept an offer of PSH. CoC Program-funded PSH providers are encouraged to follow a Housing First approach to the maximum extent practicable. Therefore, a person experiencing chronic homelessness should not be forced to refuse an offer of PSH if they do not want to participate in the project's services, nor should a PSH

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<sup>2</sup> For the State of Louisiana grant originally awarded pursuant to "Department of Housing and Urban Development-Permanent Supportive Housing" in chapter 6 of title III of the Supplemental Appropriations Act, 2008 (Public Law 110--252; 122 Stat. 2351), projects located within the geographic area of a CoC that is not the CoC through which the State is awarded the grant may prioritize assistance within that geographic area instead of within the geographic area of the CoC through which the State is awarded the grant.

project have eligibility criteria or preconditions to entry that systematically exclude those with severe service needs. Street outreach providers should continue to make attempts to engage those persons that have been resistant to accepting an offer of PSH and where the CoC has adopted these orders of priority into their written standards, these chronically homeless persons must continue to be prioritized for PSH until they are housed.

**B. Prioritizing Chronically Homeless Persons in CoC Program-funded Permanent Supportive Housing Beds Not Dedicated or Not Prioritized for Occupancy by Persons Experiencing Chronic Homelessness**

1. CoCs are strongly encouraged to revise their written standards to include the following order of priority for non-dedicated and non-prioritized PSH beds. If adopted into the CoCs written standards, recipients of CoC Program-funded PSH that is not dedicated or prioritized for the chronically homeless would be required to follow this order of priority when selecting participants for housing, in a manner consistent with their current grant agreement.

**(a) First Priority-Homeless Individuals and Families with a Disability with Long Periods of Episodic Homelessness and Severe Service Needs**

An individual or family that is eligible for CoC Program-funded PSH who has experienced fewer than four occasions where they have been living or residing in a place not meant for human habitation, a safe haven, or in an emergency shelter but where the cumulative time homeless is at least 12 months **and** has been identified as having severe service needs.

**(b) Second Priority-Homeless Individuals and Families with a Disability with Severe Service Needs.**

An individual or family that is eligible for CoC Program-funded PSH who is residing in a place not meant for human habitation, a safe haven, or in an emergency shelter and has been identified as having severe service needs. The length of time in which households have been homeless should also be considered when prioritizing households that meet this order of priority, but there is not a minimum length of time required.

**(c) Third Priority-Homeless Individuals and Families with a Disability Coming from Places Not Meant for Human Habitation, Safe Haven, or Emergency Shelter Without Severe Service Needs.**

An individual or family that is eligible for CoC Program-funded PSH who is residing in a place not meant for human habitation, a safe haven, or an emergency shelter where the individual or family has not been identified as having severe service needs. The length of time in which households have been homeless should be considered when prioritizing households that meet this order of priority, but there is not a minimum length of time required.

**(d) Fourth Priority-Homeless Individuals and Families with a Disability Coming from Transitional Housing.**

An individual or family that is eligible for CoC Program-funded PSH who is currently residing in a transitional housing project, where prior to residing in the transitional housing had lived in a place not meant for human habitation, in an emergency shelter, or safe haven. This priority also includes individuals and families residing in transitional housing who were fleeing or attempting to flee domestic violence, dating violence, sexual assault, or stalking and prior to residing in that transitional housing project even if they did not live in a place not meant for human habitation, an emergency shelter, or a safe haven prior to entry in the transitional housing.

2. Recipients of CoC Program-funded PSH should follow the order of priority above, as adopted by the CoC, while also considering the goals and any identified target populations served by the project. For example, non-dedicated or non-prioritized CoC Program-funded PSH that is permitted to target youth experiencing homelessness should follow the order of priority under Section III.B.1. of this Notice, as adopted by the CoC, to the extent in which youth meet the stated criteria.
3. Recipients must exercise due diligence when conducting outreach and assessment to ensure that persons are prioritized for assistance based on their length of time homeless and the severity of their needs following the order of priority described in this Notice, and as adopted by the CoC. HUD recognizes that some persons-particularly those living on the streets or in places not meant for human habitation-might require significant engagement and contacts prior to their entering housing and recipients are not required to keep units vacant indefinitely while waiting for an identified eligible individual or family to accept an offer of PSH (see [FAQ 1895](#)). Recipients of CoC Program-funded PSH are encouraged to follow a Housing First approach to the maximum extent practicable. Street outreach providers should continue to make attempts to engage those persons that have been resistant to accepting an offer of PSH and where the CoC has adopted these orders of priority into their written standards, these individuals and families must continue to be prioritized until they are housed.

#### **IV. Using Coordinated Entry and a Standardized Assessment Process to Determine Eligibility and Establish a Prioritized Waiting List**

##### **A. Coordinated Entry Requirement**

Provisions at 24 CFR 578.7(a)(8) requires that each CoC, in consultation with recipients of Emergency Solutions Grants (ESG) program funds within the CoC's geographic area, establish and operate either a centralized or coordinated assessment system (referred to in this Notice as coordinated entry or coordinated entry process) that provides an initial, comprehensive assessment of the needs of individuals and families for housing and services. CoCs that adopt the order of priority in Section III of this Notice into the CoC's written standards are strongly encouraged to use a coordinated entry process to ensure that there is a single prioritized list for all CoC Program-funded PSH within the CoC. The [Coordinated Entry Policy Brief](#), provides recommended criteria for a quality coordinated entry process and standardized assessment tool and process. Under no circumstances shall the order of priority be based upon diagnosis or disability type,



but instead on the length of time an individual or family has been experiencing homelessness and the severity of needs of an individual or family.

#### **B. Written Standards for Creation of a Single Prioritized List for PSH**

CoCs are also encouraged to include in their policies and procedures governing their coordinated entry system a requirement that all CoC Program-funded PSH accept referrals only through a single prioritized list that is created through the CoCs coordinated entry process, which should also be informed by the CoCs street outreach. Adopting this into the CoC's policies and procedures for coordinated entry would further ensure that CoC Program-funded PSH is being used most effectively, which is one of the goals in this Notice. The single prioritized list should be updated frequently to reflect the most up-to-date and real-time data as possible.

#### **C. Standardized Assessment Tool Requirement**

CoCs must utilize a standardized assessment tool, in accordance with 24 CFR 578.3, or process. The [Coordinated Entry Policy Brief](#), provides recommended criteria for a quality coordinated entry process and standardized assessment tool.

#### **D. Nondiscrimination Requirements**

CoCs and recipients of CoC Program-funded PSH must continue to comply with the nondiscrimination provisions of Federal civil rights laws, including, but not limited to, the Fair Housing Act, Section 504 of the Rehabilitation Act, Title VI of the Civil Rights Act, and Titles II or III of the Americans with Disabilities Act, as applicable. See 24 C.F.R. § 5.105(a).

### **V. Recordkeeping Recommendations for CoCs that have Adopted the Orders of Priority in this Notice**

24 CFR 578.103(a)(4) outlines documentation requirements for all recipients of dedicated and non-dedicated CoC Program-funded PSH associated with determining whether or not an individual or family is chronically homeless for the purposes of eligibility. In addition to those requirements, HUD expects that where CoCs have adopted the orders of priority in Section III. of this Notice into their written standards. The CoC, as well as recipients of CoC Program-funded PSH, will maintain evidence of implementing these priorities. Evidence of following these orders of priority may be demonstrated by:

- A. Evidence of Severe Service Needs.** Evidence of severe service needs is that by which the recipient is able to determine the severity of needs as defined in Section I.D.3. of this Notice using data-driven methods such as an administrative data match or through the use of a standardized assessment. The documentation should include any information pertinent to how the determination was made, such as notes associated with case-conferencing decisions.
- B. Evidence that the Recipient is Following the CoC's Written Standards for Prioritizing Assistance.** Recipients must follow the CoC's written standards for prioritizing assistance, as adopted by the CoC. In accordance with the CoC's adoption of

written standards for prioritizing assistance, recipients must in turn document that the CoC's revised written standards have been incorporated into the recipient's intake procedures and that the recipient is following its intake procedures when accepting new program participants into the project.

**C. Evidence that there are no Households Meeting Higher Order of Priority within CoC's Geographic Area.**

- (a) When dedicated and prioritized PSH is used to serve non-chronically homeless households, the recipient of CoC Program-funded PSH should document how it was determined that there were no chronically homeless households identified for assistance within the CoC's geographic area - or for those CoCs that implement a sub-CoC<sup>3</sup> planning and housing and service delivery approach, the smaller defined geographic area within the CoC's geographic area - at the point in which a vacancy became available. This documentation should include evidence of the outreach efforts that had been undertaken to locate eligible chronically homeless households within the defined geographic area and, where chronically homeless households have been identified but have not yet accepted assistance, the documentation should specify the number of persons that are chronically homeless that meet this condition and the attempts that have been made to engage the individual or family. Where a CoC is using a single prioritized list, the recipient of PSH may refer to that list as evidence.
- (b) When non-dedicated and non-prioritized PSH is used to serve an eligible individual or family that meets a lower order of priority, the recipient of CoC Program-funded PSH should document how the determination was made that there were no eligible individuals or families within the CoC's geographic area - or for those CoCs that implement a sub-CoC planning and housing and service delivery approach, the smaller defined geographic area within the CoC's geographic area - that met a higher priority. Where a CoC is using a single prioritized list, the recipient of PSH may refer to that list as evidence that there were no households identified within the CoC's geographic area that meet a higher order of priority.

**VI. Questions Regarding this Notice**

Questions regarding this notice should be submitted to HUD Exchange Ask A Question (AAQ) Portal at: <https://www.hudexchange.info/get-assistance/my-question/>.

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<sup>3</sup> For the State of Louisiana grant originally awarded pursuant to "Department of Housing and Urban Development-Permanent Supportive Housing" in chapter 6 of title III of the Supplemental Appropriations Act, 2008 (Public Law 110--252; 122 Stat. 2351), projects located within the geographic area of a CoC that is not the CoC through which the State is awarded the grant may prioritize assistance within that geographic area instead of within the geographic area of the CoC through which the State is awarded the grant.

**APPENDIX B**

HUD's Notice CPD-17-11: Determining a Program Participant's Rent Contribution, Occupancy Charge or Utility Reimbursement in the Continuum of Care (CoC) Program when the Program Participant is Responsible for the Utilities



OFFICE OF COMMUNITY PLANNING  
AND DEVELOPMENT

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-7000

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**Special Attention of:**

All CPD Directors  
HUD Field Offices  
HUD Regional Offices  
All Continuums of Care  
All CoC Program Recipients and  
Subrecipients

**Notice: CPD-17-11**

**Issued: October 23, 2017**

**Expires:** This notice is effective until  
amended, superseded, or  
rescinded.

**Cross Reference:** 24 CFR Part 578, 42

U.S.C. 11371, et seq.

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**Subject:** Determining a Program Participant's Rent Contribution, Occupancy Charge or Utility Reimbursement in the Continuum of Care (CoC) Program when the Program Participant is Responsible for the Utilities

**A. Purpose of this Notice**

This Notice clarifies HUD's expectation that recipients and subrecipients will consider reasonable monthly utility costs when calculating rent contributions or occupancy charges for program participants who are responsible for paying their own utilities. For the purpose of this notice, "utilities" exclude telephone but include gas, oil, electric, sewage, water, and trash removal.

This notice applies to recipients and subrecipients that are providing Transitional Housing (TH), Permanent Supportive Housing (PSH), and Rapid Re-Housing (RRH) funded through the Continuum of Care (CoC) Program (24 CFR part 578). Specifically, this notice applies to TH, PSH, and RRH projects in which some or all of the costs of utilities are the responsibility of the program participant.

This Notice:

1. Clarifies how to take into account a reasonable amount for utilities paid by a program participant when calculating that program participant's rent contribution or occupancy charge in TH or PSH that uses CoC Program funds for leasing, rental assistance or operating costs; and
2. Provides guidance on how to pay a "utility reimbursement" to program participants who are responsible for their own utilities.

[www.hod.gov](http://www.hod.gov)

[espanol.hud.gov](http://espanol.hud.gov)

## **B. Background**

TH and PSH projects. On July 31, 2012, HUD published the CoC Program interim rule, which went into effect on August 30, 2012, and applies to grants awarded in the FY 2012 CoC Program Competition and beyond. The interim rule provides that recipients can use CoC funds to provide rental assistance on behalf of program participants in TH or PSH (24 CFR 578.51), lease units and structures to provide TH or PSH (24 CFR 578.49), provide supportive services in TH or PSH (24 CFR 578.53), and pay operating costs for TH or PSH units or structures the recipients lease or own (24 CFR 578.55).

The utility costs in TH and PSH projects may be paid in a number of ways. If the recipient owns the building or unit, the recipient may generally decide whether to pay the utility costs with CoC operating funds (or non-CoC funds) or make the program participant responsible for utilities for which the units are individually metered. The same options apply if the recipient leases the building or unit and the utilities are not included under the recipient's lease. If the recipient uses rental assistance funds to provide TH or PSH, the recipient may pay the utility costs using CoC rental assistance funds (or non-CoC funds) or make the program participant responsible for paying the utility costs that are not included in the program participant's rent. However, as explained in further detail below, when a program participant is made responsible for paying utility costs in TH or PSH, the recipient must incorporate those costs into the program participant's occupancy charge or rent contribution and must reimburse the program participant if the reasonable utility costs exceed the applicable amount under 24 CFR 578.77.

Section 578.77 of the CoC Program interim rule establishes how recipients and subrecipients must calculate rent contributions and maximum occupancy charges for program participants in TH and PSH projects. The rent contribution requirement in 24 CFR 578.77(c) applies to TH and PSH projects in which CoC rental assistance funds are used. The maximum occupancy charge requirement in 24 CFR 578.77(b) applies to all other TH and PSH projects for which CoC funds are used. These requirements are based on section 3(a) of the U.S. Housing Act of 1937 (1937 Act) and section 426(c) of the McKinney-Vento Homeless Assistance Act (McKinney-Vento Act). The 1937 Act determines the amount a tenant must contribute toward rent in HUD's Section 8 programs. The McKinney-Vento Act prohibits CoC-funded supportive housing from charging occupants in excess of the rent contribution amount determined under the 1937 Act.

Consistent with HUD's interpretation of the rent contribution requirement in the 1937 Act, the CoC Program's rent contribution and maximum occupancy charge requirements apply to the program participant's total share of the housing costs, including the reasonable costs of utilities paid separately. Therefore, recipients and subrecipients must incorporate the reasonable costs of utilities paid separately when determining the amount a program participant must pay to reside in a TH or PSH unit. In addition, recipients and subrecipients must reimburse program participants for any amount that their reasonable utility costs exceed their rent contribution or maximum occupancy charge under 24 CFR

578.77. This "utility reimbursement" may be paid using CoC program funds. For program participants receiving rental assistance, the utility reimbursement may be paid using rental assistance funds. For program participants in other CoC-funded TH or PSH projects, the utility reimbursement may be paid using operating funds.

Rapid Re-housing (RRH) projects. RRH projects may use CoC funds to provide up to 24 months of tenant-based rental assistance and/or supportive services as needed to help a program participant quickly move into permanent housing and achieve housing stability. Utilities that are not included in the program participant's rent may be paid using rental assistance funds (or non-CoC funds). RRH projects are not subject to the occupancy charge and rent contribution requirements in 24 CFR 578.77. Instead, RRH projects must follow the written policies and procedures established by the CoC, including standards for determining what percentage or amount of rent each program participant must pay while receiving rapid rehousing assistance (24 CFR 578.37(a)(1)(ii)(A)). This means that CoCs have broad discretion over the amount of rental assistance that can be provided to a program participant receiving RRH assistance.

For example, a CoC may design RRH rental assistance so that:

- each program participant pays a fixed percentage of income toward rent;
- each program participant pays a rent contribution based on an incremental, sliding scale;
- each program participant pays a fixed amount or percent of the rent (e.g., \$1000 per month or 50% of the monthly rent); or
- each program participant pays a rent contribution that increases over time until the program participant is paying 100% of the monthly rent.

However, the CoC interim rule explicitly requires RRH projects to calculate rent as the sum of the total monthly rent for the unit and, if the tenant pays separately for utilities, the monthly allowance for utilities established by the public housing authority (PHA) for the area in which the housing is located (24 CFR 578.37(a)(1)(ii)(B)). Therefore, if utilities are not included in a program participant's rent, and rent is part of the CoC's rental assistance calculation, that calculation must incorporate the applicable utility allowance, and the program participant must be reimbursed for any amount that the allowance exceeds the program participant's share of rent. This utility reimbursement may be paid using rental assistance funds.

### **C. Determining the Appropriate Rent Contribution, Occupancy Charge, or Utility Reimbursement for Program Participants who are Responsible for their own Utilities**

TH and PSH projects. Determining the applicable tenant rent contribution, occupancy charge, or utility reimbursement for a program participant **residing in TH or PSH** who is responsible for the utilities is a three-step process. Each step of the process is outlined below in additional detail:

1. Calculate the Program Participant's Rent-Contribution or Maximum Occupancy Charge;
2. Determine the Reasonable Utility Consumption Amount; and
3. Determine the Rent Contribution, Occupancy Charge, or Utility Reimbursement Amount.

1. Calculate the Program Participant's Rent Contribution or Maximum Occupancy Charge. 24 CFR 578.77(c) establishes the following as the rent contribution that program participants *must* pay when the recipient or subrecipient is providing rental assistance payments on the program participant's behalf in TH and PSH projects. 24 CFR 578.77(b) establishes the maximum occupancy charge that recipients or subrecipients *may* charge program participants where the recipient or subrecipient is providing the program participant TH or PSH with funds other than rental assistance funds (e.g., by using leasing funds). There is no requirement, however, that recipients or subrecipients charge occupancy charges and many recipients and subrecipients choose not to impose occupancy charges on their program participants.

The rent contribution or the maximum occupancy charge is the highest of the following amounts (rounded to the nearest dollar):

- a. 30 percent of the family's monthly adjusted income (as outlined at Part 5.609 and 5.611(a));
- b. 10 percent of the family's monthly gross income; or
- c. If the family is receiving payments for welfare assistance from a public agency and a part of the payments (adjusted in accordance with the family's actual housing costs) is specifically designated by the agency to meet the family's housing costs, the portion of the payments that is designated for housing costs.

Please keep in mind that for TH and PSH projects in which rental assistance is provided, the rent contribution is not optional and must equal the rent contribution specified above. For projects that provide TH or PSH using funds other than rental assistance funds, the occupancy charge is optional and can be lower but not higher than the maximum occupancy charge specified above.



2. Determine the Reasonable Monthly Utility Consumption Amount. For the purposes of determining the reasonable monthly utility consumption, recipients or subrecipients must use the local PHA's schedule of utility allowances, which are based on unit size and the utilities the program participant is expected to pay. Contact your local PHA to obtain the schedule of utility allowances and exception utility allowances.
3. Determine the Rent Contribution, Occupancy Charge, or Utility Reimbursement Amount.

**Rental Assistance:** As detailed above, each program participant in transitional or permanent supportive housing on whose behalf rent is paid with CoC Program rental assistance funds must pay rent in the amount determined in 24 CFR 578.77(c). This amount, however, must be adjusted by the pre-determined reasonable utility consumption amount when the program participant is required to pay for utilities. For example, if the program participant's rent contribution is \$300, as determined above, and the reasonable monthly utility consumption amount is \$40 then the program participant is only required to contribute \$260 in rent. The recipient must pay the difference between \$260 and the rent specified on the program participant's lease.

**Housing Leased or Owned by the Recipient:** Similarly, if a program participant is residing in transitional or permanent supportive housing where an occupancy charge could be imposed (e.g., in housing leased by the recipient or subrecipient or in housing owned by the recipient or subrecipient), any utilities paid by the program participant must be considered in the amount of the occupancy charge, which cannot exceed the amount determined in 24 CFR 578.77(b). For example, if the recipient calculates the maximum occupancy charge permitted and the program participant's occupancy charge calculation is \$200, but the reasonable monthly utility consumption amount is \$50, then the program participant's occupancy charge payment is reduced to \$150.

Since occupancy charges are optional in the CoC Program, in instances where occupancy charges are not imposed, but where utilities are the responsibility of the program participant, the recipient or subrecipient still must ensure that the reasonable monthly utility consumption amount is not more than the maximum occupancy charge in 24 CFR 578.77(b).

**Reimbursement:** If, when the recipient or subrecipient deducts the reasonable monthly utility consumption amount from the program participant's rent contribution or maximum occupancy charge amount (as determined by 24 CFR 578.77(c) or 24 CFR 578.77(b) respectively), the calculation equals a number less than \$0, then the recipient or subrecipient must provide a utility reimbursement to the program participant in accordance with the methods outlined in Section D of this Notice. For example, if a program participant's maximum occupancy charge would be \$0 because the program participant does not have any income and the reasonable

monthly utility consumption is \$30, then the recipient or subrecipient must provide the program participant a utility reimbursement of \$30 paid in accordance with the methods in Section D of this Notice.

4. Examples.

This section provides examples to assist recipients and subrecipients in understanding the calculation described in Section C.3 above.

Rent Contributions. This calculation is used when rental assistance is provided on behalf of program participants, but utilities are not included in the rent and are the responsibility of the program participant.

Example 1

A	Contract Rent	\$500
B	Tenant Rent Calculation in 24 CFR 578.77(c) <i>before</i> making adjustments for utilities	\$80
C	Reasonable Monthly Utility Consumption	\$30
	Calculation B-C	\$50
D	Program Participant Rent - to be Paid Directly to Landlord or Property Owner	\$50
E	Recipient Rental Assistance Payment to Landlord or Property Owner	\$450 (A-D)
F	Utility Reimbursement to be Paid to Program Participant	\$0

In the above example, the program participant owes the landlord or property owner rent because the calculation of B minus C resulted in a positive number (\$50). This also means that the recipient does not owe the program participant a utility reimbursement.

Example 2

A	Contract Rent	\$600
B	Tenant Rent Calculation in 24 CFR 578.77(c) <i>before</i> making adjustments for utilities	\$30
C	Reasonable Monthly Utility Consumption	\$50
	Calculation B-C	-\$20
D	Program Participant Rent - to be Paid Directly to Landlord or Property Owner	\$0
E	Recipient Rental Assistance Payment to Landlord or Property Owner	\$600 (A-D)
F	Utility Reimbursement to be Paid to Program Participant	\$20

In the above example, the recipient owes the full contract rent to the landlord or property owner because the calculation in B-C resulted in a negative number (-\$20). Therefore, the amount the program participant owes to the landlord or property owner is \$0, and the amount the recipient owes to the program participant for a utility reimbursement is \$20.

Occupancy Charges. This calculation is used when program participants are expected to be responsible for utilities and an occupancy charge could be imposed. Note: In these examples, the contract rent is not applicable to this calculation because the recipient or subrecipient is paying the full cost of the housing directly to the landlord or property owner.

**a. Occupancy Charges ARE imposed on program participants at maximum allowable amount**

Example 3

A	Occupancy Charge Calculation in 24 CFR 578.77(b) <i>before</i> making adjustments for utilities	\$100
B	Reasonable Monthly Utility Consumption	\$30
	Calculation A-B	\$70
C	Program Participant Occupancy Charge - to be Paid to the Recipient or Subrecipient	\$70
D	Utility Reimbursement to be Paid to the Program Participant	\$0

In the above example, the recipient does not owe a utility reimbursement to the program participant because the calculation of A-B resulted in a positive number

(\$70). The program participant owes \$70 to the recipient or subrecipient as the occupancy charge.

Example 4

A	Occupancy Charge Calculation in 24 CFR 578.77(b) <i>before</i> making adjustments for utilities	\$25
B	Reasonable Monthly Utility Consumption	\$40
	Calculation A-B	-\$15
C	Program Participant Occupancy Charge - to be Paid to the Recipient or Subrecipient	\$0
D	Utility Reimbursement to be Paid to the Program Participant	\$15

In the above example, the recipient/subrecipient does owe a utility reimbursement to the program participant because the calculation of A-B resulted in a negative number (-\$15). Therefore, the recipient or subrecipient owes the program participant \$15 and the program participant does not have to pay an occupancy charge to the recipient or subrecipient

**b. Occupancy Charges are NOT imposed on program participants.**

Example 5

A	Maximum Occupancy Charge Calculation in 24 CFR 578.77(b) <i>before</i> making adjustments for utilities	\$35
B	Reasonable Monthly Utility Consumption	\$20
	Calculation A-B	\$15
D	Utility Reimbursement to be Paid to the Program Participant	\$0

In the above example, the program participant does not pay an occupancy charge because the recipient does not impose occupancy charges as a condition of occupancy. Additionally, the recipient does not owe the program participant a utility reimbursement because the reasonable monthly utility consumption amount is less than the maximum amount the program participant could pay as an occupancy charge per 24 CFR 578.77(b).

#### Example 6

A	Maximum Occupancy Charge Calculation in 24 CFR 578.77(b) <i>before</i> making adjustments for utilities	\$55
B	Reasonable Monthly Utility Consumption	\$60
	Calculation A-B	-\$5
D	Utility Reimbursement to be Paid to the Program Participant	\$5

In the above example, the program participant does not pay an occupancy charge because the recipient does not impose occupancy charges as a condition of occupancy. However, the recipient does owe the program participant a utility reimbursement because the reasonable monthly utility consumption amount is more than the maximum amount the program participant could pay as an occupancy charge per 24 CFR 578.77(b).

#### D. Paying the Utility Reimbursement

For program participants residing in RRH, if the PHA's monthly allowance for utilities exceeds the amount the program participant is required to pay for a rent contribution, the program participant must be reimbursed for the difference. Similarly, for program participants residing in TH or PSH if reasonable monthly utility compensation alone exceeds the amount the program participant is required to pay for a rent contribution or the maximum amount the program participant could be required to pay, or is required to pay, in an occupancy charge, the program participant (or the utility company on behalf of the program participant) must be reimbursed for the difference (this would occur wherever the calculation in Section C.4 above resulted in the program participant being owed a utility reimbursement).

Where a utility reimbursement is owed to the program participant this amount would need to be paid in one of the following ways:

1. Pay the program participant directly. The recipient or subrecipient can pay the utility reimbursement directly to the program participant.
2. Pay the Utility Company on Behalf of the Program Participant. The recipient or subrecipient can pay the utility reimbursement to the utility company on behalf of the program participant. If the recipient or subrecipient chooses to do this, the recipient or subrecipient must have the permission of the program participant and notify the program participant in writing of the amount paid to the utility company (to allow the program participant to pay any outstanding amounts).  
Note: the recipient or subrecipient must maintain records of the program participant's permission to pay the utility company directly and the notification(s) to the program participant of the amount(s) paid on their behalf.

In either method, the budget line item that the recipient uses to pay the utility reimbursement depends on the type of assistance provided. If the program participant is receiving rental assistance the utility reimbursement may be paid with rental assistance funds. If the program participant lives in TH or PSH for which leasing or operating funds are used, the utility reimbursement may be paid with operating funds. In no case may leasing funds awarded under the CoC Program be used to pay for those utilities that are not included in the recipient or subrecipient's lease. Note: To the extent the utility reimbursement would be an eligible cost under the CoC Program, recipients or subrecipients may also use program income or matching funds to pay for the utilities.

#### **E. Maintaining Records.**

HUD expects recipients and subrecipients that operate projects where the utilities are the responsibility of the program participant to maintain records demonstrating compliance with the requirements clarified in this Notice. All records must be maintained in compliance with 24 CFR 578.103.

The following is a list of records that should be maintained to demonstrate compliance:

1. Recipient records. The following records should be maintained in the recipient or subrecipient's records.
  - a. Utility schedules used to determine the reasonable monthly utility consumption amount.
  - b. Occupancy Charges policy, if applicable:
    - 1) Is a charge imposed (yes/no)?
    - 2) If yes, what percent will be charged of the participants?; and
    - 3) Are there any exceptions?
2. Program participant records. The following records should be maintained in each program participant's record.
  - a. The annual income calculation as set forth in 24 CFR 578.103(a)(6).
  - b. The amount of the program participant's rent contribution, occupancy charge, or utility reimbursement and how the amount was determined.
  - c. Where a utility reimbursement is due to the program participant, evidence that the utility reimbursement was paid in accordance with Section D of this Notice. Where the utility reimbursement is paid directly to the utility company, the written permission of the program participant to pay the utility company directly as well as the documentation provided to the program participant that the utility was paid.