



**PROPOSED SUBSTANTIAL ADMENDMENT  
to  
2011-2012 ANNUAL ACTION PLAN  
for  
EMERGENCY SOLUTIONS GRANT**

**Prepared for the U. S. Department of Housing and Urban Development  
By the Department of Community Development  
807 E. Main Street, Suite 200  
Durham, North Carolina 27701**

**PROPOSED SUBSTANTIAL AMENDMENT  
To  
2011-2012 ANNUAL ACTION PLAN  
For  
EMERGENCY SOLUTIONS GRANT (ESG) PROGRAM**

**EXECUTIVE SUMMARY**

The City of Durham proposes to amend its FY 2011-2012 Annual Action Plan for the Emergency Solutions Grant (ESG) Program to submit to the U.S. Department of Housing and Urban Development (HUD) in order to receive the second allocation of funding. Specifically, there were two funding allocations for the Emergency Shelter/Solutions Grant program. The substantial amendment must be prepared and submitted in accordance with the recipient's citizen participation plan and the requirements of 24 CFR part 91, as amended by the Interim Rule. This Interim Rule, published in the Federal Register on December 5, 2011, revises the regulations for the Emergency Solutions Grants Program, which replaces the Emergency Shelter Grants Program. The City of Durham's first allocation of \$85,279 is subject to the Emergency Shelter Grant Program regulations. The City of Durham's second allocation of \$47,969 must be exclusively used for homelessness prevention assistance, rapid re-housing assistance, Homeless Management Information Systems (HMIS) and administration. An approved substantial amendment will allow ESG allocations in the future Consolidated Planning process.

**Required Contents of Emergency Solutions Grant Substantial Amendment**

- 1. SF-424 (attached).**
- 2. Summary of Consultation Process with the Continuum of Care**

The City consulted with the Homeless Services Advisory Committee (HSAC), the primary decision-making body for the Durham Continuum of Care (CoC), NC-502, concerning the planning process and distribution of funds for the second allocation. During a meeting on March 28, 2012, the HSAC approved the attached proposed budget for funds to be used for Rapid Re-housing and Homelessness Prevention activities. The City also consulted the Executive Directors of the CoC's housing providers concerning the proposed distribution of the funds on March 22. Comments received from the providers indicated support for the proposed distribution.

- 3. Summary of Citizen Participation Process**

The substantial amendment was completed in full accordance with the City of Durham Participation Plan for the Five Year Consolidated Plan, as approved by the Durham City Council on May 2, 2010.

Notice of the Substantial Amendment was advertised in the Herald Sun and the Carolina Times on March 16 and 17, 2012, respectively, and via email. The Substantial Amendment was available for public review beginning March 16, 2012 through April 16, 2012 at the Department of Community Development located at 807 E. Main Street, Bldg.2, Suite 200, the Durham County Public (Main) Library, the City Clerk Office, the front desk of City Hall and on-line at <http://durhamnc.gov/ich/cb/cdd/Pages/Home.aspx>

All comments will be added at the completion of the comment period.

**4. Match Being Proposed.**

The match requirement will be met by the organizations that will be awarded funds through a competitive process. All recipients must match the second allocation with an equal amount of other federal, state, and local resources (cash and non-cash).

**5. Proposed Activities and Overall Budget**

The City will use funds for Rapid Re-housing and Housing Prevention activities. The program activities will be targeted to households that are homeless or at risk of homelessness whose income is at or below 30% of the Area Median Income.

<b>Activity Type</b>	<b>Funding Amount</b>	<b>Percentage</b>
<b>Rapid Re-housing</b>	<b>36,876.00</b>	<b>77%</b>
<b>Homeless Prevention</b>	<b>\$11,093.00</b>	<b>23%</b>
<b>Total Funds</b>	<b>\$47,969.00</b>	<b>100%</b>

The City of Durham is not re-programming any funds from the first allocation. The detailed budget table is attached.

The City anticipates that the allocation will provide Rapid Re-housing assistance to 6-10 households. The Homeless Prevention funding may be sufficient to assist 4-6 households in the priority populations.

The City proposes to start the activity within 90 days of receiving the grant agreement from HUD. The end date will be no less than 180 days after the start date and no more than one year after the start date.

The performance indicators for the proposed activities will include the number of households assisted, the number of persons assisted and returns to homelessness. The performance goal will be that no more than 10% of the total number of persons served have become or returned

to homelessness within one year of receiving Homeless Prevention or Rapid-Rehousing assistance.

## **6. Written Standards for Provision of ESG Assistance**

The City of Durham proposes to administer the program in the same manner as HPRP funding. The City will outreach to various nonprofit and community partner agencies to provide an awareness of the available funding. Program funds will be made available through a competitive grant application process.

### **a. Standard policies and procedures for evaluating individuals' and families' eligibility for assistance under ESG.**

To be eligible for services, household income must be at 30% or below the Area Median Income (AMI), as they may be revised from time-to-time and with income calculated using HUD Section 8 income eligibility standards. Applicants for rapid re-housing assistance must meet HUD's homeless definition. Applicants for homeless prevention assistance must meet HUD's "at imminent risk of homelessness" definition. A homeless certification form will be required. All individuals and families seeking assistance shall be screened for eligibility using the Risk Factor/Barriers Checklist developed by the Durham Coordinated Intake Work Group. Only households for whom Rapid Re-housing or Homeless Prevention assistance are determined to be the most appropriate housing assistance based on the Risk Factors/Barriers Checklist shall be referred for that assistance.

Households with children seeking assistance must be screened for eligibility by the Coordinated Intake office at the Durham County Department of Social Services (DSS). Individuals may be screened by workers trained in the use of the "Risk Factors/Barriers Checklist" at coordinating community partners. This tool assesses a household's level of need for housing assistance based on a combination of factors, including the history of use of public service systems, education levels, the presence of social/family support, criminal justice involvement, housing stability, income, employment history, and health status.

Those deemed to be potentially eligible for rapid re-housing or homeless prevention assistance will be referred to the agency/agencies contracted to provide the assistance. The contracted agency/agencies will conduct a full assessment of housing barriers and household resources. Households may be denied assistance at this point if 1) the household appears to have other resources/housing opportunities that can be accessed to avoid homelessness or become re-housed without this assistance, or 2) the household has very high or multiple barriers to re-housing and another placement or referral is more appropriate.

### **b. Policies and procedures for coordination among emergency shelter providers, essential service providers, homelessness prevention and rapid re-housing assistance providers, other homeless assistance providers, and mainstream service and housing providers.**

The City will lead the development of policies and procedures for coordination among the named entities in consultation with the HSAC and all homeless stakeholders, including homeless service providers, mainstream services, and housing providers.

Agencies desiring to refer households with children to the DSS Coordinated Intake Office must have signed a Memorandum of Understanding with the DSS. Agencies desiring to use the Risk Factors/Barriers Checklist to screen individuals for referral must have signed a similar Memorandum of Understanding with the Durham Coordinated Intake Task Force.

**c. 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.**

Households with children and unsheltered homeless people will have priority for assistance. Assistance will be provided to prioritized eligible households in the order in which they present themselves for assistance; if a household is determined to be in a priority population and eligible and funds are available, they will receive assistance. All rapid re-housing clients must meet the first section of the homeless definition (24 CFR 576.2)—person(s) staying on the streets, in a shelter, or someone exiting an institution after a stay of 90 days or less and who resided in a shelter or on the streets before entering the institution. All homeless prevention clients must have received a legal eviction notice and have a court date scheduled. Households who meet these specific criteria will be served in the order in which they apply as long as funds are available.

**d. Standards for determining the share of rent and utilities costs that each program participant must pay, if any, while receiving homelessness prevention or rapid re-housing assistance.**

The rapid re-housing program will focus on providing funding for initial costs for clients who have identified affordable permanent housing, rather than providing ongoing monthly rental assistance. Short-term rent assistance within the maximum allowable amount per client will be considered. In such cases, clients will be required to contribute 30% of their monthly income toward their rent. The prevention program will pay up to a six-month arrearage, per HUD's guidelines and the maximum assistance amount. The portion of the arrearage paid will be based on an assessment of the client's resources and ability to contribute.

**e. 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.**

In general, the rapid re-housing component will be focused on one time assistance for upfront moving costs, not monthly rent assistance, so duration of assistance will be extremely limited. However, short-term monthly assistance (no longer than six months) may be possible, if the households could benefit from such assistance and the total assistance provided falls within the maximum allowed.

For the prevention component, the duration of assistance will be for no more than six months of arrears, per HUD's guidelines.

- f. Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the program participant receives assistance; or the maximum number of time the program participant may receive assistance.**

All rapid re-housing clients will be required to participate in six months of stabilization services. Stabilization services will be coordinated by the Rapid Re-housing case manager. A stabilization plan will be customized to each client and may include activities associated with obtaining mainstream benefits, connecting to a representative payee to provide assistance with paying rent and other bills, referrals for budget counseling, etc. At a minimum, the Rapid Re-housing case manager will have contact with the household once per month for six months to ensure that the household is stable and rent is being paid on time. A household may choose to continue stabilization services for an additional six months, for a total of one year of stabilization services.

All prevention clients will be required to participate in six months of stabilization services with the Prevention case manager. Stabilization services for prevention will be the same as described above for rapid re-housing. Prevention clients may also choose to extend stabilization services for an additional six months, for a total of one year of stabilization assistance.

If a household fully complies with stabilization services, they may be eligible for additional financial assistance, only if new circumstances jeopardize the client's permanent housing and put them imminently at risk of homelessness. A household who received assistance to move into an apartment may later receive assistance with an arrearage if they have received an eviction notice and have a court date set for the eviction hearing. Since arrearage assistance is limited by HUD's rules to a one-time payment, a client who received arrearage assistance initially would only be eligible for relocation assistance and/or possibly short-term monthly assistance during a subsequent intervention.

#### **7. Process for Making Sub-awards**

The City will use a competitive process to award funds. The City will release a Request for Proposal (RFP) for ESG funding that adheres to the HEARTH Act. ESG funds received under the FY 2011 second allocation is expected to be awarded within 90 days of the receipt of the HUD grant agreement.

#### **8. Homeless Participation Requirement**

Because the City's policy-making entity is the elected City Council, the City is unable to meet the participation requirement in 576.405(a). In regard to meeting the requirements of 576.405(b), the City's plan "to consult with homeless or formerly homeless individuals

in considering and making policies and decisions, regarding any facilities, services, or other assistance that receive funding under ESG” includes:

- Consulting with the HSAC, the CoC’s primary decision-making body, which does have two formerly homeless individuals as members. The Durham City Council and Durham Board of County Commissioners require that at least two appointees on the HSAC be individuals who are homeless or formerly homeless.
- Requiring that sub-grantees provide for the participation of not less than one homeless or formerly homeless individual on the sub-grantee’s board of directors or, if the agency is unable to meet that requirement, develop and implement a plan to consult with homeless or formerly homeless individuals in making decisions regarding proposals to use ESG funds,

9. Agencies receiving ESG funds will be monitored annually to insure that program guidelines are being followed. Before reimbursement can be made verifications will be required, including certification of homelessness, lease documents, and income calculations, as well as cancelled checks and invoices. Contracts will require quarterly reimbursement requests and timely expenditure of funds.

Agencies receiving funds also will be monitored to ensure that their programs are meeting the following objectives: targeting the priority populations, reducing the length of time people spend homeless, and reducing program participants’ housing barriers and housing stability risks.

#### **10. Certifications**

The required certifications are attached.