

# 2024 Mississippi Consolidated Performance Evaluation Report



September 30, 2025

Prepared By:



CAPER

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## **CR-05 - Goals and Outcomes**

### **Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)**

This could be an overview that includes major initiatives and highlights that were proposed and executed throughout the program year.

The Consolidated Annual Performance and Evaluation Report (CAPER) for Program Year 2024 (July 1, 2024 through June 30, 2025) represents the fifth and final CAPER of the State of Mississippi's Consolidated Plan for Housing and Community Development for Plan Years 2020 – 2024. The report presents the overriding strategies and goals of the Five-Year Consolidated Plan for Housing and Community Development, including selected performance criteria associated with each goal and strategy. The objectives pursued were as follows: Enhance the provision of quality affordable housing; Create, expand and retain more jobs for low- to moderate –income persons; Create, expand and maintain public infrastructure for the benefit of low- to moderate -income persons; Reduce the incidence of homelessness; and Provide housing for HIV/AIDS persons in Mississippi.

**The CDBG Program** - The state CDBG program provides public infrastructure/public facility assistance to non-entitlement units of general local government for economic development projects (new job creation) and community development projects for the benefit of low to moderate income citizens and families.

**The HOME Program** - Homeowner Rehabilitation and HOME Rental activities provided funding for the rehabilitation of single-family homeownership and single & multi-family rental housing units for low-to-very low-income households. Mississippi Home Corporation (MHC) continues to provide safe, decent, affordable housing for families by addressing substandard housing needs through Homeowner Rehabilitation.

**The HTF Program** - Funds were allocated for the development of rental housing for extremely low-income families (30% AMI). MHC offered incentives to non-profit and for-profit organizations to apply for HTF funding, assist extremely low-income families and provide affordable rental housing in areas of need and opportunity. MHC assisted clients through HUD's Comprehensive Housing Counseling Program by bringing awareness of credit, budgeting, lending and building wealth.

### **The ESG and HOPWA Programs**

This year, homeless housing programs experienced challenges due to rising rent costs statewide. To expand access to affordable housing, the

state is working to strengthen collaborations with Low-Income Tax Credit (LITC) programs. As part of this effort, developers and property managers were educated on the ESG and HOPWA programs and their benefits.

Additionally, Continuum of Care (CoC) and ESG agencies are encouraged to partner with the state’s CHOICE and MAOI programs to offer alternative housing options for individuals experiencing homelessness and living with mental disabilities. Through the CHOICE collaboration, 157 homeless or at-risk individuals with serious mental illness (SMI) received CHOICE vouchers.

The state did not receive any public comments during the public comment period.

**Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)**

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee’s program year goals.

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Community Development	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	437500	113013	25.83%	75000	42134	56.18%
Disability and Access	Affordable Housing Homeless	HOPWA: \$ / HOME: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	2000	0	0.00%			

Disability and Access	Affordable Housing Homeless	HOPWA: \$ / HOME: \$	Homeowner Housing Added	Household Housing Unit	300	0	0.00%			
Disability and Access	Affordable Housing Homeless	HOPWA: \$ / HOME: \$	Direct Financial Assistance to Homebuyers	Households Assisted	0	0		60	0	0.00%
Disability and Access	Affordable Housing Homeless	HOPWA: \$ / HOME: \$	Housing for People with HIV/AIDS added	Household Housing Unit	2000	1987	99.35%	345	348	100.87%
Disparities in Access to Opportunity	Affordable Housing Homeless	HOME: \$ / ESG: \$	Rental units constructed	Household Housing Unit	55	46	83.64%	11	0	0.00%
Disparities in Access to Opportunity	Affordable Housing Homeless	HOME: \$ / ESG: \$	Homeowner Housing Added	Household Housing Unit	300	226	75.33%	60	82	136.67%
Disparities in Access to Opportunity	Affordable Housing Homeless	HOME: \$ / ESG: \$	Homelessness Prevention	Persons Assisted	4250	9320	219.29%	1000	3108	310.80%
Disproportionate Housing Need	Affordable Housing Owner-occupied Rental	HOME: \$	Rental units constructed	Household Housing Unit	200	0	0.00%			
Disproportionate Housing Need	Affordable Housing Owner-occupied Rental	HOME: \$	Rental units rehabilitated	Household Housing Unit	0	260		40	43	107.50%

Disproportionate Housing Need	Affordable Housing Owner-occupied Rental	HOME: \$	Homeowner Housing Rehabilitated	Household Housing Unit	200	199	99.50%	40	82	205.00%
Economic Development	Non-Housing Community Development	CDBG: \$	Jobs created/retained	Jobs	4100	2500	60.98%	500	278	55.60%
Fair Housing Enforcement and Outreach	Affordable Housing Public Housing Homeless Non-Homeless Special Needs Persons with disabilities	HOME: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	500	0	0.00%			
Fair Housing Enforcement and Outreach	Affordable Housing Public Housing Homeless Non-Homeless Special Needs Persons with disabilities	HOME: \$	Public service activities for Low/Moderate Income Housing Benefit	Households Assisted	0	0		100	0	0.00%
Publicly Supported Housing	Affordable Housing Public Housing Homeless Persons with Disabilities	HOME: \$	Public service activities for Low/Moderate Income Housing Benefit	Households Assisted	1750	0	0.00%	350	0	0.00%

Segregation	Affordable Housing Counseling	HOME: \$ / HTF: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1500	0	0.00%			
Segregation	Affordable Housing Counseling	HOME: \$ / HTF: \$	Rental units constructed	Household Housing Unit	475	0	0.00%	111	0	0.00%
Segregation	Affordable Housing Counseling	HOME: \$ / HTF: \$	Rental units rehabilitated	Household Housing Unit	0	0		66	43	65.15%
Segregation	Affordable Housing Counseling	HOME: \$ / HTF: \$	Homeowner Housing Rehabilitated	Household Housing Unit	0	0		34	82	241.18%

**Table 1 - Accomplishments – Program Year & Strategic Plan to Date**

**Assess how the jurisdiction’s use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.**

**The CDBG Program** - The state designed the CDBG program to address critical economic and community development needs of the citizens of Mississippi. The funds were allocated to both public facilities and economic development activities. The state disbursed CDBG statewide to eligible units of general local government using a competitive method of distribution process for public facility/infrastructure activities. These activities directly addressed the Plan Objective: Create, Expand, and Retain more jobs for Lower Income Persons; and the two Strategies: Create or Expand Employment at For-Profit Businesses, and Invest in Eligible Infrastructure that Supports Better Paying Jobs. The expected/actual program year measures from the table above include activities that have been completed and results in actual beneficiaries. The current economic and construction climate has caused delays in construction, and therefore delays in meeting the expected goals for the year, which accounts for the lower than expected outcomes for both public facilities and economic development projects.

## **The ESG Program**

The ESG Program assisted individuals and families with extremely low incomes who were homeless or at risk. The state's ESG annual goal is 1,000, and its ConPlan goal is 4,250. During the CAPER period, ESG surpassed its goal of 1,000 and served 3,108. Additionally, the ESG program surpassed its ConPlan goal of serving 4,250 and served 9,320 during the five years of the ConPlan. This number does not include the ESG 2021 data which will increase the number to 14,672 per SAGE. This success is attributed to the increase in the number of ESG service providers, enhanced training in outreach and services, and effective coordination with the CoC, other state agencies, and other community providers.

## **The HOPWA Program**

The HOPWA Program provides housing assistance to individuals with low income who are diagnosed with HIV. The state's annual HOPWA goal was 345, and the five-year ConPlan goal was 2,000. During the CAPER period, HOPWA exceeded its annual goal by serving 348 individuals, reported as an unduplicated count across all HOPWA housing programs. Within permanent housing programs, 330 individuals were served, slightly below the annual benchmark but still contributing to the overall goal. For the five-year ConPlan, HOPWA nearly met its target by serving 1,998 individuals. When including the unduplicated households assisted through Permanent Housing Placement (PHP), the state surpassed its five-year goal with 2,017 served. It is important to note that not all individuals who received PHP assistance transitioned to other HOPWA programs, as many achieved stability through PHP intervention. This level of success reflects both the increase in the number of HOPWA service providers and the impact of enhanced training that strengthened outreach and service delivery statewide.

**The HOME and HTF Programs** expected to construct 55 rental units and constructed a total of 46 rental units for an 84% completion rate. The HOME and HTF Programs expected to add 300 Homeowner housing units and added a total of 226 for a 75% completion rate. The HOME and HTF Programs expected to rehabilitate 200 Homeowner housing units and rehabilitated a total of 199 for a 99.5% completion rate.

## **CR-10 - Racial and Ethnic composition of families assisted**

**Describe the families assisted (including the racial and ethnic status of families assisted).**

**91.520(a)**

**Table 2 – Table of assistance to racial and ethnic populations by source of funds**

### **Narrative**

**CDBG Program** - For the state's CDBG program, the largest primary beneficiaries for the 2024 program year were significantly Black or African American, and White categories. All other ethnic groups represent a significantly lower percentage. NOTE: Other ethnic groups include Asian, American Native or Native Hawaiian or Other Pacific Islanders.

**ESG & HOPWA:** The largest beneficiaries for the 2024 reporting year are African Americans and Whites. Other races were served, including Asian Americans, American Indians, and multiple races.

## CR-15 - Resources and Investments 91.520(a)

### Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	public - federal	2,425,263,947	20,352,075
HOME	public - federal	11,186,493	5,936,155
HOPWA	public - federal	2,721,765	2,648,794
ESG	public - federal	2,302,659	2,157,434
HTF	public - federal	3,144,833	80,757

**Table 3 - Resources Made Available**

### Narrative

Resources made available are identified as the amount of CDBG, HOME, ESG, HOPWA and Housing Trust Fund Allocations received for the reporting program years. The amount of funds expended, during the 2024 performance period for the HOME program included Rental, Rehabilitation, and Reconstruction activities. HTF funds were used for affordable rental housing during the program year. The amount of funds expended during the 2024 reporting year for the ESG program included Emergency Shelter, Street Outreach, Homeless Prevention, Rapid Rehousing, and HMIS. The amount of funds expended during the 2024 reporting year for the HOPWA Program included STRMU, TBRA, Master Leasing, Facility-Based, Permanent Housing Placement, Resource ID, and Supportive Services. Community Development Block Grant (CDBG) funds were expended for projects related to non-entitlement local units of government economic and community development public facilities and infrastructure related activities.

### Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
Non-Entitlement Entities		100	CDBG funds are available to non-entitlement entities
Statewide	100	100	Funds are not targeted geographically, but are available statewide.

**Table 4 – Identify the geographic distribution and location of investments**

### Narrative

The state provides Community Development Block Grant funds to units of general local government statewide to non-entitlement jurisdictions on a competitive application, or per economic development project basis, and does not provide geographic targeting.

The State of Mississippi's HOME Program administered by MHC covers the entire State of

Mississippi. Funds are not targeted geographically, but are available statewide.

HOME Program - Funding for Homeowner Rehabilitation, HOME Rental and CHDO activities are distributed based on a competitive application process. Local units of government submit applications for funding and once those applications are received, the applications are reviewed for Threshold Requirements. Applications that pass the Threshold Review are reviewed, scored and ranked. CHDO set-aside funds are provided to eligible non-profit organizations through a certification and proposal process prior to submitting application for funding.

The National Housing Trust Fund Program (NHTF) covers the entire State of Mississippi. NHTF funds are awarded on a competitive basis. MHC uses a scoring and ranking process to select projects for funding. The application process consists of Threshold Review and Application Scoring. Eligible applicants are Non-profit and For-profit organizations with demonstrated development experience and capacity with creating, rehabilitating, or preserving affordable housing.

The ESG program is administered statewide. Funding is allocated through a competitive process where applications are first reviewed for threshold requirements and then scored based on specific rating factors. Awards are made based on the ranking of these scores and the availability of funds.

HOPWA funding is distributed through a Request for Proposal (RFP) process. Proposals are evaluated and ranked according to defined criteria, and funds are awarded based on the ranking and the amount of available funding.

## Leveraging

**Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.**

**CDBG Program** – The state did not directly leverage funds for CDBG. The state requires units of general local government to match CDBG economic development funds with a minimum of a 10% local match investment, and the benefiting business to invest a minimum dollar-for-dollar leverage investment of CDBG funds. The state requires units of local government to provide an unspecified match of certain competitive public facility applications according to the approved method of distribution. CDBG funds were used to improve publicly owned properties for the use of water and sewer improvements, road improvements, drainage improvements, public facility improvements, and economic development projects to improve the quality of living for those of low to moderate income.

**HOME:** The HOME Program successfully leveraged additional resources from other federal programs, including the Low-Income Housing Tax Credit Program. These leveraged funds helped expand the reach and impact of the HOME Program.

**HTF:** The HTF Program successfully leveraged additional resources from other federal programs, including the Low-Income Housing Tax Credit Program. These leveraged funds helped expand the reach and impact of the HTF Program.

**HOPWA:** The Housing Opportunities for Persons With AIDS (HOPWA) Program successfully leveraged additional resources from other federal programs, including Continuum of Care and Ryan White, as well as from local governments. These leveraged funds, whether in cash or in-kind, helped expand the reach and impact of HOPWA services.

**ESG:** The CHOICE program provided leveraged funds to support housing for individuals experiencing homelessness or at risk of homelessness with serious mental illness. During the reporting year, CHOICE provided housing assistance to 445 individuals who are also qualified for ESG assistance based on housing needs.

All ESG-funded agencies met 100% of their required ESG match, utilizing additional resources such as private funds, Veteran Affairs funds, and other agency-level contributions.

<b>Fiscal Year Summary – HOME Match</b>	
1. Excess match from prior Federal fiscal year	0
2. Match contributed during current Federal fiscal year	0
3. Total match available for current Federal fiscal year (Line 1 plus Line 2)	0
4. Match liability for current Federal fiscal year	0
5. Excess match carried over to next Federal fiscal year (Line 3 minus Line 4)	0

**Table 5 – Fiscal Year Summary - HOME Match Report**

Match Contribution for the Federal Fiscal Year								
Project No. or Other ID	Date of Contribution	Cash (non-Federal sources)	Foregone Taxes, Fees, Charges	Appraised Land/Real Property	Required Infrastructure	Site Preparation, Construction Materials, Donated labor	Bond Financing	Total Match

Table 6 – Match Contribution for the Federal Fiscal Year

**HOME MBE/WBE report**

Program Income – Enter the program amounts for the reporting period				
Balance on hand at begin-ning of reporting period \$	Amount received during reporting period \$	Total amount expended during reporting period \$	Amount expended for TBRA \$	Balance on hand at end of reporting period \$
46,272	138,154	0	0	184,426

Table 7 – Program Income

<b>Minority Business Enterprises and Women Business Enterprises – Indicate the number and dollar value of contracts for HOME projects completed during the reporting period</b>						
	Total	Minority Business Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
<b>Contracts</b>						
Dollar Amount	0	0	0	0	0	0
Number	0	0	0	0	0	0
<b>Sub-Contracts</b>						
Number	14	0	0	8	0	6
Dollar Amount	3,596,697	0	0	2,760,900	0	835,797
	Total	Women Business Enterprises	Male			
<b>Contracts</b>						
Dollar Amount	0	0	0			
Number	0	0	0			
<b>Sub-Contracts</b>						
Number	14	6	8			
Dollar Amount	3,596,697	844,297	2,752,400			

**Table 8 - Minority Business and Women Business Enterprises**

<b>Minority Owners of Rental Property – Indicate the number of HOME assisted rental property owners and the total amount of HOME funds in these rental properties assisted</b>						
	Total	Minority Property Owners				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number	0	0	0	0	0	0
Dollar Amount	0	0	0	0	0	0

**Table 9 – Minority Owners of Rental Property**

<b>Relocation and Real Property Acquisition</b> – Indicate the number of persons displaced, the cost of relocation payments, the number of parcels acquired, and the cost of acquisition						
Parcels Acquired		0		0		
Businesses Displaced		0		0		
Nonprofit Organizations Displaced		0		0		
Households Temporarily Relocated, not Displaced		0		0		
Households Displaced	Total	Minority Property Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number	0	0	0	0	0	0
Cost	0	0	0	0	0	0

**Table 10 – Relocation and Real Property Acquisition**

## CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

	One-Year Goal	Actual
Number of Homeless households to be provided affordable housing units	500	1,462
Number of Non-Homeless households to be provided affordable housing units	400	215
Number of Special-Needs households to be provided affordable housing units	345	348
<b>Total</b>	<b>1,245</b>	<b>2,025</b>

Table 11 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	900	1,810
Number of households supported through The Production of New Units	111	133
Number of households supported through Rehab of Existing Units	100	82
Number of households supported through Acquisition of Existing Units	0	0
<b>Total</b>	<b>1,111</b>	<b>2,025</b>

Table 12 – Number of Households Supported

**Discuss the difference between goals and outcomes and problems encountered in meeting these goals.**

The program's one-year goals compared to actual production show that outcomes significantly exceeded expectations in several areas.

**Homeless and Special Needs goals (ESG & HOPWA):** The goal was to support 845 households; however, the program served 1,810 households, surpassing the target by 965. The largest increase was in services to homeless households, where the goal of 500 was nearly tripled with 1,462 individuals assisted.

Special-needs HOPWA households also met and slightly exceeded the target with 348 served compared to the goal of 345. A total of 1,810 households were supported through rental assistance, doubling the original goal of 900.

**Discuss how these outcomes will impact future annual action plans.**

The 2024 CAPER is the final CAPER for this ConPlan. Both the Homeless ESG program and the Special Needs HOPWA program met their five-year goal.

**Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.**

Number of Households Served	CDBG Actual	HOME Actual	HTF Actual
Extremely Low-income	0	31	90
Low-income	0	94	
Moderate-income	0	0	
<b>Total</b>	<b>0</b>	<b>125</b>	

**Table 13 – Number of Households Served**

**Narrative Information**

The HOME actual count reflects the number of households served under the HOME Program activities, Homeowner Rehabilitation & Reconstruction and Rental.

CDBG focus is on public facilities/infrastructure activities which serve low and moderate-income individuals and economic development activities which provides job opportunities to low and moderate-income individuals, housing is not an eligible activity under the State's CDBG Program.

Applications received were pending due to funding, loan closing and construction contributed to goal not met for households supported through HOME and HTF, households supported through Rental Assistance and acquisition of existing units.

**Worse Case Needs:** MHC addresses the "worse case needs" for meeting the needs for persons with disabilities, low, very low, and extremely low-income individuals by eliminating shortage of rental housing, increasing homeownership, and reducing individuals from living in substandard housing in the State. The information provided reflects beneficiaries who received HOME assistance in the areas of (Rehabilitation/Reconstruction and Rental Activities). During the program year, the HOME program was inclusive of Rental Housing, CHDO and Homeowner Rehab/Reconstruction activities for low-income families living in substandard housing; eliminate the shortage of housing for people with disability, and provide decent, safe and affordable housing for these low, very low and extremely low-income households by homeownership and rental housing. MHC's allocated the largest percent of

HOME funds to HOME Rehabilitation. HOME funds are eligible for Rental & to be used in conjunction with (LIHTC) developments to address the shortage of rental housing for extremely low income and very low-income families. Applications received for HOME were pending approval for funding & loan closing. To prohibit these families from paying more than 30% of their household income, sources of rental assistance is encouraged. Developers received incentive points for designating units in developments for ELI households with disabilities including serious mental illness under MS Olmstead Initiative. This Initiative is designed to provide community-based housing options for person with serious mental illness released from institutional care, persons who have been incarcerated or homeless with serious mental illness diagnosis or occurrence of hospitalization.

HTF primary focus is to address the shortage and eliminate shortage of rental housing for extremely low-income households and assist households from paying more than 30% of their household income for rent. HTF provides for the development or rehab of rental units for targeted populations.

Applicants address the following priorities: 1) Rental housing needs of extremely low (30% of AMI) or at or below the poverty line; 2) Target at least 10% of units in each property to address prevention, reduction, and expansion of permanent housing opportunities for persons experiencing homelessness and persons with serious mental illness; 3) located within priority areas defined by the State's Consolidated Plan.

## **CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)**

**Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:**

### **Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

During the year, MHC has worked with the BoS CoC, ODHC, and the Central CoC to fund street outreach, shelter, and RRH programs through ESG to reach those experiencing homelessness, including unsheltered homelessness. The State of Mississippi has increased its Street Outreach efforts by increasing the amount of funds available in Street Outreach to reach out to the unsheltered population. Additionally, MHC has provided training based on research-proven case management best practices to increase capacity and knowledge on ways to engage and serve those who are homeless.

### **Addressing the emergency shelter and transitional housing needs of homeless persons**

Mississippi does not have any transitional housing programs funded by ESG or CoC funds.

In Mississippi, there are not enough emergency shelters to provide shelter to all unsheltered homeless individuals. The greatest impact of the need for shelters is felt in rural Mississippi, the BoS CoC area, and on the Gulf Coast of Mississippi. To help fill the gap where shelter is needed, community agencies and the CoCs use ESG funding to provide shelter and hotel/motel vouchers to individuals who have no other resources.

### **Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs**

During the reporting year, MHC has taken some action steps to ensure extremely low-income individuals exiting publicly funded institutions are not released into homelessness. Some initiatives MHC is working on include:

- CHOICE program- The CHOICE program provides housing and case management support to individuals exiting psychiatric hospitals with a history of severe mental illness. MHC uses funds allocated from legislation due to the Olmsted Act to provide housing support. Individuals assisted by this program often transition to a public housing voucher. **MHC receives CHOICE funding from the State of MS to address housing, mental health and connect participants to social services.**

- Reentry program—State Reentry programs, the Department of Corrections, MHC, and CoC are working together to see how ESG funds can be used to prevent homelessness among individuals exiting correctional facilities with no housing options.

**Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again**

MHC works with the local CoCs to achieve the goal of ending the experience of homelessness in Mississippi (Veterans, Chronically homeless, Youth and Families). In Mississippi, two out of the three CoCs have declared a functional end to Veterans' homelessness and are diligently working towards ending chronic homelessness in their communities. As needed, ESG and HOPWA funds were used with CoC and VA SSFV funds to quickly house individuals experiencing homelessness.

ESG and HOPWA services are provided with a case manager and supportive services to help homeless individuals quickly transition from shelter to permanent housing placement. MHC also works with PHAs and other programs to prioritize formerly homeless individuals and homeless youth through TVRHA PHA. TVRHA is the first PHA in the State of Mississippi to successfully receive FYI vouchers from HUD and place Youth aging out of foster care. MHC is working with MAHRO to get the program replicated statewide.

## **CR-30 - Public Housing 91.220(h); 91.320(j)**

### **Actions taken to address the needs of public housing**

MHC has worked to educate PHA's on the need to target services to the homeless populations. Some actions taken by MHC include:

- Meeting with PHA to discuss HOME-ARP resources for development and services for qualifying individuals, including the homeless.
- Working with the HOPE program to access housing vouchers for homeless youth aging out of state services.
- Coordination between the State, ODHC CoC and the Mississippi Gulf Coast Housing Authority to set aside Section 8 Housing Choice vouchers to homeless individuals. HOME-ARP TBRA was used to help support homeless individuals who did not receive a voucher but were waitlisted.

The State of Mississippi is working closely with mental health facilities to address issues related to the MS Olmstead Act. The housing authorities are a vital part of this process. MHC collaborated with public housing authorities in preparing a joint/regional Analysis of Impediment. As a result, the collaboration effort enhanced the ability to identify barriers and needs among housing authorities statewide. MAHRO serves as the lead instrument in coordinating this process with PHAs.

### **Actions taken to encourage public housing residents to become more involved in management and participate in homeownership**

Key initiatives include:

1. **HOME Program:** Public Housing Authorities (PHAs) can apply for HOME funds for the development of rental housing that include new construction, rehabilitation or acquisition.
2. **ESG Program:** Emergency Solutions Grant (ESG) funds can provide limited assistance to PHA residents without duplicating other subsidies, in compliance with federal rules.
3. **HOPWA Program:** While the Housing Opportunities for Persons With AIDS (HOPWA) program does not offer public housing assistance, it coordinates with housing authorities for referrals and provides supportive services for eligible clients transitioning to public housing.
4. **CDBG Program:** Community Development Block Grant (CDBG) funds can benefit PHA residents through eligible local government projects.

The state collaborates with housing organizations to educate residents about management and

homeownership opportunities through public meetings and advisory boards. Additionally, the Mississippi Home Corporation (MHC) offers financial counseling outreach services, as well as homebuyer education training, throughout the year, to assist first-time homebuyers with incomes below 80% of the Area Median Income.

### **Actions taken to provide assistance to troubled PHAs**

MHC cannot identify particular troubled PHAs; however, local housing authorities are encouraged to work with regional housing authorities to provide rental assistance to address the affordability of rent for low, very low and extremely low-income households targeted by the HTF & HOME Program

## **CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)**

**Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. 91.220 (j); 91.320 (i)**

The State recognizes many factors that impact the need to remove barriers to affordable housing, most of the barriers stem from things outside the control of the State, such as the cost of land and materials. Nonetheless, the State encouraged the development and promotion of affordable housing with funding through the HOME and HTF Programs. The State continues to utilize tax incentives for homeowners and encourage communities to allow more affordable housing options.

Mississippi used HOME, ESG, HOPWA, and HTF funds to help ameliorate barriers that made it difficult for low, very low, and extremely low individuals to access affordable housing in the following ways:

- The Annual Action Plan allocates HOME funds for homeownership and rental for persons with Disabilities, Individuals with intellectual, developmental, or physical disabilities. HOME and HTF application processes include incentive points for applicants that dedicate a percentage of rental units to serve ELI and low-income individuals with serious mental illness. Units assisted by HTF will target extremely low-income households at 30% of AMI. A portion of ESG funds support activities connecting persons with Serious Mental Illness to housing and services.
- HOME funds for homeowner repair includes incentive points that will reward communities that connect homeowner repair activities with areas undergoing concerted revitalization. MHC also includes incentive points for connecting supportive services, such as GED programs, financial counseling, health and wellness, with homeowners who are being assisted by homeowner or housing replacement activity.

The increased costs associated with higher inflation and interest rates have limited the number of units that can be constructed with the same amount of funding as in previous years. This is currently the major barrier to producing affordable housing to meet documented needs from both the public and private sectors. As a result, private markets have limited the availability of private funds. Also, the lack of sufficient household income for affordable housing results in non-activity by developers, unless federal funds, state dollars, or other incentives are offered such as down-payment assistance. In addition, the lack of infrastructure in rural areas is considered a barrier because development is controlled primarily by the availability of water, sewer, and electricity. Costs become a major factor in affordable housing production as a result.

The tax structure for the State allows homeowners to file and receive Homestead Exemption, lowering monthly mortgage payment considerably, taxes are assessed at a rate lower than that of rental or commercial properties. The higher assessment rate on rental properties is normally incorporated into the monthly rental fee. This tax structure directly affects the return on residential investment and

serves as a disincentive to the production of affordable rental property.

**Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)**

The State of Mississippi continues to serve underserved households by providing financing for the ongoing development of affordable housing as well as financing the rehabilitation of homes for people and families who are low- income, elderly, and persons with disabilities.

The availability of funding is an obstacle that limits the ability of the State to meet all underserved needs. In the CDBG Program within the public facilities activity, the funding is divided between "small government" and "regular government". This allows those with a certain number in population to compete against jurisdictions of the same size. Also, there is a difference in "match requirement" for each of these categories.

HOME, ESG, HOPWA, and HTF funds were used to help ameliorate barriers that make it difficult for low and extremely low individuals to access affordable housing. During the application process, MHC provides incentive points for connecting supportive services to homeowner rehabilitation activities where areas are undergoing concerted revitalization. MHC will set aside a portion of HOME funds to assist in meeting the housing needs for people with disabilities. These funds will be available state-wide to assist in promoting homeownership by providing DPA and closing cost. HOME and HTF Programs provide incentive points for dedication of a portion of rental units for low and extremely low-income individuals at 30% AMI with serious mental illness.

ESG funds supported activities in Continua of Care that connected persons with Serious Mental Illness to housing and services. HOPWA Program addressed obstacles to meet housing needs for HIV/AIDS beneficiaries. TBRA, Permanent Supportive Housing, Transitional/Short-term Housing and Supportive Services were provided.

HOME and HTF funding along with LIHTC addressed obstacles in serving the "underserved", particularly ELI households, homeless, and persons with serious mental illness. MHC engaged participation of Public Housing Authorities and other entities through the development of the Annual Action Plan and participation in the MHC's Annual Advisory meeting. MHC and MDA worked along with Entitlements, PHAs to conduct a joint Analysis of Impediment (AI) for the State.

Services were also provided to the "underserved" through MHC's HUD Housing Counseling network. The network provided counseling and education services to households below 30% of AMI. Counseling agencies worked with PHAs and other social service organizations in providing one-on-one counseling and/or group education classes/workshops. Housing counseling and education services provided by our housing counseling network: Rental counseling, homebuyer counseling/education classes, post-purchase counseling and foreclosure prevention services. Financial literacy includes budgeting and credit counseling, which are elements of the counseling and education services provided.

### **Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)**

Based on federal program requirements, the following actions are required to reduce lead-based paint hazards: 1) homeowner rehabilitation - remediation will take place as a result of testing performed to detect the presence and the action taken to reduce or eliminate the hazard through rehabilitation or reconstruction of the owner-occupied units built prior to 1978; 2) substantial rehabilitation of rental units - remediation will take place as a result of testing performed to detect the presence and the action taken to reduce or eliminate the hazard through rehabilitation; 3) ESG and HOPWA activities address lead based paint hazards on units built prior to 1978 and occupied by household members that are under 6 years of age, inspection is required and if present other housing would be located; 4) Homebuyer Assistance activities are subject to addressing lead based paint hazards on units built prior to 1978. In addition, the approach to implement lead hazard evaluation and reduction; Identify and stabilize deteriorated paint.

Through MHC's HUD Housing Counseling network, many agencies provided information on lead-based paint hazards during their housing counseling and education classes. HUD Housing Counseling awarded agencies that provide pre-purchase/homebuying, post-purchase, or rental counseling and education services are required to provide clients with information on lead-based paint hazards. MHC also has a partnership with the Green and Healthy Homes Initiative to provide lead-based paint training to our counselors and provide awareness to households throughout the state. The Green and Healthy Homes Initiative provided training at our Affordable Housing Conference during the period of performance on lead-based paint hazards and provided resources to those in attendance to distribute to households in their service area.

### **Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)**

By addressing the housing needs of Mississippians who are low-income, the state is working to help reduce the number of poverty-level families. Numerous studies show that housing plays a critical role in providing stability to poor families.

HOPWA Addresses Poverty-Level Households: MHC's HOPWA program will aid in reducing the number of poverty-level households by increasing the availability of affordable housing and providing supportive services (case management, STRMU, TBRA, PHP, FB, and other eligible support) to those living with HIV with low income and their families and by providing HOPWA supportive services. Through HOPWA development, MHC seeks to support rehabilitation and construction projects (if available) that will target affordable units to the HOPWA population. While many HOPWA clients assisted may be at poverty-level, this is not a requirement under 24 CFR §574.3

ESG Addresses Poverty-Level Households: The ESG Program funds activities that provide shelter, housing, and essential services for homeless persons, as well as intervention services for persons threatened with homelessness. Essential services for homeless persons include medical and psychological counseling, employment counseling, substance abuse treatment, transportation, and

other services. Through subgrantees, MHC assists households with rent, security and utility deposit assistance, case management, and other supportive services. Focusing on Housing First, but not only, ESG services can include job training and General Education Development ("GED") support to help individuals access and sustain housing and improve employment options and increase their economic independence and self-sufficiency. While MHC supports the use of ESG funds to help ESG clients lift themselves above the poverty line, it is not a specific initiative for which MHC earmarks ESG funding or that MHC monitors for the ESG Program.

For individuals threatened with homelessness, homelessness prevention funds can be used for short-term subsidies to defray rent and utility arrangements for households receiving late notices, and security deposits.

CDBG provides funding for economic development activities to create jobs made available to at least 51% low- and moderate-income persons. This will help reduce the number of poverty-level families by providing economic opportunities and encouraging economic self-sufficiency. CDBG community development activities provide for improved viability of local units of government leading to continued future economic development.

MHC has set forth requirements in the Homeowner Rehabilitation, Home Rental/CHDOs and HTF applications process requiring supportive services are made available to those who benefit from federal funds. The focus is to provide asset and wealth building for these individuals and families. MHC's HUD Housing Counseling grant program worked with PHAs on funding homebuyer education activity for households eligible for Homeownership Vouchers. In addition, MHC's HUD Housing Counseling agencies are available to assist PHA's in preparing residents for homeownership through pre-purchase counseling and homebuyer education. Those participating in the Homeownership Voucher program are required to take an 8-hour homebuyer education class. The homebuyer education class provides information from the beginning to the end of the homebuying process. Also available to residents of PHAs are budgeting/financial counseling, credit counseling and rental counseling. All counseling and education services provided are designed to assist with asset and wealth building.

#### **Actions taken to develop institutional structure. 91.220(k); 91.320(j)**

The State of Mississippi does not provide funding for institutional structure activities.

#### **Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)**

The State of Mississippi has launched its homebuyer assistance program with HOME funds in October 2024. It provides HOME funding for homebuyer assistance activities through eligible contractors and HUD approved housing counseling agencies. They provide pre-purchase counseling and education services. These housing counseling agencies have established relationships with social service agencies, realtors, lenders and other governmental agencies. The coordination between these partners enhances

the relationships between public and private housing and social service agencies. Through the homeownership counseling grant, the State does provide funding for pre-purchase counseling.

In the homeowner rehabilitation category, coordination between the Mississippi Department of Health and local units of government assisted in the enhancement of providing adequate disposal systems as required by State Law. In all the housing programs, coordination with social service agencies, housing authorities, other housing agencies, local governmental agencies, state governmental agencies, and federal governmental agencies is vital in completing tasks for federal programs.

### **Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)**

The Mississippi Development Authority, Community Incentives Division (CID) continues to Affirmatively Furthering Fair housing by sponsoring the HEED Conference annually. CID required all sub-recipients to adhere to the fair housing requirements by resolution, proclamation during fair housing month in April and conducting a fair housing activity.

The State of Mississippi's actions to overcome impediments to fair housing choice were addressed through educational outreach, public hearings, citizen participation, publications, compliance trainings, program implementation workshops and funding.

An MHC staff member also serves as a board member for HEED. Through MHC's HUD Housing Counseling program, counseling agencies attempt to overcome the impediments to fair housing choice by educating buyers through credit counseling and home purchase training; provided training and information on how to establish and keep good credit, particularly for first time homebuyers. Fair housing Information was provided to individuals/families at various stages of the homeownership process, renters and homeowners trying to avoid foreclosure. Additionally, housing counselors provided clients information on their fair housing rights, protected classes, and AFFH.

### HOME and HTF

The following Federal nondiscrimination and equal opportunity guidelines apply to all Rental Housing projects and affect both the development and operation of assisted housing:

1. The requirements of the Fair Housing Act (42 U.S.C. 3601-19) and implementing regulations at 24 CFR Part 100; Executive Order 11063, as amended by Executive Order 12259 (3 CFR 1958 B1963 Comp., P. 652 and 3 CFR 1980 Comp., P. 307) (Equal Opportunity in Housing) and implementing regulations at 24 CFR Part 107; and of the Civil Rights Act of 1964 (42 U.S.C. 2000d) (Nondiscrimination in Federally Assisted Programs) and implementing regulations issued at 24 CFR Part 1.
2. The prohibition against discrimination based on age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing Regulations at 24 CFR Part 146.

3. The requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8.
4. The requirements of Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 (3 CFR 1964-65, Comp., p. 339) (Equal Employment Opportunity) and the implementing regulations issued at 41 CFR Chapter 60.
5. The requirements of 24 CFR 5.105(a)(2) requiring that HUD-assisted housing be made available without regard to actual or perceived sexual orientation, gender identity, or marital status and prohibiting subrecipients, owners, developers, or their 1. agents from inquiring about the sexual orientation or gender identity of an applicant for, or occupant of, HUD-assisted housing to determine eligibility for the housing or otherwise make such housing available. This prohibition on inquiries regarding sexual orientation or gender identity does not prohibit any individual from voluntarily self-identifying sexual orientation or gender identity.

## **CR-40 - Monitoring 91.220 and 91.230**

**Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements**

## **Citizen Participation Plan 91.105(d); 91.115(d)**

**Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.**

The State of Mississippi's Public Notice for the 2024 Consolidated Annual Performance and Evaluation Review (CAPER)/Draft was published in The Clarion Ledger, Jackson Advocate, La Noticia, Mississippi, and the Sun Herald newspapers as part of the public input process for the development of the performance reports for the previous year. MDA mailed a statewide CSD Instruction and Program Bulletin was mailed statewide to all units of general local government and other interested parties of the availability of the CAPER for public comment. The 2024 CAPER Draft was made available on the Mississippi Home Corporation website at [www.mshomecorp.com](http://www.mshomecorp.com) and the Mississippi Development Authority website at [www.mississippi.org](http://www.mississippi.org). Copies were made available upon request at Mississippi Home Corporation at 735 Riverside Drive, Jackson, Mississippi 39202 during the office hours of 8:00 a.m. to 5:00 p.m. Public access including the availability to persons with disabilities and non-English speaking persons were available upon request. The CAPER was available for the 15-day public comment period beginning Monday, September 15, 2025, through Monday September 29, 2025.

**CR-45 - CDBG 91.520(c)**

**Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.**

CDBG Program -

The state continues to use the CDBG funding for economic development activities to enhance the growth and development of local communities with a direct benefit for low to moderate-income citizens.

**Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?**

No

**[BEDI grantees] Describe accomplishments and program outcomes during the last year.**

## **CR-50 - HOME 24 CFR 91.520(d)**

### **Include the results of on-site inspections of affordable rental housing assisted under the program to determine compliance with housing codes and other applicable regulations**

Please list those projects that should have been inspected on-site this program year based upon the schedule in 24 CFR §92.504(d). Indicate which of these were inspected and a summary of issues that were detected during the inspection. For those that were not inspected, please indicate the reason and how you will remedy the situation.

All projects that were required to be inspected in program year 2024 were inspected. Any noted deficiencies have been remedied by the required corrective period. All projects are in compliance with inspection protocol.

### **Provide an assessment of the jurisdiction's affirmative marketing actions for HOME units. 24 CFR 91.520(e) and 24 CFR 92.351(a)**

Participants in the HOME program are required to use affirmative fair housing marketing practices in soliciting renters or buyers. All HOME assisted housing units must comply with the following procedures for the required compliance period, depending on the program used. Owners advertising vacant units must include the equal housing opportunity logo and/or slogan; where ever a phone number is provided, there must also be a TDD/TTY phone number or equivalent provided; the owner is required to solicit applications for vacant units from persons in the housing market who are least likely to apply for HOME-assisted housing; the owner must maintain a file containing all marketing efforts; the owner shall maintain a listing of all tenants residing in each unit; and affirmative marketing plans must be updated every five years. Review of AFFH marketing plan and tenant selection plans is conducted during onsite/tenant file reviews.

### **Refer to IDIS reports to describe the amount and use of program income for projects, including the number of projects and owner and tenant characteristics**

During FY 2024; there was a balance of \$46,271.75 on hand; the state receipted \$138,154.02. There were no draws on the FY 24 Program Income receipts.

### **Describe other actions taken to foster and maintain affordable housing. 24 CFR 91.220(k) (STATES ONLY: Including the coordination of LIHTC with the development of affordable housing). 24 CFR 91.320(j)**

MHC's HOME Program encourages non-profit organizations and CHDOs to use all sources of GAP financing to complete financing packages for projects. The HOME Program can be leveraged with the Low Income Housign Tax Credit (LIHTC) Program and is designed to complement the scoring criteria of the LIHTC Program. By creating similar scoring criteria, projects can compete for all programs

efficiently. This has been an effective improvement to streamline funding for rental development projects.

## CR-55 - HOPWA 91.520(e)

### Identify the number of individuals assisted and the types of assistance provided

Table for report on the one-year goals for the number of households provided housing through the use of HOPWA activities for: short-term rent, mortgage, and utility assistance payments to prevent homelessness of the individual or family; tenant-based rental assistance; and units provided in housing facilities developed, leased, or operated with HOPWA funds.

<b>Number of Households Served Through:</b>	<b>One-year Goal</b>	<b>Actual</b>
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	94	104
Tenant-based rental assistance	214	189
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	37	37
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	0	0

**Table 14 – HOPWA Number of Households Served**

### Narrative

The HOPWA data presented above reflects the number of heads of households, not the total number of clients served and services through Permanent Housing Placement (PHP).

The unduplicated number of households through all of the HOPWA programs is 348, which is more than the proposed goal of 345. Some of the households that received HOPWA PHP assistance moved over to receive other HOPWA housing support; other PHP households were able to maintain housing independently or were connected to other subsidized programs.

## CR-56 - HTF 91.520(h)

**Describe the extent to which the grantee complied with its approved HTF allocation plan and the requirements of 24 CFR part 93.**

All activities were carried out in alignment with priorities, eligible activities, and targeted populations identified in the plan. MHC ensured funds were committed to an eligible rental housing development project serving extremely low-income households. Prior to commitment, all projects must adhere to the environmental provisions of 24 CFR 93.301. HTF commitments are made to multifamily rental projects that will service extremely low-income tenants for a minimum (30) year affordability period. HTF units must be below the maximum per-unit subsidy limits. HTF commitments were made to developers/owners who have experience developing affordable housing. Projects must demonstrate the ability to complete the project within the specified timeframe. Funding in the amount of \$2,638,667.41 was awarded and committed to (1) eligible project. There is a balance of \$356,165.96 in HTF program activities available to commit to another eligible project.

Tenure Type	0 – 30% AMI	0% of 30+ to poverty line (when poverty line is higher than 30% AMI)	% of the higher of 30+ AMI or poverty line to 50% AMI	Total Occupied Units	Units Completed, Not Occupied	Total Completed Units
Rental	0	90	0	90	0	90
Homebuyer	0	0	0	0	0	0

**Table 15 - CR-56 HTF Units in HTF activities completed during the period**

## CR-58 – Section 3

Identify the number of individuals assisted and the types of assistance provided

<b>Total Labor Hours</b>	<b>CDBG</b>	<b>HOME</b>	<b>ESG</b>	<b>HOPWA</b>	<b>HTF</b>
Total Number of Activities	41	5	0	0	1
Total Labor Hours	93,412	23,630	0	0	7,920
Total Section 3 Worker Hours	18,776	9,524	0	0	0
Total Targeted Section 3 Worker Hours	2,568	6,884	0	0	0

**Table 15 – Total Labor Hours**

<b>Qualitative Efforts - Number of Activities by Program</b>	<b>CDBG</b>	<b>HOME</b>	<b>ESG</b>	<b>HOPWA</b>	<b>HTF</b>
Outreach efforts to generate job applicants who are Public Housing Targeted Workers	17	3	0	0	1
Outreach efforts to generate job applicants who are Other Funding Targeted Workers.	20	3			1
Direct, on-the job training (including apprenticeships).		3			
Indirect training such as arranging for, contracting for, or paying tuition for, off-site training.		3			
Technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).	6	3			
Outreach efforts to identify and secure bids from Section 3 business concerns.	21	5			1
Technical assistance to help Section 3 business concerns understand and bid on contracts.	7	3			
Division of contracts into smaller jobs to facilitate participation by Section 3 business concerns.	9				
Provided or connected residents with assistance in seeking employment including: drafting resumes, preparing for interviews, finding job opportunities, connecting residents to job placement services.	4	3			
Held one or more job fairs.	4	3			
Provided or connected residents with supportive services that can provide direct services or referrals.	4	3			
Provided or connected residents with supportive services that provide one or more of the following: work readiness health screenings, interview clothing, uniforms, test fees, transportation.	3	3			
Assisted residents with finding child care.					
Assisted residents to apply for, or attend community college or a four year educational institution.					
Assisted residents to apply for, or attend vocational/technical training.					
Assisted residents to obtain financial literacy training and/or coaching.	4				
Bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.					
Provided or connected residents with training on computer use or online technologies.					
Promoting the use of a business registry designed to create opportunities for disadvantaged and small businesses.		3			1
Outreach, engagement, or referrals with the state one-stop system, as designed in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.					
Other.	20	3			1

**Table 16 – Qualitative Efforts - Number of Activities by Program**

**Narrative**

During the reporting period, neither ESG nor HOPWA carried out activities that triggered Section 3 requirements.

HOME and HTF: To the greatest extent possible, MHC provided information on Section 3 requirements to owners and developers of construction projects. The Section 3 requirements are also listed on MHC's webpage. Projects are required to adhere to Section 3 by providing economic opportunities, particularly employment, generated by HUD-assisted development activity to low- and very low-income persons. In practice, MHC expects that all HOME/NHTF projects will be subject to Section 3. Projects subject to Section 3 are required to take steps to achieve HUD-specified benchmarks (and maintain records and provide reporting) on total labor hours worked including by eligible "Section 3 workers" (25% of total labor hours) and by "Targeted Section 3 workers" (5% of total labor hours). This information must be submitted to MHC quarterly during the construction phase.

# **Attachment**

## **CDBG and CDBG CV PR28 Reports**

# Monitoring Activities for HOME, HTF, ESG, HOPWA, CDBG, and REHAB Combined



**MISSISSIPPI HOME CORPORATION**

# **FEDERAL PROGRAMS COMPLIANCE MANUAL**

**HOME Investment Partnerships Program  
National Housing Trust Fund**

8/9/2024

CAPER

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## Article I. Key Terms and Concepts

### Section 1.01 Basic Concepts & Affordability Requirements

The U.S. Department of Housing and Urban Development (HUD) uses the term “low-income” for households at or below 80% area median income (AMI) and “very low-income” for households at or below 50% AMI. HOME Investment Partnerships Program (HOME) regulations allow for two types of HOME-assisted units:

- **High HOME** units are HOME-assisted units reserved for households at or below 80% AMI (for Mississippi Home Corporation (MHC), High HOME units are at 60% AMI at initial lease up).
- **Low HOME** units are HOME-assisted units reserved for households at or below 50% AMI.

In a funded application, an Owner must agree to meet additional state specific AMI levels. Such additional restrictions are codified in the restrictive covenant recorded against the property, and the owner must continue to meet these requirements throughout the project’s affordability period and extended use period, if applicable.

- All units committed to serving households with incomes less than 30% AMI (Low HOME) must be rented to households with incomes less than or equal to 30% AMI at time of move-in. \*NOTE: All Housing Trust Fund (HTF)-assisted units must be 30% AMI.
- All units committed to serving households with incomes less than 50% AMI (Low HOME) must be rented to households with incomes less than or equal to 50% AMI at time of move-in.
- All units committed to serving households with incomes less than 60% AMI (High HOME) must be rented to households with income less than or equal to 60% AMI at time of move-in.

HTF regulations require all HTF-assisted units to serve households with incomes at or below the 30% AMI limit for the HTF program. The HTF program uses different income and rent limits than the HOME program. All awards must be secured throughout the affordability period/extended use period by a written, legally binding, recorded declaration of restrictive covenants.

### Section 1.02 The HOME “Program Rule” and the “Project Rule”

**The HOME “Program Rule”** states that at initial occupancy, 90% of HOME-assisted units must be occupied by households with incomes at or below 60% of AMI. For MHC purposes, 100% of HOME-assisted units must be occupied by households with incomes at or below 60% of AMI at initial occupancy.

**The HOME “Project Rule”** states that all HOME developments with five or more HOME-assisted units must have at least 20% of the HOME-assisted units occupied by households at or below 50% of AMI for the duration of the affordability period.

### Section 1.03 Affordability Periods/Extended Use Periods

The length of time for which a project must continue to remain in program compliance and meet its specified requirements (as outlined in the application and restrictive covenants) is called the affordability period.

**The affordability period begins after project completion.** Project completion is defined as the date that all necessary title transfer requirements and construction work have been performed; the rehabilitation completed complies with the requirements and the property standards of 24 CFR 92.251 for HOME, 24 CFR 93.301 for HTF, and the stricter of the local rehabilitation standards or the International Building Code; the final drawdown has been disbursed for the project; and the project completion information has been entered into the disbursement and information system established by HUD.

The following chart defines the affordability periods that apply to HOME-funded projects. The affordability period for HTF-assisted units is always 30 years, regardless of the amount of assistance per unit.

HOME award amount per unit	Affordability Period
Under \$15,000 per unit	5 years
\$15,000 - \$40,000 per unit	10 years
Over \$40,000 per unit – or – any rehabilitation/refinance combination activity	15 years
New construction or acquisition of newly constructed housing	20 years

Note: An MHC award is made in the form of a loan. Prepayment or maturity of a loan before the end of the affordability period does not affect the affordability period end date. An Owner can agree to an **extended use period** after the HOME/HTF affordability

period ends. In these cases, program compliance and monitoring continue throughout the end of the extended use period.

#### Section 1.04 Fixed and Floating Units

A development's Regulatory Agreement will outline whether the project's program-assisted units are fixed or floating units. Currently, MHC only allows floating units for the HOME and HTF programs.

**Fixed units:** The program-assisted units remain the same throughout the affordability period. Specific units are designated as assisted units and those units will remain assisted throughout the affordability period. Any non-assisted units at a property with fixed program units will remain non-assisted and can be rented without regard to rent and income restrictions.

**Floating units:** The program-assisted units may change during the affordability period. The unit mix can be changed during the affordability period so that the total number of assisted units meets the requirements set out in the application and recorded declaration. Each substituted unit must be comparable in terms of size, features, and number of bedrooms to the originally designated program-assisted unit. Note: If all units in a property are program-assisted units, then the units are considered fixed units. In a property with a mix of program-assisted and non-assisted units, the assisted units may be fixed or floating.

#### Section 1.05 Types of Rental Housing Projects

##### Permanent Rental Housing

The purpose of this activity is to provide funding for affordable long-term housing that will be rented to income-eligible households. Eligible activities include acquisition, rehabilitation, or new construction. Permanent rental housing units may not be used for temporary or emergency housing at any time. Each household moving into a permanent rental housing unit must be certified as income-eligible and must enter into a lease agreement. For more information on leases, see Section 5.06.

## Article II. Responsibilities

The entities involved in project compliance include MHC, the Owner, and the management company/agent including onsite management personnel. The various responsibilities for these entities are set forth below.

### Section 2.01 Responsibilities of MHC

MHC allocates and administers the HOME and HTF housing programs for the State of Mississippi. MHC's responsibilities are as follows:

#### A. Review Annual Owner Certifications and Annual Financial Information

MHC will review an Annual Owner Certification for each development. For information on Annual Owner Certifications, see Section 6.05. In addition, for each HOME or HTF project with 10 or more units (total units, not assisted units), MHC must annually review the financial condition of the project to determine "the continued financial viability of the housing" following the Financial Oversight requirements of the HOME and HTF regulations. MHC must take actions, as feasible, to correct any problems identified through financial review. MHC staff will contact each affected property annually to request the necessary information. For additional information on Financial Review, see Section 6.06.

#### B. Conduct File Monitoring and Physical Unit Inspections

All developments will be subject to tenant file monitoring and physical inspections once every three years, as further described in Section 6.06. However, MHC reserves the right to monitor/inspect more frequently, with or without notification to the Owner. Decisions to monitor/inspect more frequently may be based on tenant complaints or MHC's assessment that a project is high risk.

Tenant File Audits - Information to be reviewed will include, but is not limited to, annual Tenant Income Certifications, Income Questionnaire, documentation received to support those certifications (i.e., income and asset verifications), rent and utility allowance records, leases, tenant selection plans, etc. Owners must provide organized tenant files to MHC with documentation in chronological order. For more information on file audits, see Section 6.06

Physical Inspections – MHC staff or an MHC contractor will conduct a physical inspection to ensure that the development is suitable for occupancy. For information on maintaining a property in a condition that is suitable for occupancy, see Section 4.04.

MHC retains the right to perform a file review and/or physical inspection of any building and/or unit at any time during the Affordability Period, with or without notice to the Owner.

#### C. Remedying Noncompliance

When noncompliance is discovered, MHC will work with the Owner and/or management agent to remedy the issue during a correction period. If necessary, MHC will recapture funds. For information on recapture, see Section 7.06.

#### D. Suspension and Debarment

MHC may suspend or debar entities from participation in MHC programs if noncompliance issues are recurring or egregious, funds are misused, an entity engages in fraudulent activity, etc. Suspension or debarment from the program may not only affect the non-compliant award, but also other awards that the entity is currently associated with. Additionally, suspension or debarment will affect future applications submitted to MHC. For information on suspension and debarment, see Section 7.07.

#### E. Conduct Training

MHC will conduct or arrange compliance training and will disseminate information regarding the dates and locations of such training to its partners.

#### F. Possible Future Subcontracting of Functions

MHC may, in its sole discretion, decide to retain an agent or private contractor to perform some of the responsibilities listed above. Owners will be notified of the name and contact persons of the contractor.

**G. Approve HOME and HTF Rents**

MHC must approve, at least annually, the rents to be charged by all HOME- or HTF-assisted projects. See Section 3.02 for additional information on approval of rents for HOME-assisted units.

**Section 2.02 Responsibilities of the Owner**

The Owner must certify that all program requirements have been met. Any violation of program requirements could result in the Owner being required to repay federal or state funds and may jeopardize future applications for MHC funding.

The responsibilities of Owners include, but are not limited to:

**A. Leasing units to eligible households in a non-discriminatory manner**

For more information on leasing requirements, see Section 5.06. For more information on fair housing and tenant selection plans, see Section 4.02.

**B. Charging no more than the maximum allowable rents (including utility allowances and non-optional fees)**

For more information on rent limits and maximum allowable rent, see Section 3.02.

**C. Maintaining the property in habitable condition**

The Owner is responsible for ensuring that the development is maintained in a decent, safe, and sanitary condition per appropriate standards. Failure to do so is an act of noncompliance. See Section 4.04.

**D. Record retention requirements**

Regulatory agreements must be retained for five years after the agreement terminates. Tenant files must be retained for the most recent five years throughout the affordability period, until five years after the end of the affordability period/extended use period (to determine the length of the affordability period, see Section 1.03). However, if any litigation, claim, negotiation, audit, monitoring, inspection, or other action has been started before the expiration of the required retention period, the records must be maintained until the completion of the action and resolution of all issues that arise from it, or until the end of the required period, whichever is later.

The records must include the following:

- The total number of residential rental units in the building (including the number of bedrooms and the size in square feet of each residential rental unit)
- The number of residential rental units that are program-assisted units and if those units are considered fixed or floating.
- The rent charged on each residential rental unit and the applicable utility allowance. Utility allowance records must include copies of the annual supporting calculations.
- The number of occupants in each program-assisted unit.
- The unit vacancies in the building, documentation of marketing efforts, and information that shows when and to whom the next available units were rented (this information must include the unit number, tenant name, move-in dates, and move-out dates for all tenants, including market-rate tenants)
- The Tenant Income Certification (TIC) and Income Questionnaires for each eligible household
- Documentation to support each eligible household's income certification.
- Any local health, safety, or building code violation reports or notices issued by the State or local government unit responsible for making local health, safety, or building code inspections.

**E. Being knowledgeable about:**

The Owner is expected to know and maintain records regarding:

- Expiration dates, closeout dates, and the duration of the affordability period
- The award number and address of each building in the development
- The applicable income and rent restriction for each unit
- Whether program-assisted units are considered fixed or floating units

- The terms under which the award was made and the requirements applicable to the funding policy under which the award was made
- Any restrictions required in the Regulatory Agreement and recorded restrictive covenant, including required amenities, services, design features, and special population targeting

The items listed above can be found in the application, Regulatory Agreement, recorded restrictive covenant, and/or the closeout letter for the project. To ensure compliance, it is important that the Owner and management agents have copies of these documents and are familiar with the terms defined within.

**F. Complying with the terms of the Application, Regulatory Agreement, and Restrictive Covenant**

In addition to meeting rent and income restrictions, this obligation includes providing the agreed upon services, amenities, design features, and any special population targeting throughout the affordability period/extended use period. MHC will monitor for compliance with these elections.

**G. Maintaining Insurance Requirements Following Project Completion**

Upon completion of the Project and at any time thereafter during the term of the affordability period/extended use period, the Owner shall, at its sole cost and expense, keep in full force and effect insurance coverage of the types and minimum limits as follows:

1. Comprehensive all-risk property insurance on the Improvements, building equipment, and personal property, including contingent liability from the operation of building laws, any demolition costs, and increased cost of construction endorsements, in each case:
  - a. in an amount equal to one hundred percent (100%) of the "Full Replacement Cost," which for purposes of this Subsection shall mean actual replacement value (exclusive of costs of excavations, foundations, underground utilities, and footings) with a waiver of depreciation;
  - b. containing an agreed-amount endorsement with respect to the Improvements and personal property waiving all co-insurance provisions;
  - c. containing an endorsement providing for a deductible per loss of an amount not more than that which is reasonably required by MHC, but in no event in excess of Ten Thousand and No/100 Dollars (\$10,000.00), except for the following:
    - i. the deductible for flood shall be One Hundred Thousand and No/100 Dollars (\$100,000.00);
    - ii. the deductible for earthquake shall be One Hundred Thousand and No/100 Dollars (\$100,000.00); and
    - iii. the deductible for named windstorms shall be the greater of One Hundred Thousand and No/100 Dollars (\$100,000.00) or five percent (5%) of total values at risk at the time of loss;
  - d. containing an "Ordinance or Law Coverage" or "Enforcement" endorsement if any of the Improvements or the use of the Property shall at any time constitute legal non-conforming structures or uses; and
  - e. the deductible for non-named windstorms and hail shall be Twenty-Five Thousand and No/100 Dollars (\$25,000.00). In addition, the Owner shall obtain:
    - i. (y) if any portion of the Improvements is currently or at any time in the future located in a Federally designated "special flood hazard area," flood hazard insurance in an amount equal to the lesser of:
      - (1) the outstanding principal balance of the Note; or
      - (2) the maximum amount of such insurance available under the National Flood Insurance Act of 1968 (42 U.S.C. § 4001 et seq.), Section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. § 4012a(a)), or the National Flood Insurance Reform Act of 1994 (42 U.S.C. § 4001 et seq.), as each may be amended; and
    - ii. (z) earthquake insurance in amounts and in form and substance satisfactory to MHC in the event the Property is in an area with a high degree of seismic activity provided that the insurance pursuant to clauses (y) and (z) hereof shall be on terms consistent with the comprehensive all risk insurance Policy required under this Subsection;
2. Commercial general liability insurance against claims for personal injury, bodily injury, death, or property damage occurring upon, in, or about the Property, such insurance:
  - a. to be on the so-called "occurrence" form with a combined limit, including umbrella coverage, of not less than One Million and No/100 Dollars (\$1,000,000.00);
  - b. to continue at not less than the limit described above until required to be changed by MHC in writing because of changed economic conditions making such protection inadequate; and

- c. to cover at least the following hazards:
  - i. premises and operations;
  - ii. products and completed operations on an "if any" basis;
  - iii. independent contractors;
  - iv. blanket contractual liability for all legal contracts; and
  - v. contractual liability covering the indemnities contained in the Deed of Trust to the extent the same is available;
- 3. Business income or rental interruption insurance:
  - a. with loss payable to MHC;
  - b. covering all risks required to be covered by the insurance provided for in Subsection (1) above;
  - c. with coverage for twelve (12) months from the date of casualty and containing an extended period of indemnity endorsement which provides that after the physical loss to the Improvements and personal property has been repaired, the continued loss of income will be insured until such income either returns to the same level it was at before the loss, or the expiration of sixty (60) days from the date that the Property is repaired or replaced and operations are resumed, whichever first occurs and notwithstanding that the Policy may expire before the end of such period; and
  - d. in an amount equal to one hundred percent (100%) of the projected gross income from the Property for twelve (12) months. The amount of such business income insurance shall be determined prior to the date hereof and at least once each year thereafter based on the Owner's reasonable estimate of the gross income from the Property for the succeeding twelve (12) month period. All proceeds payable to MHC according to this Subsection shall be held by MHC and shall be applied first to the Indebtedness from time to time becoming due and payable hereunder and under the Note before the time that operations are resumed at the Property, and next, the balance to be paid to Owner; provided, however, that nothing herein contained shall be deemed to relieve Owner of its obligations to pay the Indebtedness on the respective dates of payment provided for in the Note and the other Loan Documents except to the extent such amounts are paid out of the proceeds of such business income insurance;
- 4. At all times during which structural construction, repairs, or alterations are being made for the Improvements, and only if the Property coverage form does not otherwise apply,
  - a. owner's contingent or protective liability insurance covering claims not covered by or under the terms or provisions of the above-mentioned commercial general liability insurance Policy; and
  - b. the insurance provided for in Subsection (1) above written in a so-called builder's risk completed value form.
    - i. on a non-reporting basis,
    - ii. against all risks insured against,
    - iii. including permission to occupy the Property, and
    - iv. with an agreed amount endorsement waiving co-insurance provisions;
- 5. Automobile insurance, when vehicles owned or leased by the Owner or its employees, agents, subcontractors, or volunteers are used to provide services relative to this Agreement, with a limit of no less than One Million and No/100 Dollars (\$1,000,000.00) as a combined single limit (for bodily injury and property damage);
- 6. Workers' compensation, subject to the statutory limits of the State where the Property is located, and medical, accident, or other insurance, if and as required by law, rules, or regulations, for all employees of contractors, subcontractors, consultants, volunteers, and vendors engaged on or concerning the Property;
- 7. Umbrella liability insurance on terms consistent with the commercial general liability insurance policy required under Subsection (2) above;
- 8. Fidelity bonds for Owner's agents and employees who receive, deposit, or have access to HOME/HTF Funds, naming MHC as additional insured or loss payee;
- 9. Upon sixty (60) days' written notice, such other reasonable insurance and in such reasonable amounts as MHC from time to time may reasonably request against such other insurable hazards which at the time are commonly insured against for property similar to the Property located in or around the region in which the Property is located;

**Form of Policies and Ratings of Insurers:**

- 1. All insurance required by the Regulatory Agreement shall be obtained under valid and enforceable policies (collectively, the "Policies" or in the singular, the "Policy"), and shall be subject to the reasonable approval of MHC as to insurance companies, amounts, deductibles, loss payees and insureds. The Policies shall be issued by financially sound and

responsible insurance companies authorized to do business in the state of Mississippi and having A.M. Best's rating of "A".

2. All Policies provided for or contemplated herein shall name Owner, or the tenant, as the insured and MHC as additional insured, as its interests may appear, and in the case of property damage, flood, and earthquake insurance, shall contain a standard noncontributing mortgagee clause in favor of MHC providing, that the loss thereunder shall be payable to MHC.
3. If at any time MHC is not in receipt of written evidence that all insurance required hereunder is in full force and effect, MHC shall have the right, without notice to the Owner, to take such action as MHC deems necessary to protect its interest in the Property, including, without limitation, obtaining of such insurance coverage as MHC in its sole discretion deems appropriate. All premiums incurred by MHC in connection with such action or in obtaining such insurance and keeping it in effect shall be paid by the Owner to MHC upon demand and, until paid, shall be secured by the Deed of Trust and if not paid by the Owner within three (3) Business Days after demand by MHC shall bear interest at the Default Rate.

**Certificates. The Owner shall obtain the following Certificates:**

1. Owner shall deliver to MHC annually, concurrently with the renewal of the insurance policies required to be maintained hereunder, a certificate from the applicable insurance agent stating that the Policies required to be delivered to MHC by the Regulatory Agreement are maintained with insurers who comply with the terms of reporting requirements and recordkeeping, setting forth a schedule describing all premiums required to be paid to maintain the policies of insurance required hereunder, and stating that such premiums have been paid. ACCORD certificates of insurance with respect to all replacement policies shall be delivered to MHC not less than fifteen (15) Business Days prior to the expiration date of any of the insurance policies required to be maintained hereunder which certificates shall bear notations evidencing payment of applicable premiums.
2. If the Owner fails to maintain and deliver to MHC the certificates of insurance and certified copies or originals required by the Regulatory Agreement, upon five (5) Business Days' prior notice to the Owner, MHC may procure such insurance, and all costs thereof (and interest thereon at the Default Rate) shall be added to the Indebtedness. MHC shall not, by the fact of approving, disapproving, accepting, preventing, obtaining, or failing to obtain any insurance, incur any liability for or concerning the amount of insurance carried, the form or legal sufficiency of insurance contracts, solvency of insurance companies, or payment or defense of lawsuits, and Owner hereby expressly assumes full responsibility therefor and all liability, if any, with respect thereto.

**H. Reporting to MHC any changes in ownership or management of the property**

If a change in ownership is proposed, a detailed description of the change must be provided in writing to MHC for approval.

MHC must approve any change in ownership or transfer request that occurs before the expiration of the affordability period. If the request for an ownership change is on a HOME project that received HOME funds under the CHDO set-aside, MHC must ensure that the project will continue to meet the CHDO set-aside requirements.

If the new ownership will not maintain compliance for the duration of the affordability period/extended use period, the original award recipient will be subject to recapture. In addition, the Owner must notify MHC immediately in writing of any changes in ownership or management contact information including the contact person's name, address, e-mail address, and telephone number.

**I. Reporting tenant events and submitting Annual Owner Certifications**

The Owner must annually certify compliance to MHC, under penalty of perjury, for each year of the affordability period/extended use period. Complete submission includes the Owner Certification and finalization of tenant events. Projects with Housing Tax Credits must also submit payment of the annual LIHTC monitoring fee. The first annual owner certification is due the year following the year of the award's closeout date (i.e., the first year of the affordability period).

**J. Training onsite personnel**

The Owner must ensure that onsite property management agents know, understand, and comply with all applicable federal and state rules, regulations, and policies governing the development, including all elections made in the application, Regulatory Agreement, and restrictive covenant. As a best practice, MHC encourages the Owner to make certain that the development's property management and compliance personnel are familiar with the most current edition of the MHC

Compliance Manual, the compliance forms, and information.

**K. Notifying MHC of any noncompliance issues and replacing noncompliant units**

If the Owner determines that a unit, building, or an entire development is out of compliance with program requirements, MHC should be notified immediately. The Owner must formulate a plan to bring the development back into compliance and advise MHC in writing of such a plan. The Owner must keep documentation outlining: the nature of the noncompliance issue, the date the noncompliance issue was discovered, the date that the noncompliance issue was corrected, and a description and proof of the actions taken to correct the noncompliance. Additionally, for HOME compliance the Owner is responsible for replacing temporarily noncompliant units (units where the household exceeds 80% AMI) as per the guidelines in Section 3.01. This rule only applies to HOME-assisted units.

**L. Providing all pertinent property information to the management agent**

To ensure compliance, the Owner should provide the management agent with copies of at least the following documents: the application for rental housing financing, Regulatory Agreement, recorded restrictive covenant, closeout letter, and the MHC application policy under which the project was awarded funds. If there is a change in management companies, the Owner is responsible for providing all information and previous tenant files to the new management company. If there is a change in ownership, the existing/previous Owner is responsible for providing all award documentation and previous tenant files to the new Owner.

**M. Affirmative Fair Housing Marketing Plan and Required Fair Housing Documents**

**1. Affirmative Fair Housing Marketing Plans**

An Affirmative Fair Housing Marketing Plan (AFHMP) is required for all awards containing five (5) or more program-assisted units. The AFHMP must be created using HUD Form 935.2A to identify the populations least likely to apply for housing and the outreach/marketing efforts that will be utilized to reach that population.

For the programs covered by this compliance manual, HUD will not approve the AFHMP, and as such the AFHMP should **not** be submitted to HUD to review and sign. An AFHMP should only be submitted to HUD for review and approval if one of the following HUD funding sources is included in the development:

- Section 221 (d)(2) Homeownership Assistance
- Section 221(d)(3) Below-Market Interest Rate
- Sections 235 and 236
- Sections 232, 234(c) and 213 - Condominium and Cooperative Housing
- Section 232 - Nursing Homes and Intermediate Care Facilities
- Section 207 - Mobile Home Courts
- Sections 207, 220, 221(d)(3) and (4) – Multifamily Rental Housing Rental Assistance Payment (RAP) and Rent Supplement
- Section 8 Project-Based Assistance
- Section 202 Projects with Section 8 Assistance
- Rural Housing Section 515 Projects with Section 8 Assistance Loan Management Set Aside (LMSA)
- Property Disposition Set-Aside (PDSA)
- Section 202 with 162 Assistance – Project Assistance Grants (Section 202 PACs)
- Section 202 with Project Rental Assistance Contracts (Section 202 PRACs)
- Section 202 without Assistance (Income Limits Only)
- Section 203(b) and (1) - One-to-Four-Family Mortgage Insurance for Homeowners
- Section 811 with Project Rental Assistance Contracts (Section 811 PRACs)

The AFHMP must include the following information.

- What segment has been determined the least likely to apply based on market demographics?
  - Families with children
  - Persons with disabilities
  - Specific race, ethnic group, religion, etc.

- What residency preferences are in place for the property?
- What marketing efforts are being made to reach those least likely to apply and how are marketing activities evaluated to determine if they are successful?
- Are the Fair Housing and Equal Opportunity Employment posters prominently displayed and where are they displayed? Is the AFHMP made available for public inspection and where is it displayed? Does the project site sign contain the HUD approved Equal Housing Opportunity logo, slogan, or statement and where is the sign displayed?

AFHMPs must be updated at least once every five years or more frequently when there are significant changes in the demographics of the local housing market area as described in the instructions for Part 9 on Form 935.2A. All updated AFHMPs must be submitted to MHC with the next Annual Owner Certification of Compliance.

#### 2. Required Brochures and Poster

All households must be given the Fair Housing brochure entitled "Are You a Victim of Housing Discrimination" at the time of move-in. The household must sign documentation acknowledging the receipt of this brochure at time of move-in, and this receipt must be maintained in the household's file. Additionally, all Owners are required to post the Fair Housing and Equal Opportunity poster onsite in the leasing office and/or other common areas.

#### N. Requesting Approvals for HOME or HTF Rents

The Owner must submit requests for any changes in rent to MHC for approval. At least annually at the time that new rent limits are released by HUD, the Owner must provide an update to MHC on its proposed rents for HOME or HTF-assisted units (even if they are proposing no change). See Section 3.02 for additional information on HOME/HTF Rent Updates and reporting requirements.

#### O. Submitting Annual Financial Information

Owners of HOME or HTF-assisted projects with 10 or more units (total units, not assisted units) must annually submit property financials for MHC review. The Owner's latest completed audited financials must be submitted to MHC by December 31<sup>st</sup> of each year. See Section 6.06 for additional information.

### Section 2.03 CHDO Set-aside Requirement

Per 24 CFR 92.300, MHC must reserve no less than 15% of its annual HOME allocation for projects to be owned, developed, or sponsored by MHC certified Community Housing Development Organizations (CHDOs). The terms owned, developed, and sponsored are specifically defined in 24 CFR 92.300. HOME projects awarded under the CHDO set-aside must continue to be owned by a CHDO for the duration of the affordability period or extended use period. In the event of a transfer of ownership or restructuring, MHC must ensure that the CHDO or a replacement CHDO continues to own the project.

### Section 2.04 Responsibilities of the Management Agent & Onsite Personnel

The management agent and all onsite personnel are responsible to the Owner for implementing all program requirements.

- Anyone who is authorized to lease apartment units to tenants should be trained on all federal and state laws, rules, and regulations governing certification and leasing procedures, including program regulations, Fair Housing and nondiscrimination, and the Mississippi State Code regarding leasing requirements.
- The management company must provide information, as needed, to MHC and submit all required reports and documentation promptly.
- Management agents must be on site during MHC onsite file monitoring and physical inspections to provide access to necessary documentation and units.

### Section 2.05 Demonstrating "Due Diligence"

The Owner is ultimately responsible for compliance and proper administration of the program and all award requirements. MHC expects all Owners and management agents to demonstrate "due diligence," hereby defined as the appropriate, voluntary efforts to remain in compliance with all applicable Federal and State rules and regulations. Due diligence can be demonstrated through business care and prudent practices and policies. Part of due diligence is the establishment of internal controls, including but not limited to separation of duties, adequate supervision of employees, management oversight and review (internal audits), third-



party verifications of tenant income, independent audits, and timely recordkeeping.

Due diligence also includes keeping up to date with MHC policies by reading amended MHC Compliance Manuals, following MHC updates via Bulletins, and attending MHC-sponsored compliance trainings when available. These are all examples of voluntary efforts that Owners and management agents can take to remain in compliance. Another way in which the management agent can demonstrate a commitment to due diligence is by establishing and maintaining a consistent file order. Consistent and well-organized files make it easier for management to recognize when documentation is missing and allow for easier audits.

If noncompliance issues are discovered, MHC may ask the Owner and management agent to demonstrate due diligence by showing that the proper internal policies and procedures are in place to prevent noncompliance from occurring/recurring. It is understood that mistakes may occur from time to time, but it is the responsibility of the Owner and management agent to have policies in place to minimize and remedy these errors.

## Article III. Income Limits, Rent Limits, and Utility Allowances

To remain in compliance, program units must be income and rent restricted. This section provides guidance on how to properly apply income limits, rent limits, and utility allowances.

### Section 3.01 Income Limits

#### A. Income Limits

All program units must be occupied by income qualified households, based on the income limits published annually by HUD. When new limits are published annually by HUD, MHC will post the new income limits and corresponding rent limits on its website via a Bulletin. This information is provided by MHC only for the Owner's convenience as a courtesy. However, it is the responsibility of the Owner, not MHC, to verify its accuracy.

The Owner must ensure that the correct set of income limits is being utilized based on the applicable funding sources. MHC releases separate sets of income limits for different programs as required by HUD. For example, each year MHC releases separate income limits charts for the tax credit program, the HOME program, and the HTF program. The limits may differ across programs even in the same county for the same year.

Owners may not anticipate increases in income limits and corresponding rents. Limits remain in effect until new annual limits are officially published by HUD. New limits must be implemented by the HUD released implementation date.

Household income must be determined in a manner consistent with the 24 CFR Part 5.609 methodology (commonly known as the "Part 5 Methodology" or "Section 8 methodology") of calculating annual income as described in Chapter 5 of the HUD Handbook 4350.3 (The Office of Multifamily Housing plans to update HUD's Occupancy Handbook 4350.3 to reflect changes required due to HOTMA). When determining if a household's income is at or below the applicable income limit, the earned income from each adult household member 18 years of age or older and the unearned and asset income of all members of the household (regardless of age) must be included in the total household income calculation.

#### B. Over-income Households and Temporarily Noncompliant Units (\*\*HOME ONLY\*\*)

A household residing in a HOME-assisted unit is "over-income" when total household income exceeds 80% of AMI, or when total household income exceeds 50% AMI in a Low-HOME unit. When a household becomes over-income, the HOME-assisted unit it occupies is "temporarily noncompliant." Temporary noncompliance is permissible and does not penalize the Owner if the correct steps are followed to restore the proper unit mix. Certain rules go into effect to correct the unit mix depending on whether the over-income household occupies a fixed or floating HOME-assisted unit (see below). **Over-income households may never be evicted or otherwise have their tenancy terminated solely because their income increased.**

**\*Note: In a unit that is both HOME-assisted and part of the Low-Income Housing Tax Credit (LIHTC) program, the tax credit over-income rule (known as the 140% Rule) overrides these over-income rules. In LIHTC properties with HOME, the HOME over-income rule is never applied. Instead, rent remains restricted at the lesser of the applicable tax credit or HOME rent limit.**

##### • Over-income households in Floating Units (Over 80% AMI)

When management conducts an annual income recertification and determines that a household occupying a floating HOME-assisted unit exceeds 80% of AMI, the unit is temporarily out of compliance. When the household is determined to exceed 80% of AMI, the rent must be raised as soon as the lease permits (at a minimum, the Owner must provide at least 30 days written notice before implementing any increase in rent). Instead of following the applicable HOME rent limit, the household will be charged 30% of adjusted income in rent (not to exceed the rent on a comparable market unit in the area). However, if the unit is also part of the LIHTC program, the tax credit rent rules must be followed, and this rule does not apply.

The unit is considered back in compliance when one of the following scenarios is met:

1. The over-income household vacates, and a new qualified household moves into the unit. Remember that the over-income household cannot be evicted or otherwise terminated because of the increase in income; or
2. A non-assisted unit (i.e., a market unit or other unit not currently a HOME-assisted unit) becomes vacant and is re-

designated as a HOME-assisted unit. In this scenario, the over-income unit is re-designated as a non-assisted unit. Therefore, the units swap status. The substituted unit that becomes an assisted unit must be a "comparable unit," defined as a unit that is **equal to or greater than** the original unit in terms of size, number of bedrooms, and amenities; or

3. The over-income household recertifies and no longer exceeds 80% of AMI, either due to an increase in the income limit and/or a decrease in household income.

*Example: A household moved into a 50% HOME unit with a qualified income. Annual income recertification shows household is now at 93% AMI. Since total household income exceeds 80% of AMI, the household is considered over-income, and the unit is temporarily noncompliant. When the lease permits, management must increase the household's rent to 30% of adjusted income (not to exceed the rent on a comparable market unit in the area).*

*To remedy the temporary noncompliance:*

- a. *When the household vacates, the unit must be once again rented to a household that qualifies at or below 50% AMI; or*
- b. *A vacant, comparable non-HOME-assisted unit is converted to a 50% HOME unit and the temporarily noncompliant unit is converted to a non-assisted unit; or*
- c. *The over-income household recertifies and no longer exceeds 80% AMI.*

- **Re-designating Low HOME units that exceed 50% AMI**

If a property with HOME units has both High HOME (80%) and Low HOME (50%) units, the units may have to swap status to keep the proper unit mix. **This rule applies regardless of whether the units are fixed or floating.**

If a household that is designated as Low HOME (50%) exceeds the Low HOME income limit (i.e., the 50% AMI limit), the unit is temporarily non-compliant even though household income does not exceed 80% AMI. In this scenario, the unit remains temporarily noncompliant until a High HOME unit (the unit at 80% AMI) is vacated. At this point, the units swap status. The vacant High HOME unit becomes a vacant Low HOME unit and must be rented to a household at 50% depending on the set-aside assigned to the temporarily noncompliant unit. The temporarily noncompliant unit is re-designated as a High HOME unit at the appropriate set-aside and rent may be increased when the lease permits. NOTE: Until the units swap status, the temporarily noncompliant unit remains rent-restricted at the applicable Low HOME rent restriction.

*Example: The Brown household moves into a 50% HOME unit on 1/1/2022. At annual recertification on 1/1/2023, the household is determined to exceed the 50% HOME limit but does not exceed the 80% limit. Because the Browns occupy a Low HOME unit and now exceed 50% of AMI, the unit is considered temporarily noncompliant. The Browns are allowed to stay in the unit and remain rent-restricted at the 50% HOME rent limit.*

*The Mason household vacates their 60% HOME unit on 4/1/2023. The unit must be converted to a Low HOME unit at the 50% AMI restriction to replace the temporarily noncompliant unit occupied by the Brown household. The Brown household is converted to a High HOME unit at the 80% AMI restriction. The units swap status, and the temporary noncompliance is resolved.*

### Section 3.02 Rent Limits

All program units must be rent-restricted, based on the rent limits published annually by HUD. The applicable rent limits for a development depend upon the low-income set-asides the Owner has chosen. HUD publishes income and rent limits for each county in Mississippi on an annual basis. Upon receipt of this information, MHC will post the new income and rent limits on its website. This information is provided by MHC only for the Owner's convenience as a courtesy. However, it is the responsibility of the Owner, not MHC, to verify its accuracy. \*NOTE: The Owner must ensure that the correct set of rent limits is being utilized based on the applicable funding sources. MHC releases separate sets of rent limits for different programs as required by HUD. For example, each year MHC releases separate rent limit charts for the tax credit program, the HOME program, and the HTF program. The limits may differ across programs even in the same county for the same year.

When rent limits are released each year, MHC will require each HOME or HTF-assisted property to submit a HOME/HTF Rent Update Form for approval of any rent changes. Each property must annually submit this information, even if no rent increase is proposed. Per the 2013 HOME Final Rule and the HTF Final Rule, the participating jurisdiction (i.e., MHC) must annually approve

rents to be charged for all HOME or HTF-assisted properties. The Rent Update Form must also be submitted and approved if the Owner proposes changes in rent at other times of the year.

Owners may not anticipate increases in income and rent limits. Limits remain in effect until new annual limits are officially published each year by HUD. New limits must be implemented by the HUD-released implementation date.

#### A. Rent Limit Terminology

The **rent limit** is the maximum rent amount published annually by HUD per bedroom size. The published rent limit includes tenant-paid rent, plus utility allowance, plus tenant-based rental assistance, plus any non-optional charges. Therefore, tenants generally cannot be charged the rent limit unless all utilities are Owner-paid, the tenant does not receive rental assistance, and there are no additional non-optional charges.

The **gross rent** for a unit is the sum of tenant portion rent + utility allowance + non-optional charges + tenant-based rental assistance. The gross rent may never exceed the rent limit.

The **maximum allowable rent** is the most the Owner is permitted to charge for rent once tenant-paid utilities (except telephone, cable television, and internet) and other non-optional charges are deducted. The maximum allowable rent can never exceed the rent limit. Maximum allowable rent may also be referred to as the "**maximum chargeable rent**" or the "**net rent.**"

The **tenant-paid rent** or **lease rent** is the actual rent charged to the household by the Owner, as defined in the lease. The lease rent may never exceed the maximum allowable rent or the applicable published rent limit.

NOTE: If the unit receives tenant-based rental assistance (e.g., a voucher or certificate from Section 8), the amount of the voucher/certificate must be included in the gross rent calculation. Therefore, the following rules apply:

- Tenant rent + utility allowance + non-optional charges + tenant-based rental assistance amount = gross rent, which cannot exceed the rent limit.
- Rent limit minus utility allowance minus non-optional charges minus tenant-based rental assistance amount = maximum allowable rent.

See Section 3.03 for more information on utility allowances.

#### B. Rent Limits for Special Unit Types

The program rent limits may not apply in the following situations:

##### 1. SRO Units:

- Low HOME rent limits are not applied to these SRO projects, but for all projects with five (5) or more HOME-assisted units the "Project Rule" still applies for income limits (i.e., at least 20% of the units must be occupied by households at or below 50% AMI).
- For Low HOME SRO units, the rent limit is set at the lesser of the HOME program zero-bedroom (efficiency) rent limit, 30% of the household's adjusted income, or the FMR for a zero-bedroom unit.
- For High HOME SRO units, the rent limit is set at the lesser of the HOME program zero-bedroom (efficiency) rent limit or the FMR for a zero-bedroom unit.
- For projects with five (5) or more HOME-assisted units the "Project Rule" applies meaning that at least 20% of the units must be occupied by households at or below 50% AMI that are paying now more than the Low HOME rent limit.

##### 2. Units with Project-based Rental Assistance

- The Owner may charge the project-based rental assistance program rents when:
  - a. The unit is designated as a Low HOME unit (50% AMI or below); AND
  - b. The unit receives project-based rental assistance; AND
  - c. Unit is occupied a very low-income household (household income at 50% AMI or below); AND
  - d. Household does not pay more than 30% of its adjusted income for rent.

For example:

Section 8 maximum rent for a unit is \$1200.

Applicable Low HOME Rent Limit for a unit is \$750.

Utility Allowance is \$100

Tenant Adjusted Income is \$18,000

Rent= \$18,000 / 12 x 30% = \$450

Tenant rent payment = \$450 - \$100 (utility allowance) = \$350 PHA rent payment to the Owner = \$1200-\$350 = \$850

HOME allows the Owner to use the maximum project-based rent limit in this situation instead of the Low HOME rent limit (\$1200 instead of \$750)

- The Owner must use the HOME program rents if project-based rental assistance is for a unit designated as a High HOME unit or for a household that is above 50% AMI.

**C. Calculating Rent**

- Determine the AMI% level (set-aside) the household fits into based on the development's application.
- Determine the utility allowance for the unit based on bedroom size.
- Determine the amount, if any, that the household will be receiving in tenant-based rental assistance.
- Determine if the development receives federal or state project-based rental assistance.
- Determine the total maximum allowable rent. Maximum allowable rent equals the applicable HOME rent limit (based on the AMI level) minus the utility allowance, rental assistance portion, and any non-optional fees

Example 1:

Household Size: 3 persons

Annual Income: \$26,350

AMI: 56%

Maximum 3-bedroom HOME Rent (60% Unit): \$554

Utility Allowance: \$80

Section 8 Assistance (tenant-based): \$50

Maximum Tenant Rent: \$424 (\$554-\$80-\$50)

Example 2:

Household Size: 3 persons

Annual Income: \$26,350

AMI: 56%

Maximum 3-bedroom HOME Rent (60% Unit): \$554

Utility Allowance: \$0 (Owner pays all utilities)

Section 8 Assistance (tenant-based): \$0

Maximum Tenant Rent: \$554

Example 3:

*This example is different in that the development receives federal or state project-based rental assistance and all tenants at or below 50% AMI pay no more than 30% of their adjusted income for rent. Therefore, the maximum rent may be the rent allowable under the project-based subsidy program, per 24 CFR 92.252(b)(2). See 3.2 B 3 above for more information.*

Household Size: 4 persons

Annual Income: \$25,000

AMI: 42%

Maximum 3-bedroom HOME Rent (50% Unit): \$541

Maximum rent allowed by rental subsidy program: \$600

Utility Allowance: \$0 (Owner pays all utilities)

Rental Assistance Portion: \$50

Tenant Rent Portion allowed under Rental Assistance Program: \$550 (\$600 - \$50)

*The Owner can accept \$600 (\$50 rental assistance + \$550 tenant portion) even though this exceeds the maximum applicable HOME rent limit. This is allowed because the unit is designated as a Low HOME unit, the annual household income is below 50% AMI, the unit receives project-based rental assistance, and the household is not paying more than*

30% of adjusted monthly income on rent.

**D. Adjusting Rents due to Tenant Income Increases (\*\*HOME ONLY\*\*)**

When household income changes, the Owner/management may raise rents to the applicable rent limit but are not obligated to do so until the AMI level of the household exceeds 80%. Once the household income exceeds 80% AMI, the household must be charged 30% of its adjusted income for rent. For floating units, households that exceed 80% of AMI are not required to pay rent that exceeds the market rate for comparable non-assisted units in the neighborhood. Rent can only be increased when allowed by the lease, and at a minimum, the Owner must provide at least thirty (30) days written notice before implementing any rent increase.

The following chart outlines the maximum rents that tenants can be charged for developments that are either funded only with the HOME program or that are funded in conjunction with LIHTC. When combining programs, the strictest limits should be applied to maintain compliance with both programs. However, when combined, the LIHTC over-income rules override the rules discussed in this chapter.

**Table 1: Rent Limits for HOME**

HOME Designated AMI level	"floating" unit
Units designated at 50%	Rent may not exceed 50% Rent Limit
Units designated at 60%	Rent may not exceed 60% Rent Limit
Household exceeds 80% AMI	When the lease allows, rent must be adjusted to 30% of adjusted household income, not to exceed market rent for a comparable unit in the area. *Does NOT apply if LIHTC.

Note: Households must be given at least 30 days' notice before any rent increase.

**Table 2: Rent Limits for HOME when Combined with LIHTC**

HOME designated AMI level	Allowable Rent when Combined with LIHTC
Units designated at 50%	Lesser of the 50% Rent Limit or the applicable LIHTC Rent Limit
Units designated at 60%	Lesser of the 60% Rent Limit or the applicable LIHTC Rent Limit
Above 80% Units	If a household's income increases above the 80% income limit and the unit has both HOME and LIHTC, the applicable LIHTC limit will apply. Follow the tax credit "Next Available Unit Rule," not the HOME over-income rule. However, the unit may still need to be redesignated from low-HOME to high-HOME.

**E. Allowable Fees and Charges**

**1. General Rule**

Customary fees that are normally charged to all tenants, such as damage (security) deposits, pet deposits/fees, credit deposits, application fees, and late payment fees are permissible. However, an applicant or tenant cannot be charged a fee for the work involved in completing the additional forms of documentation required by the program, such as the Tenant Income Certification and income/asset verification documents.

Refundable fees associated with renting units (such as security deposits) and one-time penalty fees (such as late payment fees and fees for prematurely breaking a lease, if such fees are clearly defined within the lease) are allowable fees that are not included in the gross rent calculation.

**2. Condition of Occupancy Rule (Optional Vs. Non-optional Fees)**

Any fee that is charged for a service that is a condition of occupancy (i.e., a fee for a service that is non-optional/mandatory) must be included in the gross rent computation when checking rent against the applicable rent limit. This is true even if federal or state law requires that the services be offered to the tenants by the Owner.

Assuming they are truly optional, fees may be charged for elected services or additional amenities (such as pet fees, fees for extra storage units, etc.) and these fees would not be included in the gross rent calculation. **A service or amenity is considered optional only if (1) a tenant may opt out of the service or amenity without penalty and**

continue to live at the development and (2) “reasonable alternatives” exist. Additionally, any services the tenant pays for that are provided by the development (whether optional or non-optional) must be listed in the tenant’s lease with the cost of each individual service clearly listed.

Example: Charges for paying with credit/debit card

*Some developments may have a credit/debit card machine onsite to allow tenants to pay rent in this method. The monthly fee incurred from having a machine onsite can be passed onto the tenants if it is an optional fee. The fee would be considered optional if the tenants have alternative methods of paying rent that do not include a fee (e.g., cash, money order, check, etc.). In this scenario, the credit/debit machine would be an optional service offered for the tenants’ convenience. The amount of the fee for paying with credit/debit card, as well as a list of all accepted alternative methods of payment, must be disclosed to all tenants. Furthermore, the fee may not exceed the actual cost incurred from the machine. Management must keep documents showing the actual costs of having the machine onsite and the amount of the fee being charged to tenants.*

*If credit/debit card is the only means of paying monthly rent, then the fee is not optional, but rather a condition of occupancy (as paying rent is a condition of occupancy). In this case, the credit/debit card machine fees would have to be included as part of the gross monthly rent calculation.*

Example: Fees for making online payments

*Some developments may accept online payment of rent. A convenience fee may be charged to the tenant and this fee would be considered optional if the tenants have alternative methods of paying rent that do not include a fee (e.g., cash, money order, check, etc.). In this scenario, online payment would be an optional service offered for the tenants’ convenience. The amount of the fee for paying online, as well as a list of all accepted alternative methods of payment, must be disclosed to all tenants. Furthermore, the fee may not exceed the actual costs incurred by management for offering online payment. Management must keep documentation showing the actual costs of processing online payments and the amount of the fee being charged to tenants.*

*If online payments are the only means of paying monthly rent, then the fee is not optional, but rather a condition of occupancy (as paying rent is a condition of occupancy). In this case, the fees for online payments would have to be included as part of the gross monthly rent calculation.*

### 3. Application Processing Fees

Application fees may be charged to cover the actual cost of processing the application and checking criminal history, credit history, landlord references, etc. However, the fee cannot exceed the amount of actual out-of-pocket costs incurred by management. No amount may be charged more than the average expected out-of-pocket cost of processing an application.

### 4. Mandatory Renter’s Insurance

If renter’s insurance is required as a condition of occupancy, then the amount of renter’s insurance must be included in the gross rent calculation. In this scenario, the Owner must obtain proof of renter’s insurance for the tenant, locate the annual premium, and divide by twelve (12) to obtain a monthly cost of renter’s insurance. This monthly cost must be added to the tenant-paid rent portion, tenant-based rental assistance, the utility allowance, and any other non-optional fees when calculating gross rent.

### 5. Prohibited Fees

The following fees may not be charged, regardless of whether they are included in the gross rent calculation:

- a. Fees for work involved in completing the Tenant Income Certification and other program-specific documentation. The Owner cannot charge an applicant or tenant for costs incurred to receive or complete income verification forms. If there is a fee associated with obtaining verification, the Owner may choose to pay the fee or may instead use a different source of verification.
- b. Fees for preparing a unit for occupancy. The Owner is responsible for always maintaining all units in a manner suitable for occupancy. If a tenant is to be charged decorating, cleaning, or repair fees, the Owner must document the file with photos of the damage to prove that the unit is in a condition beyond normal expected wear and tear.

Charges cannot exceed the actual amount spent on repair. MHC will expect to see documentation in the tenant file as to the nature of the damage, including photos and receipts for the repair work.

- c. The Owner may not charge pet deposits or fees for assistance animals (including both service and support animals). See Section 4.02 for additional information.

#### F. Section 8 Rental Assistance

For tenants with tenant-based Section 8 Housing Choice Vouchers, a copy of the original Housing Assistance Payment (HAP) Contract and the current HAP Amendment from the public housing authority or a copy of the current HUD Form 50058 must be kept in the household's file to verify the Section 8 rental assistance received. For tenants residing in units with Section 8 Project Based Vouchers (PBV), the current HUD Form 50058 showing the amount of rental assistance must be included in the file. For tenants residing in units with Section 8 Project-Based Rental Assistance (PBRA), the current HUD Form 50059 showing the amount of rental assistance must be included in the file. See Section 3.02 for information on calculating rent limits with tenant-based rental assistance and for information on calculating rent limits with project-based rental assistance.

### Section 3.03 Utility Allowances

#### A. General Information

The maximum gross rent includes an allowance for tenant-paid utilities. Utilities include heating, air-conditioning, water heating, cooking, other electricity, water, sewer, oil, gas, and trash, where applicable. Utilities do not include telephone, cable television, or internet. \*NOTE: HUD Form HUD-52667 "Allowances for Tenant-Furnished Utilities and Other Services" includes line items for range/microwave and refrigerator. These items only need to be included in the utility allowance calculation if they are not included in the unit (i.e. if the tenant must furnish their appliances).

If all utilities are included in the household's rent payment, no utility allowance is required. When utilities are paid directly by the tenant (as opposed to being paid by the Owner/development), a utility allowance must be used to determine the maximum allowable rent. To qualify as part of the utility allowance, the cost of any included utility must be paid directly by the tenants, not by or through the Owner of the building. If the Owner or a third party separately bills the tenant for a utility, the payment designated for the utility must be considered rent and may not be included in the utility allowance. The utility allowance (for utility costs paid by the tenant) must be subtracted from the rent limit to determine the maximum allowable tenant-paid rent.

*For example: If the rent limit on a unit is \$350 and the tenant pays utilities with a utility allowance of \$66 per month, the maximum allowable rent chargeable to the tenant is \$284 (\$350 minus \$66).*

#### B. Approved Utility Allowance Sources

The following list contains the different sources of utility allowances allowable for program units:

1. **Rural Development (RD) Assisted Buildings:** Buildings assisted by RD or with RD-assisted tenants must use the applicable USDA Rural Development approved utility allowances. If a building is both RD-assisted and HUD-regulated, use the RD-approved utility allowance.
2. **Energy Consumption Model:** Upon request, MHC will approve a utility allowance estimate for a development based on actual tenant consumption (utility usage) data. This usage data form must include information for 30% (rounded up) of the units of each unit type (flat or townhome) for each bedroom size. The usage data must contain a full 12 months of consumption. The usage data forms may be completed by the Owner, management agent, or an approved qualified engineering/professional firm on behalf of the Owner (see Option #7 below for more information on using approved engineers).

To be included in the estimate, a unit must have at least 44 weeks of continuous consumption data (i.e., the unit cannot have been vacant for more than 8 weeks of the year). The consumption data can be no more than 60 days old.

Additionally, the Owner must submit verification of the tax rate for the county in which the development is located.

*Example: A development has 48 units with 20 one-bedroom units and 28 two-bedroom units. The sample must include 30% of the one-bedroom units (6 units) and 30% of the two-bedroom units (9 units rounded up from 8.4).*

For new construction developments or renovated buildings with less than 12 months of consumption data available, MHC will allow consumption data for the 12 months of units of similar size and construction in the geographic area in which the new development is located. The existing development that will be used for the comparison must be in the state of Mississippi and must be in the same climate zone as the development for which the estimate is being completed. Once the project achieves 90% occupancy for 90 consecutive days, the Owner is required to resubmit usage data to MHC using the actual units in the development. When MHC approves the estimate, the Owner will receive an MHC Utility Allowance Approval letter.

3. **HUD Utility Schedule Model:** The Owner may calculate utility allowances using the HUD Utility Schedule Model found at <https://www.huduser.gov/portal/resources/utilallowance.html>. The HUSM enables users to calculate utility schedules by housing type after entering utility rate information (tariffs). This model is based on climate and survey information from the U. S. Energy Information Administration of the Department of Energy, and it incorporates energy efficiency and Energy Star data. This model is allowed for LIHTC projects per IRS regulations at 26 CFR 1.42-10(b)(4)(D).
4. **MHC/Qualified Engineer Estimate:** The Owner may use an independent licensed engineer or qualified professional approved by MHC to calculate a utility estimate model. The qualified professional must (1) be approved by MHC and (2) not be related to the development Owner as defined in Internal Revenue Code Section 267(b) or 707(b).

The estimate must consider local utility rates, property type, climate, and degree-day variables by region in the state, taxes, and fees on utility charges, building materials, and mechanical systems. Considerations under “property type” should include the types of appliances, building location, building orientation, and unit size. Alternatively, the qualified engineer may create an allowance using actual consumption data as described in Option #2 above.

#### C. Updating Utility Allowances

The Owner must use the most current applicable utility allowance and update utility allowances at least annually. Owners may combine utility allowances from different sources. When using multiple utility allowance sources for different utilities, the Owner must document which source is being used for each utility type. Furthermore, the Owner may elect to change the utility allowance type from year to year.

To remain in compliance, Owners must utilize the correct and most current utility allowance to properly determine rents. An increase in the utility allowance will increase the gross rent and may cause the rent to be greater than the maximum allowable rent, in which case the tenant-paid rent portion must be lowered. **When a utility allowance change causes gross rent to exceed the allowable rent limit, rent must be refigured within 90 days of the effective date of the change to avoid violating the rent limit. The Owner cannot wait until the next recertification to adjust rent.**

Utility allowances must be reviewed and updated as follows:

- If there is a change in who pays the utilities;
- Within 90 days of an allowance update by MHC, HUD, or Rural Development;
- At least once per calendar year for developments or buildings using an MHC/Qualified Engineer Estimate, HUD Utility Schedule Model, or Energy Consumption Model. These utility allowance types must be submitted to MHC for approval before implementation.

## Article IV. Compliance Regulations

The following section highlights some of the statutory and regulatory provisions directly affecting compliance. However, this is not meant as an exhaustive listing of compliance regulations.

### Section 4.01 Rules Governing the Eligibility of Particular Tenants and Uses

#### A. Vacant Units

Vacant units formerly occupied by qualified low-income households may continue to be treated as occupied by a qualified low-income household for purposes of the set-aside requirements, provided that reasonable attempts were or are being made to rent the unit. Management must document that reasonable attempts are being made to rent vacant units to qualified households.

Units cannot be left permanently vacant and still satisfy the requirements of the program. Additionally, vacant units must remain suitable for occupancy and cannot be cannibalized for parts. MHC reserves the right to question vacancies that are noted during physical inspection, file monitoring, or Annual Owner Certification review, especially when there is a high quantity of vacancies or when units have been vacant for longer than 90 days. The Owner or manager must be able to document attempts to rent the vacant units to eligible tenants.

#### B. Household Composition

When determining household size for purposes of implementing the correct income limits, do not include live-in aides, guests, foster adults, or foster children (See sections below for information on unborn children and for information on live-in aides).

A household has the right to decide whether to include individuals permanently confined to a hospital or nursing home as a household member. If the individual is included as a household member, their income must be certified and included.

Military members away on active duty are only counted as household members if they are the head, spouse, or co-head or if they leave behind a spouse or dependent child in the unit.

All other individuals, including temporarily absent family members (e.g., dependents away at school, etc), unborn children, and children in joint custody agreements that are in the unit at least 50% of the time, must be included in household size for purposes of determining the applicable income limit.

Household composition may change after the initial tenant(s) moves into a unit. However, at the time of application an applicant should be asked if there are any expected changes in household composition during the next 12 months. If so, the composition changes and any subsequent changes in estimated income should be reflected on the initial Tenant Income Certification.

#### C. Unborn Children and Child Custody

An Owner **must** count an unborn child (or children) when determining household size and applicable income limits. The Owner must obtain a self-certification from the household certifying the pregnancy and such statements must be placed in the tenant file. If the unborn child has been self-certified by the household, then it must be included in the household size. Per the HUD Handbook 4350.3 Appendix 3, the Owner "may not verify further than self-certification."

Additionally, when determining household size, Owners should include children subject to a joint custody agreement, if such children live in the unit at least 50% of the time. However, a child may not be counted in more than one program unit for household size.

#### D. Live-in Care Attendants (Live-in Aides)

A live-in care attendant (a.k.a. a live-in aide) is a person who resides with one or more elderly or near-elderly persons or disabled persons. To qualify as a live-in care attendant, the individual (a) must be determined to be essential to the care and well-being of the tenant, (b) must not be financially obligated to support the tenant, and (c) must certify that he/she would not be living in the unit except to provide the necessary supportive services. Family members, including spouses, may qualify as live-in aides if they meet these criteria. Additionally, the live-in aide cannot move a spouse, child, or other member into the unit, as doing so would indicate that the aide is living in the unit for reasons other than the care of the

tenant.

A live-in care attendant is not counted as a household member for purposes of determining the applicable income limits, the income of the attendant is not counted as part of the total household income, and they do not need to be listed on the TIC. The need for a live-in care attendant must be certified with documentation from a medical professional (e.g., a letter from the tenant's doctor) and included in the tenant file. The Owner may verify whether the live-in care attendant is necessary only to the extent to document that the applicant/tenant needs the requested accommodation. The Owner may not require applicants/tenants to provide access to confidential medical records, to submit to physical examination, or to disclose specific information about the nature of their disability.

If the qualified tenant vacates the unit, the attendant must vacate as well. If an attendant would like to be certified as a qualified tenant and remain in the unit, normal certification procedures must be performed, and the individual must meet the applicable eligibility requirements of the program.

While the live-in care attendant is not considered a household member, they are still subject to criminal background checks (as per the tenant selection criteria effective at the property) and must comply with tenant house rules. An Owner may deny a live-in care attendant who does not pass criminal background checks or evict an attendant who exhibits behavior that is disruptive, illegal, or endangering to other tenants, as defined in the tenant selection criteria and lease.

#### E. Foster Children/Adults

Per HOTMA, foster children and foster adults living in a unit are not considered household members for purposes of determining income limits. Their income and asset sources are not treated as household income. However, they should be considered when determining the appropriate sized unit for a household. In this way, foster children and foster adults are treated "similar to a live-in aide."

#### F. HOME Student Rule

These restrictions do NOT apply to HTF-assisted units.

If a household contains an adult student enrolled in an institute of higher learning who is under age twenty-four (i.e., age 18-23), then the household must meet an exemption to qualify for HOME assistance. **This is true whether the student is full or part-time.**

If the student meets one of the following criteria, then the household is eligible:

1. Student is a dependent of the household;
2. Student is a veteran of the United States Military;
3. Student is married;
4. Student is a parent with dependent child(ren);
5. Student a person with a disability who was receiving Section 8 assistance before 11/30/05;
6. Student can prove independence from his or her parents based on the following:
  - a. Of legal contract age under state law; AND
  - b. Has established a separate residence from parents (not counting a dormitory or student housing) for at least one year, or meets the US Department of Education definition of independent which includes an individual who was an orphan or ward of the state through age eighteen (18), is living with a legal dependent, or is a graduate or professional student; AND
  - c. Is not claimed on parents' tax returns; AND
  - d. Parents must certify whether they provide financial assistance (this does not affect student eligibility but could affect income eligibility).
7. If none of the above applies, the household can qualify if the student's parents are income-eligible under the HOME income limits for the county in which they live.
  - a. If the parents are divorced or separated, get a declaration from both parents.
  - b. If the parents refuse to provide a declaration of income and/or statement of whether or not they provide financial assistance, then the household is not eligible.

Households that do not meet this requirement are not eligible to move into a HOME-assisted unit. If a household that is already occupying a HOME-assisted unit later becomes student ineligible, then that household is treated as an over-income

household as described in Section 3.02 of this manual. At initial certification and annual recertification, each adult household member must complete a Student Status Self-Certification for HOME to certify student status. If the household invokes the student rule and claims to meet an exception, management must obtain proof that the household qualifies and document the file.

**G. Conflict of Interest: Occupancy of Assisted Units**

Per the conflict-of-interest provisions of 24 CFR 92.356(f) or 24 CFR 93.353(f), the following persons may not live in assisted units for the duration of the project's affordability period:

- An Owner, Developer, or Sponsor of a project; or
- An officer, employee, agent, elected or appointed official, or consultant of the Owner, Developer, or Sponsor; or
- The immediate family members of an Owner, Developer, or Sponsor; or
- The immediate family members of an officer, employee, agent, elected or appointed official or consultant of an Owner, Developer, or Sponsor

**Section 4.02 Nondiscrimination**

**A. Fair Housing and Equal Access: Protected Classes and Affirmative Marketing Requirements**

**1. Protected Classes and Prohibited Activities under Fair Housing and HUD's Equal Access Rule**

The Owner or agents of the Owner shall not discriminate in the provision of housing based on race, color, sex, national origin, religion, familial status, or disability (the seven protected classes under the Fair Housing Act). Nondiscrimination means that Owners cannot refuse to rent a unit, provide different selection criteria, fail to allow reasonable accommodations or modifications, evict, or otherwise treat a tenant or applicant in a discriminatory way based solely on that person's inclusion in a protected class. Owners may not engage in steering, segregation, false denial of availability, denial of access to services or amenities, discriminatory advertising, or retaliation against individuals who make fair housing complaints.

Effective March 5, 2012, all HUD-funded properties are subject to the rule entitled "Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity." According to this rule, HUD-assisted properties must make housing available without regard to actual or perceived sexual orientation, gender identity, or marital status. Additionally, HUD-assisted housing providers are prohibited from inquiring about the sexual orientation or gender identity of applicants and occupants to determine eligibility for housing. For purposes of this rule, the term "gender identity" means actual or perceived gender-related characteristics, and the term "sexual orientation" means homosexuality, heterosexuality, or bisexuality.

The 2021 HUD memo "Implementation of Executive Order 13988 on Enforcement of the Fair Housing Act" states that HUD will enforce the Fair Housing Act to "prohibit discrimination because of sexual orientation and gender identity." Specifically, the notice notes that HUD shall consider "the Fair Housing Act's prohibition on sex discrimination to include discrimination because of sexual orientation or gender identity."

**2. Required Actions- General**

All Owners, managers, and staff members should be familiar with both state and federal civil rights and fair housing laws. MHC strongly encourages Owners and management companies to provide Fair Housing and Equal Opportunity training for all staff, including maintenance staff, associated with any property. Staff should attend Fair Housing and Equal Opportunity training at least once every calendar year.

All tenant selection plans must acknowledge that the property follows the Fair Housing Act's nondiscrimination requirements, as well as the requirements of VAWA (if applicable). In addition, tenant-signed forms must include the Fair Housing and Equal Opportunity logo.

MHC has established procedures for processing Fair Housing complaints made to MHC. The procedures are as follows:

- MHC will forward all Fair Housing complaints to the Fair Housing and Equal Opportunity Office at HUD for investigation, and
- MHC will notify the Owner and management company of such complaints. Noncompliance may result in penalties, including recapture of funds and/or suspension or debarment.

### 3. Required Actions- Affirmative Fair Housing Marketing Plan & Fair Housing Brochure

All projects with five or more program-assisted units must create and implement an Affirmative Fair Housing Marketing Plan (AFHMP) using HUD Form 935.2A. In addition, Affirmative Fair Housing Marketing Plans must be evaluated at least once every five years and updated according to the policies of the Fair Housing and Equal Opportunity Office of the Department of Housing and Urban Development (HUD). All updated Affirmative Fair Housing Marketing Plans must also be submitted to MHC. See Section 2.02 for more information.

Upon project entry, households living in program units must be given the Fair Housing brochure entitled "Reporting Housing Discrimination." The household must sign documentation acknowledging the receipt of this brochure at the time of move-in, and this receipt must be maintained in the household's file. Additionally, all Owners are required to post the Fair Housing and Equal Opportunity poster onsite in the leasing office and/or other common area.

#### B. Fair Housing: Reasonable Accommodations and Modifications

The Fair Housing Act requires Owners to make reasonable accommodations and modifications when necessary to afford a person with a disability the equal opportunity to use and enjoy a dwelling. For purposes of the Fair Housing Act, disability is defined as a person who has/is:

- A physical or mental impairment which substantially limits one or more of such person's major life activities; or
- A record of having such an impairment; or
- Regarded as having such an impairment, but such term does not include current, illegal use of or addiction to a controlled substance (as defined in section 102 of the Controlled Substances Act).

The Owner may verify the disability only to the extent necessary to document that the applicant/tenant needs the requested accommodation. The Owner may not require applicants/tenants to provide access to confidential medical records or to submit to physical examination. The Owner may not specifically ask about or verify the nature and extent of the disability. The verification form used must be signed by the applicant/tenant to authorize the release of such information and should request that the source identify (1) whether the applicant meets the definition of disabled as provided above and (2) whether the requested accommodation or modification relates to the person's specific needs. Receipt of Social Security disability payments is adequate verification of an individual's disability status, but the correlation between the disability and the requested accommodation or modification may still need to be verified.

##### 1. Reasonable Accommodations and Service Animals

A reasonable accommodation is a change, exception, or adjustment in rules, policies, practices, or services when such a change is necessary to afford a person with a disability the equal opportunity to use and enjoy a dwelling, including public and common spaces. Per the Fair Housing Act, an Owner must allow a reasonable accommodation unless doing so will be an undue financial burden or fundamentally alter the nature of the provider's operations. When reasonable accommodation will result in an undue financial burden, the Owner must provide all other accommodations up to the point at which further accommodation will result in the undue financial burden. For more information on reasonable accommodation, refer to the HUD and Department of Justice (DOJ) Joint Statement "Reasonable Accommodations Under the Fair Housing Act" released May 17, 2004.

A common type of reasonable accommodation involves assistance animals. MHC uses the term assistance animals in this manual to broadly describe a category that includes service animals and support animals. These types of animals are not pets and therefore must be permitted even in "no-pet" housing if the individual has requested accommodation to the "no-pet" rule and the need for the service animal can be verified. In addition, the Owner cannot charge an upfront security deposit or a fee (one-time or recurring) for the service animal. However, the Owner can charge the tenant the cost of repairing any damage caused by the service animal.

FHEO Notice 2020-01 provides several important clarifications on assistance animals:

- A resident may request reasonable accommodation at any time, including before or after acquiring the assistance animal.
- Since pet rules do not apply to assistance animals, Owners cannot limit the breed or size of an assistance dog. Accommodation could potentially be denied or revoked based on a specific animal's specific behaviors, a direct threat, or a resident's inability to maintain or control an animal.

- “Animals commonly kept in households” can be considered support animals. This includes dogs, cats, small birds, rabbits, hamsters, gerbils, other rodents, fish, turtles, or other small, domesticated animals “traditionally kept in the home for pleasure rather than commercial purposes.” Uncommon/unique animals include reptiles (besides turtles), barnyard animals, monkeys, kangaroos, or other non-domesticated animals.
- Uncommon animals could still potentially qualify as assistance animals, but there is a substantial burden on the person making the accommodation request to prove “a disability-related need for the specific animal or the specific type of animal.” Consideration may be given to whether the animal can be kept outdoors in a fenced area and appropriately maintained, if applicable.
  - Example 1- if the animal is trained to do something an assistance dog cannot do
  - Example 2- if a healthcare provider confirms a need for that type of animal, perhaps because the resident is allergic to common animals such as dogs and cats

Another common example of reasonable accommodation is a live-in care attendant/live-in aide. For more information on this topic, see Section 4.01.

**2. Reasonable Modifications**

A reasonable modification is a change to the physical structure of the premises when such a change is necessary to afford a person with a disability the equal opportunity to use and enjoy a dwelling, including public and common spaces. Per the Fair Housing Act, an Owner must allow a reasonable modification at the expense of the tenant. However, if the changes needed by the tenant should have already been included in the unit or common space to comply with design and construction accessibility standards, then the Owner will be responsible for paying for the modifications. For more information on reasonable modification, refer to the HUD and Department of Justice (DOJ) Joint Statement “Reasonable Modifications Under the Fair Housing Act” released March 5, 2008.

While the Fair Housing Act allows the Owner to pass on costs of reasonable modifications to the tenants, Section 504 of the Rehabilitation Act of 1973 (which applies to housing that receives federal financial assistance) requires the housing provider to pay for reasonable modifications unless providing them would be an undue financial and administrative burden or result in a fundamental alteration of the program. **Therefore, the costs of reasonable modifications for HOME and HTF-assisted units are covered by the Owner/housing provider.**

**3. Internal Procedures and Documentation**

Owners must have a written policy describing how they will handle requests for reasonable accommodation and modifications. The main steps are outlined below. In this context, “Owner agent” means the person receiving the request for a reasonable accommodation or modification, most likely the onsite management agent.

- i. Resident or a family member or someone else acting on the resident’s behalf requests accommodation or modification. A request can be made either orally or in writing. If this request is made orally, the Owner agent should document the nature of the request and the date and time received.
- ii. The owner agent verifies the need only if (1) the disability is not obvious, (2) if unsure if the disability is permanent or temporary, and/or (3) if unsure how the request relates to the need (i.e., does not understand the correlation between the person’s needs and the request made). The form used to request verification cannot ask for specific information about the nature of a person’s disability. The purpose of verification is to verify that the person meets the Fair Housing Act definition of disability and that the requested accommodation or modification is necessary for that person’s equal opportunity to enjoy and use the housing.
- iii. If verification supports the need, then the Owner agent must take the necessary steps to provide the accommodation or modification. **An undue delay is noncompliance** and is treated in the same manner as a denial.
- iv. If verification does not support the need, then the Owner agent should schedule an interactive meeting with the resident to request clarifications and attempt to achieve a mutually acceptable resolution of the issue. The Owner agent should carefully explain the concerns or questions related to the request and, if applicable, why the request is being denied.
- v. Document the tenant file with all related information.

**C. General Public Use**

Program units must be available for use by the public. Owners are allowed to establish preferences for certain population

groups (e.g., persons experiencing homelessness, persons with disabilities, older persons, etc.). These preferences, however, must not violate Fair Housing or any other anti-discrimination policies, must be documented in the tenant selection criteria, and must be approved by MHC.

If a residential rental unit is provided only for a member of a social organization or provided by an employer for its employees, the unit is not for use by the public and is not eligible for funding.

Furthermore, Owners cannot refuse to accept a prospective tenant based solely on the fact that he or she holds a Section 8 Housing Choice Voucher or receives similar rental assistance.

#### **D. General Occupancy Guidelines/ Household Size**

MHC does not impose any requirements governing minimum or maximum household size for a particular unit. However, Owners must comply with all applicable local laws, regulations, and/or financing requirements (e.g., if Rural Development, use RD regulations). MHC advises all Owners and their agents to be consistent when accepting or rejecting applications. Occupancy guidelines or requirements must be incorporated into the development's written tenant selection plan and management plan.

Management should be aware of occupancy standards set by federal, state, HUD, PHA, civil rights laws, tenant/landlord laws, and municipal codes that may establish a maximum or minimum number of persons per unit. For guidance on determining household size, see Section 4.01.

#### **E. Tenant Selection Plans**

All developments must have a written Tenant Selection Plan that describes the applicable program eligibility requirements and the screening policies implemented by management. MHC will review the Tenant Selection Plan as part of its monitoring efforts.

There are no federal or state requirements regarding criminal or credit background checks, landlord references, or a minimum income necessary for occupancy. Implementation of these selection criteria is up to the Owner/management discretion if the screening criteria are applied equally to all applicants and do not violate any Fair Housing or related regulations. Screening criteria must also comply with the requirements of any other funding sources.

Owners implementing criminal background checks must ensure that they do not violate Fair Housing. Tenant selection plans and screening criteria must be established in compliance with HUD's "Office of General Counsel Guidance on Application of Fair Housing Act Standards to the Use of Criminal Records by Providers of Housing and Real Estate Related Transaction" notice issued on April 4, 2016. Per that notice, arrest records are not a sufficient basis for denying an application. Conviction records may be used for tenant screening, but "a blanket prohibition on any person with any conviction record—no matter when the conviction occurred, what the underlying conduct entailed, or what the convicted person has done since then" is not permissible.

Tenant selection policies must "accurately distinguish between criminal conduct that indicates a demonstrable risk to resident safety and/or property and criminal conduct that does not" and must "take into account the nature and severity of an individual's conviction."

Additionally, there are no regulations governing citizenship requirements for units assisted by the programs covered in this manual. Since the Fair Housing Act does not prohibit discrimination based solely on citizenship status, Owners may ask applicants to provide documentation of citizenship or immigration status as part of the screening process. If the Owner chooses to implement such a policy, the screening criteria must be established in writing and applied in a uniform, nondiscriminatory fashion with caution to avoid any discriminatory impact based on Fair Housing protected classes—particularly race, color, or national origin. Owners should be aware that other housing programs (such as Section 8, other HUD programs, or RD programs) may have stricter citizenship requirements that must be followed if the project has additional funding sources.

Because many of these tenant selection criteria are left up to the discretion of the Owner, it is required that each development implements a written Tenant Selection Plan. This document must be made available to all applicants and tenants and will be reviewed by MHC during compliance monitoring.

At a minimum, a Tenant Selection Plan must include the following:

- Occupancy standards in effect (how many tenants can live in a unit based on size of the unit);
- Program eligibility factors, including income limits and student status eligibility for HOME-assisted units;
- Any minimum income requirements imposed by management, if applicable. Minimum income requirements may not be applied to applicants with tenant-based rental assistance or to units with project-based rental assistance. While a minimum income requirement may be imposed, the tenant selection plan cannot require all applicants to be employed as this could have a disparate impact under Fair Housing;
- Any citizenship requirements imposed by management or required by another funding source, if applicable;
- Specifics on the information that is analyzed when performing credit checks, criminal background checks, and previous landlord references. Management should spell out what findings constitute a rejection of the application (e.g., do certain criminal charges or a certain credit score automatically disqualify the household?). The criminal background check policy must be compliant with the 2016 HUD Office of General Counsel guidance and described above;
- Explanation of the application and waiting list process, including a process through which an applicant is notified in writing of rejection and can then choose to appeal the rejection decision;
- Explanation of the transfer policies in effect;
- Breakdown of any special preferences set aside at the project (e.g., units reserved for special needs populations or a Housing for Older Persons age restriction on the project); and
- List any other relevant items used in considering the household's eligibility for occupancy.

When creating a development's Tenant Selection Plan, the Owner must be careful to follow all applicable eligibility regulations, nondiscrimination requirements including Fair Housing, the Violence Against Women Reauthorization Act (VAWA), the Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity Rule, HUD guidance on criminal background checks, and applicable local occupancy standards.

Apart from accessible or special needs units (see Part F below), all units should be leased on a first-come first-served basis with tenants selected in chronological order from the waiting list.

#### F. Marketing Accessible Units

At the initial lease-up, accessible units should be marketed to persons with disabilities requiring an accessible unit. For ongoing leasing, the following order must be followed for marketing the accessible units:

1. First offer accessible units to existing residents who require the accessibility features but are currently occupying a unit that does not offer such features.
2. Next offer accessible units to qualified applicants on the waiting list that require the accessible unit.
3. Market the unit to attract new qualified applicants that require an accessible unit.
4. Finally, offer the unit to a non-disabled household on the waiting list (a household that does not need the accessible features of the unit). If this is done, the household must be informed that it may later be asked to transfer to a comparable, but non-accessible, unit if the accessible unit is needed by a person with a disability. While the household may have to transfer if a comparable, vacant non-accessible unit is available, it would not be evicted or otherwise have its tenancy terminated to make room for a household in need of the accessible features. This agreement must be incorporated into the lease or a lease addendum.

#### G. Violence Against Women Reauthorization Act of 2013 and 2022 (VAWA)

##### 1. Applicability/ "Covered Programs"

The 2013 and 2022 reauthorizations of the Violence Against Women Act (VAWA) expanded the Act's original coverage to include projects funded through many, but not all, HUD programs. Those programs are referred to as "covered programs." HUD then issued a final rule effective December 16, 2016, in 24 CFR Part 5 Subpart L "Protection for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking" to identify requirements specific to HUD-funded properties and to provide a list of all covered programs. The final rule and subsequent program-specific HUD regulations expanded VAWA protections to the HOME and HTF programs as outlined below.

- HUD implemented specific VAWA regulations for the HOME program in 24 CFR 92.359. Per that regulation, VAWA requirements only apply to HOME projects "for which the date of the HOME funding commitment is on or after December 16, 2016."
- HUD implemented specific VAWA regulations for the HTF program in 24 CFR 93.356. Per that regulation, VAWA

requirements apply to all rental housing assisted with HTF.

Note: VAWA is also applicable to the low-income housing tax credit (LIHTC) program. If a project has LIHTC, the Owner must follow VAWA requirements.

## **2. Prohibited Denial/Termination**

No applicant for or tenant of covered housing programs may be denied admission to, denied assistance under, terminated from participation in, or evicted from the housing on the basis that the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking if the applicant or tenant otherwise qualifies for admission, assistance, participation, or occupancy.

VAWA protections apply to all victims of domestic violence, dating violence, sexual assault, and stalking regardless of sex, gender identity, or sexual orientation.

## **3. Lease Terms**

The Owner/manager shall ensure that an incident of actual or threatened domestic violence, dating violence, sexual assault, or stalking shall not be construed as:

- A serious or repeated violation of a lease by the victim or threatened victim of such incident; or
- Good cause for terminating the assistance, tenancy, or occupancy rights to housing of the victim of such incident.

## **4. Termination based on Criminal Activity & Bifurcation of Lease**

No person may deny assistance, tenancy, or occupancy rights to an applicant or tenant solely based on criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking that is engaged in by a member of the household of the tenant or any guest or other person under the control of the tenant if the tenant or an affiliated individual of the tenant is the victim or threatened victim of such domestic violence, dating violence, sexual assault, or stalking. Notwithstanding the foregoing, the Owner and/or manager may bifurcate a lease for the housing to evict, remove, or terminate assistance to any individual who is a tenant or lawful occupant of the housing and who engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking against an affiliated individual or another individual, without evicting, removing, terminating assistance to, or otherwise penalizing a victim of such criminal activity who is also a tenant or lawful occupant of the housing. The Owner and or manager must provide any remaining tenants with an opportunity to establish eligibility and a reasonable time to find new housing or to establish eligibility.

## **5. Confidentiality of Tenant Information Related to Domestic Violence, Dating Violence, Sexual Assault, or Stalking**

The Owner shall ensure that any information submitted to the staff, including the fact that an individual is a victim of domestic violence, dating violence, sexual assault, or stalking shall be maintained in confidence and may not be entered into any shared database or disclosed to any other entity or individual, except to the extent that the disclosure is:

- Requested or consented to by the individual in writing;
- Required for use in an eviction proceeding against any individual who is a tenant or lawful occupant of the housing and who engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, stalking; or
- otherwise required by applicable law.

## **6. Required Notices**

HUD has developed, and may amend from time to time, notices of the rights of individuals under VAWA including the right to confidentiality and the limits thereof. The Owner agrees to ensure that these notices are utilized and disseminated at the project as directed by HUD and/or MHC. See item #8 below for information on required forms.

## **7. Emergency Transfers**

HUD has developed and may amend from time to time, guidance regarding a model emergency transfer plan that allows tenants who are victims of domestic violence, dating violence, sexual assault, or stalking to transfer to another available and safe dwelling unit. The Owner agrees to ensure that any guidance developed will be utilized as directed

by HUD and/or MHC.

#### 8. Required Forms

MHC mandates the use of the following VAWA forms for all projects subject to VAWA compliance, as defined in Section 4.02 above. All forms are available online:

- HUD 5380: Notice of Occupancy Rights Under VAWA. Must be provided at the following times, along with a copy of the HUD 5382:
  - At the time of initial admission; and
  - At the time of denial of tenancy; and
  - When termination/eviction notices are sent.
- HUD 5381: Model Emergency Transfer Plan. The Owner must create a model plan specific to each project. The plan must be made available for review by tenants and by MHC.
- HUD 5382: Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking. This form is to be used by tenants as a self-certification form. A copy must be attached any time the HUD 5380 is distributed.
- HUD 5383: Emergency Transfer Request. This form is used by tenants to request a transfer under VAWA.
- MHC VAWA Lease Addendum. EXCEPTION: if the property is HUD-assisted and required to use a HUD-approved lease addendum, use the HUD VAWA Lease Addendum
  - If the project includes Low-Income Housing Tax Credits with HOME or HTF, use the HOME/HTF VAWA lease addendum.
  - There is no need to also use the tax credit VAWA lease addendum. Only one VAWA lease addendum is required per household.

#### 9. Nonretaliation Provisions (Added in VAWA Reauthorization of 2022)

An Owner agent may not discriminate against any person because they have opposed any act or practice made unlawful by VAWA or testified, assisted, or participated in any VAWA-related matter.

#### 10. Noncoercion Provisions (Added in VAWA Reauthorization Act of 2022)

An Owner agent may not coerce, intimidate, threaten, interfere with, or retaliate against any person who exercises VAWA protections, assists another person in exercising their VAWA protections, or participates in a VAWA investigation or enforcement activity.

#### 11. Protection to Report Crimes from Home (Added in VAWA Reauthorization Act of 2022)

Owner agents, residents, guests, and applicants have the right to seek law enforcement or emergency assistance on their behalf or on the behalf of another person seeking assistance and shall not be penalized based on such requests for assistance or their status as a victim of criminal activity. Prohibited penalties include actual or threatened:

- Assessment of monetary or criminal penalties, fines, or fees
- Eviction
- Refusal to rent or renew tenancy
- Refusal to issue occupancy permit or landlord permit
- Closure of the property or designation of the property as a nuisance or similarly negative designation

#### H. Housing for Older Persons

The Housing for Older Persons Act of 1995 (HOPA) exempts certain types of "housing for older persons" from the Fair Housing Act's prohibitions against discrimination based on familial status.

Therefore, projects may be designated as housing for older persons (as defined in the project's Application and recorded Declaration/Lien) in one of the following ways and not violate Fair Housing:

1. 100% of the units are restricted for households in which **all** members are age 62 or older (see 24 CFR Part 100.303); or
2. At least 80% of the units in the entire development are occupied by households in which **at least one** member is age 55 or older. The remaining 20% of the units may also be restricted for households in which at least one member is 55 or older, may have a lower age restriction, or may be left open without any age restrictions; however, the Owner must

ensure that at least 80% of the units remain occupied by households that meet the age definition. This determination is left up to the Owner. The policy elected by the Owner regarding the remaining 20% of the units must be implemented equally for all applicants and must be placed in writing as part of the development's Tenant Selection Plan. In addition, the remaining portion of units not counted for purposes of meeting the 80% requirement may not be segregated within the community or facility.

HUD has noted that phrases such as "adult living," "adult community," or similar statements should not be used to market developments that fall under 80% at 55 requirements. Rather, the property should be more specifically advertised as senior housing for households in which at least one household member is 55 years of age or older.

Moreover, the Owner may not evict or terminate the leases of families with children or other individuals under the age of 55 to achieve the elderly occupancy requirements on the 80% of the units.

For more information on the 80% at 55 restrictions, see 24 CFR Part 100.304 through 100.308. This regulation is also available as "Implementation of the Housing for Older Persons Act of 1995; Final Rule" located in the Federal Register, Vol. 64 No. 63 from April 2, 1999.

A project's housing for older persons restrictions should be clearly defined in the Application and recorded Declaration/Lien, and the Owner must follow the restrictions defined therein. If a project receives federal funding from HUD or USDA, the Owner should check those regulations for other potential definitions. Units in HUD and RD age-restricted housing generally can be occupied by households that meet the age requirements or that are disabled. Disabled households do not qualify for elderly restricted units in HOME housing unless they also meet the age restrictions. When HOME-assisted units are mixed with HUD or RD elderly housing, the HUD or RD definitions should be followed.

#### **I. Meaningful Access for Persons with Limited English Proficiency**

Persons who, because of national origin, do not speak English as their primary language and who have limited ability to speak, read, write, or understand English ("limited English proficiency persons" or "LEP") may be entitled to language assistance under Title VI of the Civil Rights Act of 1964 in order to receive a particular benefit or service. In accordance with Title VI, its implementing regulations and Executive Order 13166, the Owner must agree to take reasonable steps to ensure meaningful access by LEP persons to activities funded with federal funds.

Any of the following actions could constitute "reasonable steps" depending on the circumstances. This is not, however, an exhaustive list of possible actions:

- Acquiring translators to translate vital documents, advertisements, or notices;
- Acquiring interpreters for face-to-face interviews with LEP persons;
- Placing advertisements and notices in newspapers that serve LEP persons;
- Partnering with other organizations that serve LEP populations to provide translation, interpretation, or dissemination of information regarding the project;
- Hiring bilingual employees or volunteers for outreach and intake activities; or
- Contracting with a telephone line interpreter service.

#### **J. Religious and Faith-Based Organizations**

##### **1. Equal Treatment and Religious Identity**

Organizations that are religious or faith-based are eligible to participate in the HOME program on the same basis as any other organization. A religious organization that participates in the HOME program will retain its independence from Federal, State, and local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that it does not use direct HOME funds to support any inherently religious activities (such as worship, religious instruction, or proselytization) and does not discriminate against program participants on the basis of religion or religious belief.

Among other things, faith-based organizations may use space in their facilities, without removing or altering religious art, icons, scriptures, or other religious symbols. In addition, a HOME-funded religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing

documents.

**2. Beneficiaries and Anti-Discrimination**

The organization may not discriminate against program participants or potential program participants (e.g., tenants, homeowners, or applicants) on the basis of religion, religious belief, the refusal to hold a religious belief, or the refusal to attend or participate in a religious practice.

**3. Separation of Explicitly Religious Activities**

Organizations that are directly funded under the HOME program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the assistance. If an organization conducts such activities, the activities must be offered separately, in time or location, from the assistance funded under this part, and participation in any such explicitly religious activities must be voluntary for the program beneficiaries.

**4. Alternative Provider**

If a program participant or potential program participant objects to the religious character of an organization that provides services under the program, that organization shall, within a reasonably prompt time after the objection, undertake reasonable efforts to identify and refer the program participant to an alternative provider to which the participant has no objection. Except for services provided by telephone, internet, or similar means, the referral must be to an alternate provider in reasonable geographic proximity to the organization making the referral. In making the referral, the organization shall comply with applicable privacy laws and regulations. Owners shall document any such objections from program participants and prospective program participants and any efforts made to refer such objecting participants to alternate providers.

**5. Structures**

Program funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for explicitly religious activities. Program funds may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting program eligible activities. When a structure is used for both program eligible and explicitly religious activities, program funds may not exceed the cost of those portions of the acquisition, construction, or rehabilitation that are attributable to eligible activities.

**Section 4.03 HOME/HTF-assisted Units in Low Income Housing Tax Credit Developments**

LIHTC developments may also receive HOME/HTF funds, resulting in a certain number of units reserved as both tax credit and HOME/HTF assisted units. Units that are under multiple funding programs must follow the compliance rules of both programs. In some cases when program compliance regulations differ, the Owner must follow the stricter of the two rules, though in other cases the rules are completely different and both sets must be applied.

The following is a non-exhaustive list of common issues management may face when combining tax credits with federal funding programs. This is not meant as an exhaustive listing.

**A. Combining Programs: Rent and Income Limits and Utility Allowances**

1. HOME/HTF and LIHTC rent and income limits may be different within the same county for the same year. MHC releases a separate set of limits for each program. For a unit under multiple programs, management must check against all sets of income and rent limits to ensure compliance with all funding programs. \*NOTE: The HTF program requires all HTF-assisted units to be income and rent-restricted at 30% HTF limits. The HTF program has its own HUD-published set of income and rent limits. Owners with HTF-assisted units must refer to this specific income and rent limit chart.
2. The LIHTC program does not include rental assistance in the gross rent calculation. For HOME/HTF-assisted units, tenant-based rental assistance is included in the gross rent calculation. For purposes of determining whether a program-assisted unit complies with the rent limits, the sum of the tenant-paid rent portion + tenant-based rental assistance + utility allowance + non-optional fees must be at or below the applicable HOME/HTF rent limit. Special rules apply for project-based rental assistance as discussed in Section 3.02.
3. HOME-funded projects must use a project-specific utility allowance for all HOME-assisted units. A PHA chart is not an acceptable utility allowance methodology for HOME-assisted units that received a commitment of HOME funds after

8/23/13. If a unit is both LIHTC and HOME-assisted and the tenant has a Section 8 voucher, this creates a conflict between program rules, because the LIHTC program requires the PHA chart to be used when the tenant has a voucher. In this case, two separate rent checks must be performed.

- a. LIHTC Compliance: tenant rent + PHA utility allowance + non-optional fees = gross rent. Gross rent must not exceed the applicable LIHTC rent limit.
  - b. HOME Compliance: tenant rent + rental assistance + project-specific utility allowance (not the PHA chart) + non-optional fees = gross rent. Gross rent must not exceed the applicable HOME rent limit.
4. MHC must specifically approve rents for projects with HOME and/or HTF-assisted units. The Owner must at least annually request approval of its proposed rents for HOME and/or HTF-assisted units, even if they are proposing no change.

**B. Combining Programs: Certifications and Verifications**

1. 100% tax credit projects do not have to perform annual income recertifications. However, those units that are also HOME or HTF-assisted must have a full recertification every sixth year of the affordability period to comply with program regulations.
2. In HOME/HTF, verifications are valid for six months. For LIHTC, verifications are only valid for 120 days. Therefore, for units subject to multiple programs, use the stricter tax credit rule and make sure that all verification documents are no older than 120 days from the effective date of the certification.
3. HOME/HTF has stricter income verification requirements when tenant-provided verification is used. If tax returns are used, the tax return must be a certified copy obtained by completing IRS Form 4506 "Request for Copy of Tax Return." For units subject to both programs, apply the stricter verification requirements.
4. If paystubs are used to verify employment income, for HOME/HTF the number of paystubs obtained must amount to a full two consecutive months of pay. For LIHTC, the Owner must obtain the four most recent paystubs. When combining programs, obtain the number of paystubs needed to satisfy both requirements.
5. Safe Harbor Income Verification for "means-tested" forms of federal public assistance is allowed for tax credit compliance but cannot be used as verification for HOME/HTF-assisted units.

**C. Combining Programs: Student Status**

The 2013 revision to the HOME final rule added a student status requirement for all HOME-assisted units. See Section 4.01 for more information on the HOME student rule. Households applying/residing in units that are both LIHTC and HOME-assisted must meet both program definitions of student status eligibility. The HOME student rule does not apply to HTF-assisted units.

**D. Combining Programs: Fair Housing and Related Nondiscrimination Requirements**

1. Upon project entry, households living in all HOME/HTF assisted units must be given the Fair Housing brochure entitled "Reporting Housing Discrimination." The household must sign documentation acknowledging the receipt of this brochure at the time of move-in. Although this is not a LIHTC requirement, all HOME/HTF-assisted units in a tax credit development must have a signed copy of the acknowledgment located in the tenant file.
2. Effective March 5, 2012, all HUD-funded properties are subject to the rule entitled "Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity." According to this rule, HUD-assisted properties must make housing available without regard to actual or perceived sexual orientation, gender identity, or marital status. Additionally, HUD-assisted housing providers are prohibited from inquiring about the sexual orientation or gender identity of applicants and occupants to determine eligibility for housing.
3. HOME/HTF-assisted units are covered by Section 504 accessibility requirements, including the requirement that the Owner must pay for reasonable modification requests. A tax credit development with these funding sources is subject to Section 504 requirements.
4. A project is subject to VAWA compliance if it has tax credits, HTF, or HOME funding (if the HOME funds were committed on or after December 16, 2016).

**E. Combining Programs: MHC Monitoring and Inspection**

A development with tax credits and MHC HOME/HTF funds will be monitored/inspected by MHC for compliance with each program.

1. The tax credit file monitoring will occur once every three years those who are still in their 8609 period (year 1-15), and every 5 years for those in their extended use period (year 16 and beyond).
2. The HOME/HTF-assisted units will be monitored for program compliance at least once every three years of the affordability period/extended use period based on the monitoring cycle and sample size defined in Section 6.06 of this manual. Note: the monitoring cycle and sample size may be different for each program.
3. A HOME or HTF-assisted project containing 10 or more total units is subject to annual financial review. See Section 6.06 for additional information.

**F. Combining Programs: Over-income Units (HOME Only)**

For HOME purposes, a unit is over-income (and therefore a temporarily noncompliant unit) when household income exceeds 80% of AMI. Under the HOME program, households that exceed 80% of AMI are charged 30% of adjusted income as rent, and special rules go into effect to replace the over-income unit.

For units that are under both programs, the tax credit over-income rule overrides the HOME over-income rule. An over-income HOME household (over 80% HOME AMI) living in a tax credit unit is not subject to increased rent under the HOME over-income rules. The tenant may pay no more than the lesser of the applicable tax credit rent limit or the HOME rent limit. However, the unit may still need to be redesignated from low-HOME to high-HOME.

Note: Neither program permits eviction or termination of tenancy due to income increases, even if the household exceeds the 80% level.

**G. Combining Programs: Lead-Based Paint Requirements**

1. Households living in assisted units built prior to 1978 must be given the Lead-Based Paint brochure entitled "Protect Your Family from Lead in Your Home." The household must sign documentation acknowledging the receipt of this brochure at the time of move-in. Although this is not an LIHTC requirement, households residing in HOME/HTF assisted units in a tax credit development should have a signed copy of the acknowledgement located in the tenant file.
2. Federally funded projects built prior to 1978 are subject to ongoing compliance with lead-based paint regulations, as described in Section 4.04 below. Tax credit properties with HOME/HTF funding must comply with these regulations.

**Section 4.04 Suitable for Occupancy**

**A. General Requirements and Recordkeeping**

In addition to being rent-restricted and occupied by qualified households, all program units and buildings must be suitable for occupancy. Owners must annually certify that all buildings and units in the project are decent, safe, and sanitary considering all applicable health, safety, and building codes. If any health, safety, or building code inspections result in a notice of violation, this must be reported. Original reports/notices of violations must be maintained as part of the Owner's recordkeeping and copies must be submitted to MHC along with the Annual Owner Certification of Compliance.

Vacant units must also be suitable for occupancy and cannot be cannibalized for parts. Because the Owner is responsible for maintaining all units in a manner that is always suitable for occupancy, the cost of preparing vacant units for occupancy cannot be passed on to tenants or applicants. During the inspection process, the MHC inspector or contracted inspector may ask to inspect a mix of both occupied and vacant units.

Properties must meet the National Standards for the Physical Inspection of Real Estate (NSPIRE) standards established by HUD. NSPIRE requires an inspection of the following inspectable areas: unit, inside, and outside.

**B. Casualty Loss**

**1. Definition**

A casualty loss is defined by the IRS as "damage destruction, or loss of property resulting from an identifiable event that is sudden, unexpected, or unusual" (IRS Publication 547 and Publication 584). Page 6-5 of the 8823 Guide defines those terms as follows:

- Sudden event: "one that is swift, not gradual or progressive."
- Unexpected event: "one that is ordinarily unanticipated and unintended."
- Unusual event: "one that is not a day-to-day occurrence and that is not typical."

- This explicitly does not include property damage “if the damage occurred during normal use, the Owner willfully caused the damage or was willfully negligent, or was progressive deterioration such as damage caused by termites.”

While this definition is from the LIHTC program, MHC applies this same definition for programs covered by this manual.

## 2. Reporting Requirements

An Owner that experiences a casualty loss must:

- a. Inform MHC of the loss in writing within 10 days of the incident;
- b. Submit a plan to MHC within thirty (30) days that sets a timeframe for reconstruction or replacement of lost units; and
- c. Inform MHC when the units have been reconstructed or replaced.

If an Owner fails to report a casualty loss to MHC, the Owner and management company may be recommended for suspension from the program.

## C. Ongoing Lead Based Paint Compliance

Projects built before 1978 are subject to ongoing compliance with lead-based paint regulations.

1. Owners must inform current and new occupants of the lead hazard reduction methods that took place and where lead-based paint exists in their units. The brochure entitled “Protect Your Family from Lead in Your Home” must be provided to all new occupants upon move-in. Signed documentation of the receipt of this brochure by the household must be maintained in each tenant file.
2. Owners should request, in writing, that the residents monitor lead-based paint surfaces and inform the Owner of potential hazards.
3. Regular maintenance and evaluation of the lead hazard reduction must be performed. The Owner is responsible for:
  - A visual inspection of lead-based paint at unit turnover or at least annually on occupied units;
  - Repair of all unstable paint;
  - Repair of encapsulated or enclosed areas that are damaged; and
  - Owners must continue to comply with the notification requirements when additional lead hazard evaluation and hazard reduction activities are performed.

## D. NSPIRE Affirmative Habitability Requirements

NSPIRE requires the following minimum Affirmative Habitability Requirements.

### Inspectable Area = Unit

1. Hot and cold running water in both bathroom and kitchen, including adequate source of safe drinking water in the bathroom and kitchen
2. Bathroom or sanitary facility that is in proper operating condition and usable in privacy that contains a sink, a bathtub or shower, and flushable toilet
3. At least 1 battery-operated or hard-wired smoke detector
  - a. On each level of the unit
  - b. Inside each bedroom
  - c. Within 21’ of any door to a bedroom measured along a path of travel; and
  - d. Where a smoke detector installed outside a bedroom is separated from an adjacent area by a door, must also be installed on the living area side of the door
4. Living room and kitchen area with a sink, cooking appliance, refrigerator, food preparation area, and food storage area
5. For units with Housing Choice Vouchers or Project Based Vouchers, at least one bedroom or living/sleeping room for each two persons in the household
6. Must meet carbon monoxide detection standards established through Federal Register notice
7. Two working outlets or one working outlet and a permanent light within all habitable rooms
8. Outlets within 6’ of a water source must be GFCI protected
9. Must contain a permanently installed heating source. Units may not contain unvented space heaters that burn gas, oil, or kerosene.

10. Must have a guardrail when there is an elevated working surface drop off of 30' or more measured vertically
11. Permanently mounted light fixture in the kitchen and each bathroom

Inspectable Area = Inside

1. At least one battery-operated or hard-wired smoke detector on each level
2. Must meet carbon monoxide detection standards established through Federal Register notice
3. Outlets within 6' of a water source must be GFCI protected
4. Must have a guardrail when there is an elevated walking surface drop off of 30" or more measured vertically
5. Permanently mounted light fixtures in any kitchens and each bathroom
6. May not contain unvented space heaters that burn gas, oil, or kerosene

Inspectable Area = Outside

1. Outlets within 6' of a water source must be GFCI protected
2. Must have a guardrail when there is an elevated walking surface drop off of 30" or more measured vertically

## Article V. Qualifying Tenants for Program Units

Applicants for program units should be advised early in the application process that there are maximum income limits that apply to the units. Management should explain to potential tenants that the anticipated income of all adults (and the unearned income of minors) expecting to occupy the unit must be verified prior to occupancy.

Federal HOME regulations allow two methods of calculating annual income. However, MHC mandates that all Owners use the methodology found in 24 CFR Part 5.609 (often referred to as the "Section 8 methodology"). This methodology is also required for MHC funded HTF projects, as well as by the tax credit program. However, the Section 8 asset limitation which denies eligibility to households with assets exceeding \$100,000 or who own a home that is suitable for occupancy does not apply to the tax credit program.

For additional information on determining income eligibility, refer to the following resources:

- Chapter 5 of HUD Handbook 4350.3 *Occupancy Requirements of Subsidized Multifamily Housing Programs* (The current HUD Handbook has not been updated to include the streamlining rules or HOTMA updates)
  - Section 1- Determining Annual Income
  - Section 3- Verification
  - Exhibit 5-1- Income Inclusions and Exclusions
  - Exhibit 5-2- Assets
  - Appendix 3- Acceptable Forms of Verification
- Streamlining Administrative Regulations for Public Housing, Housing Choice Voucher, Multifamily Housing, and Community Planning and Development Programs: Final Rule 3/8/2016, Effective 04/7/2016
- Streamlining Administrative Regulations for Multifamily Housing Programs and Implementing Family Income Reviews Under the Fixing America's Surface Transportation (FAST) Act: Final Rule 5/27/2020
- *Technical Guide to Determining Income and Allowances for the HOME Program*
- Housing Opportunities Through Modernization Act of 2016 (HOTMA): Final Rule 2/14/2023, Effective 1/1/2024
- Notice H 2023-10 / Notice PIH 2023-27: Implementation Guidance: Sections 102 and 104 of the Housing Opportunity Through Modernization Act of 2016 (HOTMA)
- Notice FR-6410-N-01 Federally Mandated Exclusions From Income—Updated Listing: 1/31/2024

### Section 5.01 Tenant Qualification & Certification Process

#### A. Necessary Documentation for a Tenant File

Households are qualified for the program only if proper documentation verifying the household's eligibility is obtained and maintained in the tenant file.

**At a minimum, the following items must be included in the file and must be organized in chronological order for easy review:**

1. Initial Tenant Application for residency
2. Tenant Income Certification Questionnaire completed at time of application, including certification of assets and disposal of assets if applicable. A separate Tenant Income Certification Questionnaire must be completed by each adult household member. For HOME and HTF-assisted units, new Questionnaires must be completed as part of the income recertification process;
3. Tenant Income Certification signed by each adult member of the household for every year the household resides at the property. The TIC must have proper signature and effective dates clearly stated;
4. Verifications of all sources of earned and unearned income and of all asset sources noted on the Tenant Income Certification Questionnaires. See Section 5.03 for more information on verification requirements;
5. For HOME-assisted units, a separate "HOME Student Status Certification" completed by each adult member of the household each year, along with any additional student status verifications needed. If the unit is also an LIHTC unit, the "Student Status Self-Certification for LIHTC" must also be completed by each adult household member.
6. Any other documentation verifying the household's eligibility (e.g., unborn child self-certification, joint custody of a child documentation, all management clarification documents, etc.);
7. Initial and subsequent leases and all lease addenda executed by the tenant and Owner;

8. Documentation of the receipt of the applicable brochures (Fair Housing & Lead Based Paint); and
9. For tenants receiving Housing Choice Vouchers (tenant-based Section 8), a copy of the Housing Assistance Payment (HAP) Contract and the current HAP Amendment from the Public Housing Authority or a copy of the current HUD Form 50058. For tenants in Section 8 Project Based Voucher (PBV) units, a copy of the current HUD Form 50058 showing the amount of rental assistance. For tenants in Section 8 Project Based Rental Assistance (PBRA) units, a copy of the current HUD Form 50059 showing the amount of rental assistance.

All documents included in the tenant file must be fully completed, signed, and dated. MHC will not accept documents that are incomplete, that have been marked with correction fluids (i.e., whiteout), or where information has been obliterated with pen or marker. See C below for information on how to properly correct documents in a tenant file.

#### **B. Tenant Income Certification (TIC) Form**

Every tenant file must contain a Tenant Income Certification (TIC) form, regardless of whether or not that unit/tenant also has an income certification from another program in the file (e.g., HUD Form 50058/50059 or RD Form 3560-8). MHC's Tenant Income Certification form used for the HOME/HTF programs includes information that is not found on these other forms, such as program income and rent limits, the program set-aside for the unit, the certification effective dates, etc. Therefore, properties that have multiple funding sources will need to have multiple signed tenant income certification forms in their files to demonstrate compliance with each separate program.

The TIC must list the MHC rent and income set-aside for the unit/household. Therefore, the rent and income restrictions should be listed as 30%, 50%, 60%, or 80%, not the actual AMI % of the household. For example, at time of move-in, a household may actually have income at 47% of AMI. MHC does not need to know this, but rather only needs to know the set-aside the household qualifies under, in this case, the 50%, 60%, or 80% limit.

#### **C. Correcting Documents**

MHC will not accept documents that are incomplete, that have been marked with correction fluids (e.g., whiteout), or where information has been obliterated with pen or marker. To correct a document, management should draw one line through the erroneous information and write the corrected information to the side. All corrections should be dated and initialed. Corrections on forms filled out by the management should be initialed by the management agent. Corrections on forms filled out by the tenant should be initialed by the tenant. Corrections to the lease should be initialed by both parties.

If management fails to obtain the necessary paperwork at the time of certification, verifications can be retroactively created to document the income and assets that were in place at the time of certification. All retroactive documents must be signed with the current date but noted as being "true and effective" as of the actual certification effective date. The "true and effective" statement must be written on each form that is created or signed after the effective date. Neither tenants nor management are ever permitted to backdate documents. The recertification effective date continues on its regular annual cycle, not the date the documents were completed retroactively.

*Example: Mrs. Black is due for her annual recertification on December 20th. However, the property manager was distracted wrapping Christmas presents and forgot to send out a recertification notice. Therefore, Mrs. Black does not come into the office to complete her paperwork until January 2nd. Mrs. Black should sign all paperwork with the current date (January 2nd) but should make a note at the bottom of each form stating, "information true and effective as of December 20th."*

**D. One Form per Household or One Form per Member?**

Form	1 form per household signed by all adults	1 separate form per each adult member
Income Questionnaire	-	YES
Tenant Income Certification	YES	-
< \$50,000 Asset Certification	YES	-
All other verification documents	-	YES
Student Status Certification (for HOME)	-	YES

**Section 5.02 Tenant Application & Income Certification Questionnaire**

A fully completed Application and Income Certification Questionnaire is critical to an accurate determination of tenant eligibility. An Application must be completed by the household at initial move-in. An Income Certification Questionnaire must be completed at move-in and on recertification files for HOME or HTF-assisted units.

At the time of application, it is the management agent’s responsibility to obtain sufficient information on all prospective tenants to completely process the application, determine household eligibility, and complete the Tenant Income Certification (TIC) form. MHC requires that each adult household member complete a separate Income Certification Questionnaire at time of application, and for HOME and HTF-assisted units at each recertification. The Application and Income Certification Questionnaire are the first steps in the tenant certification process. The information furnished on the Application and Questionnaire should be used as a tool to determine all sources of income (including total cash value of assets and income from assets), household composition, and student status.

HUD Handbook 4350.3 lists guidelines which the Owner may want to adopt for the application process. The application should include:

1. The name of each person that will occupy the unit (legal name should be given just as it will appear on the Lease and Tenant Income Certification);
2. All sources and amounts of current and anticipated annual income expected to be derived during the twelve (12) month certification period. Include assets now owned and indicate whether household members disposed of assets for less than Fair Market Value during the previous two years;
3. The current and anticipated student status of each applicant (for HOME-assisted units);
4. A screening process (i.e. previous landlord’s rental history, credit information, etc.). Owners should ask applicants whether the household’s assistance or tenancy in a subsidized housing program has ever been terminated for fraud, nonpayment of rent, or failure to cooperate with recertification procedures;
5. The signature of the applicant and the date the application was completed. It may be necessary to explain to the applicant that all information provided is considered confidential and will be handled accordingly; and
6. Collection of demographic data: MHC requires the collection and reporting of the following information for all program tenants:
  - Race
  - Ethnicity
  - Sex
  - Family composition
  - Age (Date of Birth)
  - Income
  - Use of Section 8 (or similar) Rental Assistance Program
  - Disability Status; and
  - Monthly Rental Payment

To meet the demographic data collection requirements, Owners must annually report demographic data for all household members (each member not just the head of household) living in their developments. This information should only be obtained

after a move-in has been approved so that it cannot be construed that the information was used as part of tenant selection / screening.

**Section 5.03 Income Verification**

The income of every prospective occupant of the unit must be verified. All regular sources of income, including income from assets, must be verified. Verifications must be received by the management agent prior to move-in. Verifications must contain complete and detailed information and include, at a minimum, direct written verification from all sources of regular income and income of assets. Owner agents must document the reason why third-party verification was not available, except in cases where regulations specifically permit households to self-certify (i.e., when net assets do not exceed \$50,000, adjusted by inflation).

**A. Effective Term of Verification**

Verifications of income are valid for six months from the date of receipt by the Owner/management and must be obtained prior to move-in or recertification effective date. After this time, if the tenant has not yet moved in or recertified, new verification must be obtained. Verifications that are more than six months old as of the effective date of the move-in or recertification event are invalid.

**B. Methods of Verification**

Owner agents must follow HUD’s verification hierarchy (see HUD Notice H 2023-10 / PIH 2023-7) which lists verification documentation from most acceptable to least acceptable. The owner agent must demonstrate efforts to obtain third-party verification prior to accepting self-certification, except in instances where self-certification is explicitly allowed (i.e., when net assets do not exceed \$50,000 adjusted by inflation).

**Verification Hierarchy\***

Level	Verification Technique	Ranking/Order of Acceptability
5	Upfront Income Verification (UIV) using non-EIV system- e.g., The Work Number, web-based state benefit systems, etc.	Highest
4	Written third-party verification from the source provided by the tenant- e.g., paystubs, bank statements, benefit letters, etc.	High
3	Written, third-party verification form	Medium- use if applicant or tenant is unable to provide Level 4 documentation
2	Oral, third-party verification	Medium
1	Self-certification (not third-party)	Low- use as last resort if unable to obtain any third-party verification or use when specifically permitted such as when net assets do not exceed \$50,000 (adjusted by inflation)

\*Adapted from Table J2: Verification Hierarchy from HUD Notice H 2023-10. Note: Level 6 EIV has been removed from this chart as it is not applicable to the programs covered in this manual.

**1. Third-Party Tenant-Provided Documents (Level 4)**

An original or authentic document generated by a third-party source... Such documentation may be in possession of the tenant (or applicant), and commonly referred to as tenant-provided documents. These documents are considered third-party verification because they originated from a third-party source.

Examples of tenant-provided documentation that may be used includes, but is not limited to: pay stubs, payroll summary report, employer notice/letter of hire/termination, SSA benefit letter, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notes.

When using tenant-provided information, the owner must consider the following:

- Is the document current? Circumstances may have changed since the document was created.

- Is the document complete?
- Is the document an unaltered original copy?

The following requirements apply to tenant-provided documents:

- Using Paystubs for Employment Verification: If utilizing paystubs for employment verification, the owner agent must obtain the two most recent, consecutive months of paystubs from the tenant/applicant.
- Using Bank Statements: If utilizing bank statements, the owner agent must obtain the most recent statement to verify the current balance (if net assets exceed \$50,000, adjusted by inflation, and third-party asset verification is required).
- Using Tax Returns for Income Verification: If utilizing tax returns as income verification, the owner agent must obtain a certified copy by completing IRS Form 4506 "Request for Copy of Tax Form."

The owner agent must be able to reasonably project anticipated income for the next 12 months from the tenant-provided documents.

## 2. Third-Party Written Verification (Level 3)

MHC does not require that the Owner/management agent use particular forms for third-party verifications. All requests for income verification must:

- a) State the reason for the request;
- b) Include a release statement signed and dated by the applicant or tenant; and
- c) Provide a section for the employer or other third-party source to state the applicant/tenant's current anticipated gross annual income or rate of pay, number of hours worked, and frequency of pay. Overtime hours, bonuses, tips, and commissions must be included, as well as the probability and effective date of any increase during the next 12 months. Spaces should also be available for a signature, job title, phone number, and date. If forms are returned with any information incomplete, management MUST contact the source and complete a clarification form to document incomplete information.

## 3. Third-Party Oral Verification (Level 2)

When written verification is not possible prior to move-in, direct contact with the source will be acceptable to MHC only as a last resort and should be followed by written verification. The conversation should be documented in the tenant file to include all information that would be contained in a written verification. The information must include the name, title, and phone number of the contact, the name of the onsite management representative accepting the information, and the date the information was obtained.

In addition, if the Owner receives third-party verifications that are not clear or are not complete, a documented verbal clarification may be accepted if it includes the name and title of the contact, the name and signature of the onsite management representative accepting the information, and the date the information was obtained.

Furthermore, if after requesting third-party verification, the third-party indicates that the information must be obtained from an automated telephone system, the Owner may document the information provided from the telephone system. The documentation must state the date the information is received, all of the information provided, and the name, signature, and title of the person receiving the information.

## 4. Self-Certification (Level 1)

As a last resort, the Owner may accept a tenant's signed certification if third-party or tenant-provided verifications cannot be obtained. The Owner should try to refrain from using self-certifications except where specifically allowed such as when net assets do not exceed \$50,000 (adjusted by inflation).

If a self-certification must be used (except when specifically allowed), the Owner is required to document the tenant file by explaining the reason third-party or tenant-provided verification could not be obtained and showing all efforts that were made to obtain verification. Per Chapter 5 of the HUD Handbook 4350.3, the following documents should be placed in the tenant file:

- a. A written note to the file explaining why third-party or tenant-provided verification is not possible; and/or
- b. A copy of the date-stamped original request that was sent to the third-party; and/or

- c. Written notes or documentation indicating follow-up efforts to reach the third-party to obtain verification; and/or
- d. A written note to the file indicating that the request has been outstanding without a response from the third-party.

The Owner may accept self-certification if there is a fee associated with receiving the third-party verification. If the Owner chooses to pay the fee to obtain the third-party verification, this cost cannot be passed on to the tenant or applicant.

#### 5. Income Verified for a Rental Assistance Program

In lieu of conducting their own income calculation, the owner agent must accept an income determination that has already been made by a state or federal rental assistance program (tenant-based or project-based).

The owner agent must obtain from the public housing authority (PHA) or other rental assistance administrator a written statement that either:

- Indicates the household size and annual income; or
- Indicates the current applicable program income limit and affirms that the household's annual income does not exceed that limit.
- Exception: For Housing Choice Vouchers or Project Based Vouchers, HUD Form 50058 will be accepted instead of a separate statement from the PHA. Form 50058 counts as income verification but does not replace the TIC.

Once the owner agent receives this documentation, no other verification of income is required. However, verifications for other eligibility requirements such as student status must still be obtained, and the household must still complete a Tenant Income Certification Form and Income Questionnaire.

The owner agent must obtain traditional third-party verification if the PHA or other rental assistance administrator does not respond to requests or is unwilling to provide the necessary statement.

Note: The programs covered by this manual cannot accept the Enterprise Income Verification (EIV) system used by Section 8 to verify income. Therefore, the income of Section 8 recipients living in LHTC units must continue to be third-party verified. EIV documentation must be kept in a separate file from the tax credit verifications so that it is completely inaccessible to the tax credit auditor.

#### C. Guidance for Specific Income Sources

The following section provides brief guidance on some common and/or complicated sources of income to verify.

For complete information concerning included income and acceptable forms of income verification, see HUD Handbook 4350.3 CHG- 4, specifically Chapter 5 and "Appendix 3: Acceptable Forms of Verification" and the *Technical Guide for Determining Income and Allowances*, and the HOTMA Implementation Guidance HUD Notices.

##### 1. Social Security and Supplemental Security Income

MHC will accept the Annual Benefit Award letter provided from the Social Security office to verify Social Security benefits. However, all Supplemental Security Income is required to be verified and dated within six months prior to the certification date. When interpreting Social Security benefit letters, remember to use the gross amount before deductions, unless the deduction is for a prior overpayment of benefits. Since HUD considers Social Security benefits (including SSI & SSDI) to be fixed income sources, management may follow the Streamlining Rule for verification of income and is only required to obtain third-party documentation at move-in and at every third recertification.

The Social Security Administration (SSA) may no longer issue Social Security printouts or provide benefit verification letters. Clients can obtain an instant verification letter online by creating a personal mySocialSecurity account or by calling the national toll-free number 1-800-772-1213 and using the automated application to have a letter sent via mail.

Benefits received through direct deposit or a Direct Express Debit Card are treated as income. In addition, the balance on a Direct Express Debit Card is also considered as an asset and must be verified consistent with the verification procedures for a checking or savings account. A current balance must be provided and included as an asset in addition to the benefit income. This balance can be obtained through an online account service, a paper statement, or an ATM balance.

Delayed SS and SSI payments received as a lump sum are not counted as income but are included as a lump sum asset (see the second income exclusion example on page 5-21 of HUD Handbook 4350.3). Delayed SS and SSI payments received as periodic payments are excluded from income (see Item #13 in Exhibit 5-1 of HUD Handbook 4350.3).

When a Social Security cost of living adjustment (COLA) increase is announced, the increase must be factored into all income determinations with effective dates after the date the increase was announced. Recent COLA increases include:

- On October 10, 2019, the SSA announced a 1.6% COLA increase for 2020.
- On October 13, 2020, the SSA announced a 1.3% COLA increase for 2021.
- On October 13, 2021, the SSA announced a 5.9% COLA increase for 2022.
- On October 13, 2022, the SSA announced an 8.7% COLA increase for 2023.
- On October 12, 2023, the SSA announced a 3.2% COLA increase for 2024.

## 2. Child or Spousal Support

The amount of child or spousal support included in annual income is "all amounts received," not any amount the household may be legally entitled to but is not receiving. HUD's HOTMA Implementation Guidance specifically states that "child support or alimony must be based on the payments received, not the amounts to which the family is entitled by court or agency orders."

The owner agent must verify the amount of support actually received to annualize income. HUD's HOTMA Implementation Guidance notes that "a copy of a court order or other written payment agreement alone may not be sufficient verification of amounts received by a family" since that order would demonstrate the amount the household is entitled to, not the amount they are receiving.

## 3. Unemployment and Welfare Benefits

When anticipating income from unemployment, the Owner must annualize the weekly benefit amount regardless of whether the benefit end date suggests that benefits will last for the full year. The Owner may not use the total maximum benefit amount, the remaining benefit amount, or an average of the benefits received.

The only exception is if the tenant knows a date on which he or she will return to work or begin a new job. In this case, the Owner would calculate unemployment benefits up until the hire date and then calculate employment income for the rest of the year. MHC will expect to see third-party verification of the unemployment benefits and an employment verification showing the start date for the job, including all other information applicable to employment.

Welfare payments in the form of Temporary Assistance to Needy Families (TANF) are included in household income. Food stamps are not included as household income.

Settlement payments from claim disputes over unemployment or welfare are treated as lump sum assets. However, lump sum payments caused by delays in processing periodic payments in unemployment or welfare are included as income (see page 5-18 and Figure 5-3 on page 5-19 of HUD Handbook 4350.3).

## 4. Employment Income (Earned Income)

Earned income is defined as income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Owners must calculate the total anticipated employment income for the next 12 months based on current income and any verifiable changes. Employment income must be third-party verified when possible. Per the HOTMA Implementation Guidance's hierarchy of verification, an upfront income verification system such as the Work Number is the preferred source of employment verification, followed by tenant-provided source documents (e.g., paystubs), followed by a written third-party verification form completed by the employer.

If utilizing tenant-provided documents:

- For tenants with jobs that provide steady employment, the Owner must obtain the number of paystubs that covers the most recent two consecutive months of payments.
- For tenants with jobs that are seasonal or day labor, the Owner may need to obtain additional paystubs or an alternate form of verification. Seasonal workers and day laborers are considered to have recurring earned income

and these income sources must be annualized and counted in total household income.

If employment verification indicates a range of hours worked, MHC will calculate based on the average hours worked, not the highest in the range.

Note: MHC no longer requires a year-to-date (YTD) calculation as part of income calculation. If the Owner agent chooses to utilize a year-to-date calculation methodology, they must be consistent when calculating income for all households.

When full-time students who are 18 years of age or older are dependents of the household, only a maximum of \$480 of their total annual earned income is counted in the total household income calculation. Continue to count the full amount of unearned and asset income. \*NOTE: Per HOTMA, the \$480 amount will be indexed for inflation and will change annually.

When full-time students who are 18 years of age or older are the head-of-household, co-head, or spouse, the full amount of earned, unearned, and asset income is counted in the total household income calculation.

#### 5. Recurring Gifts / Regular Contributions to Household

Any regular contributions and gifts to the household from persons not living in the unit must be included in annual income. This includes payments paid on behalf of the family and other cash or noncash contributions provided on a regular basis. Temporary, nonrecurring, or sporadic contributions or gifts are not counted.

The following items are specifically excluded as income:

- Groceries provided directly to the household (not money given to buy groceries)
- Childcare payments paid directly to the childcare provider on behalf of the tenant
- Non-monetary goods such as food, clothing, or toiletries received from a food bank or similar organization
- Gifts for holidays, birthday, or other significant life events or milestones such as weddings, baby showers, or anniversaries

Recurring gifts/contributions should be third-party verified when possible by having the contributor sign a self-certification stating the amount and frequency of the gift/contribution.

#### 6. Student Financial Assistance

Treatment of student financial assistance depends on whether a household is receiving Section 8 assistance (HCV, PBV, or PBRA). To properly calculate student financial assistance, the owner agent must verify and calculate (a) actual covered costs, (b) student financial assistance received under the Higher Education Act, and (c) other student financial assistance, as defined below.

##### a. Actual Covered Costs

Actual covered costs include tuition, books, supplies, equipment to support students with disabilities, room and board, and other fees required by an institution of higher education. If the student is not the head of the household, co-head, or spouse, actual covered costs also include the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.

##### b. Student Financial Assistance Received Under Section 479B of the Higher Education Act ("HEA Assistance")

HEA assistance includes Federal Pell Grants, Teach Grants, Federal work study programs, Federal Perkins Loans, student financial assistance received under the Bureau of Indian Education, Higher Education Tribal Grants, Tribally Controlled Colleges or Universities Grant Program, or employment training programs under Section 134 of the Workforce Innovation and Opportunity Act (WIOA).

##### c. Other Student Financial Assistance

Other student financial assistance includes grants or scholarships received from such sources as the Federal government; a state, territory, Tribe, or local government; a private foundation registered as a 501(c)(3) nonprofit; a business entity such as a corporation, general partnership, LLC, LP, joint venture, business trust, public benefit corporation, or nonprofit; or an institution of higher education.

Other student financial assistance does not include financial support provided in the form of a fee for services performed (e.g., a work study or teaching fellowship that is not excluded under Section 479 B of the HEA) or gifts from family or friends.

Other student financial assistance may be paid directly to the student or to the educational institution on the student's behalf.

#### **Determining Student Financial Assistance Income for Households without Section 8 Assistance**

The amount of student financial assistance to include as income is calculated as follows:

Step 1: Actual covered costs MINUS amount of HEA Assistance = amount of actual covered costs exceeding HEA assistance ("X")

- If "X" is negative, count the full amount of other student financial assistance as income
- Otherwise, proceed to Step 2

Step 2: Amount of other student financial assistance MINUS "X" = student financial assistance counted in income ("Y")

- If "Y" is negative, student financial assistance income = \$0

#### **Determining Student Financial Assistance Income for Households with Section 8 Assistance**

If the household is receiving Section 8 assistance and the student is the head, co-head, or spouse and is over the age of 23 with dependent children, follow the rule above for non-Section 8 households.

If the student is the head, co-head, or spouse but is age 23 or younger or does not have dependent children, include as income any amount of student financial assistance (sum of amounts received under the Higher Education Act and other student financial assistance) in excess of actual covered costs.

### **7. Periodic Payments and Withdrawals**

Periodic payments from such sources as annuities, insurance policies, retirement funds, pensions, and disability or death benefits are included in annual income.

**Retirement Accounts:** The distribution of periodic payments from retirement accounts is included as income and must be verified. Retirement accounts include IRAs, employer plans such as 401(k) or 403(b) plans, and retirement plans for self-employed individuals. Retirement accounts are not considered assets. The owner must verify the amount of distributions. The balance of the account does not matter since retirement accounts are never counted as assets.

**Irrevocable Trusts:** The distribution of periodic payments from the trust's principal is excluded as income. The distribution of periodic payments from interest earned on the trusts' principal is included as income, unless the distributions are used to pay for the health and medical expenses of a minor. An irrevocable trust is never counted as an asset and asset income (actual income earned by the trust) is excluded.

**Revocable Trusts (Where the Trust Grantor is Not Part of the Household and Household Does Not Otherwise Have Control of the Trust):** The distribution of periodic payments from the trust's principal is excluded as income. The distribution of periodic payments from interest earned on the trusts' principal is included as income, unless the distributions are used to pay for the health and medical expenses of a minor. This type of revocable trust is not counted as an asset and asset income (actual income earned by the trust) is excluded.

**Revocable Trusts (Where the Trust Grantor is Part of the Household or Household Otherwise Has Control of the Trust):** The distribution of periodic payments from the trust's principal is excluded as income. The distribution of periodic payments from interest earned on the trusts' principal is excluded as income. This type of revocable trust is counted as an asset and asset income (actual income earned by the trust) is included as income.

### **8. Verifying Fixed Income Sources**

#### **General Rule and Definition of Fixed Income**

The "Streamlining Administrative Regulations for Public Housing, Housing Choice Voucher, Multifamily Housing, and Community Planning and Development Programs Final Rule" (a.k.a. the Streamlining Rule) provides a simplified manner of verifying fixed income sources effective April 7, 2016. MHC has adopted these streamlining rules to verify

fixed income as described below.

Per the Streamlining Rule, as codified through regulation in 24 CFR Part 5.657 and Part 982.516, fixed income sources are defined as “periodic payments at reasonably predictable levels.” Fixed income sources include the following:

- Social Security payments, including Supplemental Security Income (SSI) and Supplemental Disability Insurance (SSDI);
- Federal, state, local, and private pension plans;
- Annuities or other retirement benefit programs, insurance policies, disability or death benefits, or other similar types of periodic receipts; and
- Any other source of income subject to adjustment by a verifiable COLA or current rate of interest.

Fixed income sources must initially be verified through third-party verification. The Owner is not required to reverify until the household’s third recertification and every three recertifications thereafter (referred to as the “triennial verification”). For years that do not require third-party verification, the Owner utilizes the existing verification form and applies an adjustment factor that comes from either (1) a public source (e.g., the Social Security Administration’s annual COLA announcement) or (2) tenant-provided third-party generated documentation. The adjustment factor used must be verified and documented in the file. If no public or third-party verification of the COLA/increase is available, then a traditional verification must be obtained.

#### **Special Rule When 90% or More of Household Income is from Fixed Income Sources**

The “Streamlining Administrative Regulations for Multifamily Housing Programs and Implementing Family Income Reviews Under the Fixing America’s Surface Transportation (FAST) Act Interim Final Rule” (a.k.a. the FAST Act) further expands the streamlining rule for verifying fixed income sources effective March 12, 2018. MHC has adopted these additional streamlining rules to verify fixed income as described below.

When 90% or more of a household’s gross income comes from fixed income sources (as defined above), in addition to the streamlining requirements above, the Owner may accept the household’s self-certification of income sources that are not fixed during years that do not require the full “triennial verification.”

Example 1: Household where fixed income source is 90% or more of gross income. Example assumes the project is subject to recertification of income.

- Move-in: Owner obtains full verification of all income sources.
- 1st Recertification: Owner obtains verification of COLA increases for fixed income sources and applies the adjustment to the previously obtained verification of the fixed income source (from the move-in file). Non-fixed income sources are verified by self-certification of the household, as long as the household certifies an amount that is less than 10% of the total gross household income. If non-fixed income sources are greater than 10% of gross household income, they must be verified through the traditional verification methodology.
- 2nd Recertification: Owner obtains verification of COLA increases for fixed income sources and applies the adjustment to the previously obtained verification of the fixed income source (from the move-in file). Non-fixed income sources are verified by self-certification of the household, as long as the household certifies an amount that is less than 10% of the total gross household income. If non-fixed income sources are greater than 10% of gross household income, they must be verified through the traditional verification methodology.
- 3rd Recertification: Owner obtains full verification of all income sources, similar to what was done at the time of move-in.
- 4th Recertification: Owner obtains verification of COLA increases for fixed income sources and applies the adjustment to the previously obtained verification of the fixed income source (based on the 3rd recertification file). Non-fixed income sources are verified by self-certification of the household, as long as the household certifies an amount that is less than 10% of the total gross household income. If non-fixed income sources are greater than 10% of gross household income, they must be verified through the traditional verification methodology.
- Process continues to cycle as demonstrated above.

Example 2: Household where fixed income source is less than 90% of gross income. Example assumes the project is subject to recertification of income.

- Move-in: Owner obtains full verification of all income sources.
- 1st Recertification: Owner obtains verification of COLA increases for fixed income sources and applies the adjustment to the previously obtained verification of the fixed income source (from the move-in file). Non-fixed income sources are third-party verified.
- 2nd Recertification: Owner obtains verification of COLA increases for fixed income sources and applies the adjustment to the previously obtained verification of the fixed income source (from the move-in file). Non-fixed income sources are third-party verified.
- 3rd Recertification: Owner obtains full verification of all income sources, similar to what was done at the time of move-in.
- 4th Recertification: Owner obtains verification of COLA increases for fixed income sources and applies the adjustment to the previously obtained verification of the fixed income source (based on the 3rd recertification file). Non-fixed income sources are third-party verified.
- Process continues to cycle as demonstrated above.

**D. Differences in Reported Income**

The management agent should give the applicant/tenant the opportunity to explain any significant differences between the amounts reported on the application/income questionnaire and amounts reported on third-party verifications in order to determine actual income. The explanation of the difference should be documented in the tenant file on a clarification form or self-certification.

**E. Zero Income Households**

It is possible that a household will have total annual income of \$0. This is possible if the household is receiving rental assistance, food stamps, and other forms of assistance that are not counted as income. However, it is often the case that households claiming to be zero income are in fact receiving some type of recurring gift from friends or family members.

If an individual applicant/tenant within the household has zero income, that individual must complete "Non- employed Status Certification" or a similar form. This form asks the household member to certify that he or she has no employment, allows them to answer questions about other forms of income, and provides an option to claim zero income but explain that another household member pays for all expenses.

If the entire household is claiming zero income, the household must complete "Zero Income Certification and Basic Needs Questionnaire" or a similar form. This form asks the household to identify how various expenses will be paid and often serves as a way of catching recurring gifts and contributions to the household.

While zero income households do exist, it is the responsibility of management to prove due diligence when reporting households as zero income. Zero income households can raise a red flag for auditors, especially if the household that is claiming zero income is responsible for a portion of rent.

**Section 5.04 Annual Income**

**A. Whose Income and Assets are Counted?**

Member	Employment Income	Unearned/asset income
Head of household	Yes	Yes
Spouse/ Co-head	Yes	Yes
Other adult	Yes	Yes
Foster adult	No	No
Dependent Child Under 18	No	Yes
Full-time student over 18 *	See Note Below	Yes
Foster child under 18	No	No

Member	Employment Income	Unearned/asset income
Non-members (live-in aides, guests, etc.)	No	No

\*If a full-time student over 18 is a dependent of the household, only a maximum of \$480 of earned income (adjusted by inflation) is included in annual household income.

**B. Income**

Annual income is defined as the gross amount of earned and unearned income to be received by all adult members of the household (18 years of age and older, including full-time and part-time students) and the gross unearned income of minors during the 12 months following the date of certification or recertification.

The owner agent must generally use current circumstances to anticipate income. However, if information is available on known changes expected to occur during the year, the owner must use that information to determine the total anticipated income.

1. Nonrecurring income: Income that is not recurring is not counted as income. Examples of income that is considered nonrecurring and thus excluded include:
  - payments from the U.S. Census Bureau for employment lasting no longer than 180 days and not culminating in permanent employment
  - direct federal or state payments for economic stimulus or recovery
  - tax refunds or tax credits
  - gifts for significant life events or milestones (holidays, birthdays, weddings, baby showers, etc.)
  - lump sum additions to net family assets, including lottery or contest winnings
  - non-monetary, in-kind donations such as food, clothing, or toiletries received from a food bank or similar organization
  - nonrecurring payments made to the family or to a third-party on behalf of the family to assist with utilities or eviction prevention
  - security deposits to secure housing
  - payments for participating in research studies (depending on the duration)
  - other general one-time payments
2. Unsecured income: MHC does not require owners to include unsecured income sources when calculating household income. For example, if an applicant or tenant is unemployed MHC does not require that individual to anticipate income he or she may earn if a job is secured, unless it is verifiable that a job has been secured for a future start date.
3. Sporadic or seasonal income: The owner must use reasonable judgment to determine the most reliable method of calculating income in scenarios where income fluctuates, such as when income is received as an independent contractor, day laborer, or seasonal worker.
  - A day laborer is defined as "an individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future."
  - An independent contractor is defined as "an individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code Federal income tax requirements and whose earnings are consequently subject to the Self-Employment tax."
  - A seasonal worker is defined as "an individual who is: 1) hired into a short-term position (e.g., for which the customary employment period for the position is six months or fewer); and 2) employment begins about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the employer or industry." Examples include employment linked to holidays, agricultural seasons, lifeguards, ballpark vendors, snowplow drivers, etc.

Such income does not meet HUD's definition of "nonrecurring" and must be counted as income. If income cannot be determined using current information, the owner may anticipate income based on the income that was earned within the last 12 months prior to the income determination. However, prior year's income should not be used if information is available that shows the situation has changed.

Any income source not specifically excluded must be included. See the list of income exclusions at 24 CFR 5.609.

Note that income limits are based on gross annual income, not adjusted annual income. Allowances commonly used in some federal housing programs, such as childcare allowance, elderly household allowance, dependent allowance, handicapped assistance allowance, medical deductions, etc., are not permitted to be subtracted from the household's gross income to determine income eligibility for program assisted units. Adjusted income is only calculated to determine the rent to charge households exceeding 80% AMI in HOME-assisted units as described in Section 3.1 C.

### C. Assets

#### Net Family Assets Defined

Net family assets are defined as the net cash value of all assets owned by the family (except necessary personal property and specifically excluded assets), after deducting reasonable costs that would be incurred to dispose of real property, savings, stocks, bonds, and other forms of investment.

There are three types of assets:

- Real property is included in net family assets. Real property includes land or a home.
- Necessary personal property is excluded from net family assets. Necessary personal property includes (1) items essential to the family for the maintenance, use, and occupancy of the premises as a home, (2) items necessary for employment, education, or health and wellness, (3) items that assist a household member with a disability or that may be required for a reasonable accommodation for a person with a disability, and (4) personal effected including items that are convenient or useful to a reasonable existence and that support and facilitate daily life within the home.
- Non-necessary personal property includes bank accounts, other financial investments, luxury items, and other items not counted as necessary personal property. Non-necessary personal property is treated as follows:
  - If combined value > \$50,000 (adjusted by inflation) include in net family assets
  - If combined value < \$50,000 (adjusted by inflation) exclude from net family assets, but actual income from the assets is still included as income

See Table F1 and Example F1 from HUD Notice H 2023-10 (on the next two pages) for examples of necessary personal property versus non-necessary personal property.

**Table F1: Examples of Necessary and Non-Necessary Personal Property**

Necessary Personal Property	Non-Necessary Personal Property
<ul style="list-style-type: none"> <li>• Car(s)/vehicle(s) that a family relies on for transportation for personal or business use (e.g., bike, motorcycle, skateboard, scooter)</li> <li>• Furniture, carpets, linens, kitchenware</li> <li>• Common appliances</li> <li>• Common electronics (e.g., radio, television, DVD player, gaming system)</li> <li>• Clothing</li> <li>• Personal effects that are not luxury items (e.g., toys, books)</li> <li>• Wedding and engagement rings</li> <li>• Jewelry used in religious/cultural celebrations and ceremonies</li> <li>• Religious and cultural items</li> <li>• Medical equipment and supplies</li> <li>• Health care–related supplies</li> <li>• Musical instruments used by the family</li> <li>• Personal computers, phones, tablets, and related equipment</li> <li>• Professional tools of trade of the family, for example professional books</li> <li>• Educational materials and equipment used by the family, including equipment to accommodate persons with disabilities</li> <li>• Equipment used for exercising (e.g., treadmill, stationary bike, kayak, paddleboard, ski equipment)</li> </ul>	<ul style="list-style-type: none"> <li>• Recreational car/vehicle not needed for day-to-day transportation (campers, motorhomes, travel trailers, all-terrain vehicles (ATVs))</li> <li>• Bank accounts or other financial investments (e.g., checking account, savings account, stocks/bonds)</li> <li>• Recreational boat/watercraft</li> <li>• Expensive jewelry without religious or cultural value, or which does not hold family significance</li> <li>• Collectibles (e.g., coins/stamps)</li> <li>• Equipment/machinery that is not used to generate income for a business</li> <li>• Items such as gems/precious metals, antique cars, artwork, etc.</li> </ul>

**Example F1: Necessary and Non-Necessary Personal Property**

<p>The Cross family owns three items of personal property. The family has a checking account valued at \$5,000, a \$15,000 recreational boat, and Ms. Cross's \$3,000 engagement ring.</p> <p>The checking account and recreational boat are both considered non-necessary personal property. They are worth a combined \$20,000. The engagement ring is considered necessary personal property, because it is jewelry used in a religious/cultural celebration or ceremony. Since the total value of non-necessary personal property is less than \$50,000, the family's non-necessary personal property will not be considered when calculating the Cross family's net family assets.</p>			
<u>Cross Family's Personal Property</u>			
Item	Estimated Value	Type	Amount to be considered as non-necessary personal property
Checking account	\$5,000	Non-necessary Personal Property	\$5,000
Ring (engagement ring)	\$3,000	Necessary Personal Property	\$0
Recreational boat	\$15,000	Non-necessary Personal Property	\$15,000
Total Non-necessary Personal Property:			\$20,000
<u>Calculation of Cross Family's Total Net Assets</u>			
Asset	Total to be Considered in Net Family Assets		
Non-necessary Personal Property	\$0		
Real Property	\$0		
Total:	\$0		
The Cross family's total net family assets are \$0.			

The market value of an asset is its dollar value on the open market. The cash value of an asset is the market value minus reasonable expenses incurred to convert the asset to cash, including for example:

- Penalties or fees for converting financial holdings. Any penalties, fees, or transaction charges incurred when an asset is converted to cash are deducted from the market value to determine its cash value.
- Costs for selling real property. Settlement costs, real estate transaction fees, payment of mortgages/liens against the property, and any legal fees associated with the sale of real property are deducted from the market value to determine equity in real estate.

If an asset is not effectively owned by an individual, do not include as a household asset. An asset is not considered "effectively owned" by an individual when the asset is held in the individual's name but the asset and income it earns accrue to the benefit of someone else who is not a member of the family, and that other person is responsible for taxes on income generated by the asset.

NOTE: Some income sources (including benefits such as Social Security) are being paid onto special pay cards / prepaid debit cards instead of through direct deposit into a checking or savings account. These cards are included as assets and are verified in the same way as a checking or savings account. A current balance must be provided and included as an asset in addition to the benefit income being counted as income. This balance can be obtained through an online account service, a

paper statement, or an ATM balance.

#### Disposed of Assets

Assets disposed of for less than fair market value are included as assets for a period of two years from the date of disposal. The amount to be included as an asset is the difference between the cash value of the asset and the amount that was actually received (if any) in the disposition of the asset. This rule only applies if the difference between the cash value and the amount received is greater than \$1000.

Assets disposed of for less than fair market value as a result of foreclosure or bankruptcy or those lost through a separation or divorce settlement are not included in this calculation.

#### Jointly Owned Assets

If assets are owned by the household and one more individuals outside of the household, the owner agent must include the total value of the asset in the calculation of net family assets unless (1) the asset is specifically excluded, (2) the household can demonstrate that the asset is inaccessible to them, or (3) the household cannot dispose of any portion of the asset without the consent of another owner who refuses to comply. If the household has access to only a portion of the asset, then only that portion's value is counted in the calculation of net family assets.

If the household member is a beneficiary who is entitled to access the account's funds only upon the death of the account's owner, and may not otherwise draw funds from the account, then the account is not counted as an asset for the household.

#### Assets with Negative Equity

The value of real property or other assets with negative equity is considered \$0 for purposes of calculating net family assets.

#### Excluded Assets:

The following are excluded from net family assets. Any asset source not specifically excluded must be included in net family assets.

- The value of necessary items of personal property (see below)
- The value of non-necessary items of personal property with a combined value < \$50,000 (adjusted by inflation). However, actual income earned from such assets is still included as income.
- The value of any account under a retirement plan recognized as such by the IRS, including Individual Retirement Accounts (IRAs), employer retirement plans such as 401(k) or 403(b) plans, and retirement plans for self-employed individuals.
- The value of real property that the household does not have the effective legal authority to sell. Examples include co-ownership situations where one party cannot unilaterally sell the real property (including situations where one owner is a victim of domestic violence), property tied up in litigation, or inherited property in dispute.
- Amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a household member arising out of law that resulted in a member of the family being a person with disabilities.
- The value of any Coverdell education savings account under Section 530 of the Internal Revenue Code, the value of any qualified tuition program under Section 529 of the Internal Revenue Code, and the amounts in, contributions to, and distributions from an Achieving a Better Life Experience (ABLE) account under Section 529A of such code.
- The value of any "baby bond" account created, authorized, or funded by the federal, state, or local government (money held in a trust by the government for children until they are adults)
- Interests in Indian trust land
- Equity in a manufactured home where the family receives assistance under 24 CFR Part 982
- Equity in property under the Homeownership Option for which a family receives assistance under 24 CFR Part 982
- Family Self-Sufficiency accounts
- Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family
- The full amount of assets held in an irrevocable trust
- The full amount of assets held in a revocable trust where a member of the household is the beneficiary, but the grantor/owner and trustee of the trust is not a member of the household

#### Subtraction of Federal Tax Refunds or Refundable Tax Credits

Amounts received in the form of a federal tax refund or refundable tax credit are excluded from net family assets.

If a tax refund was received during the previous 12-month period preceding the effective date of certification, then the amount of the refund must be subtracted from the total value of the account into which it was deposited. If the subtraction results in a negative number, the balance of the asset is considered \$0. When calculating this amount, the owner agent must use the refund amount actually received, not an amount anticipated.

#### Asset Income

##### Actual Income from Assets

The income generated by an asset, such as interest or dividend payments. Actual income from assets is always included in annual income, regardless of whether the asset itself is included or excluded from net family assets, unless the income is specifically excluded.

Example: Household has a \$20,000 savings account with a 2% interest rate. The household has no other assets.

- Total value of assets is \$20,000
- Net family assets = \$0 (the total value of assets is less than \$50,000 so net family assets is considered \$0)
- Actual asset income from the savings account is \$400 (2% interest x \$20,000 balance) even though the net family assets is \$0

##### Imputed Income from Assets

Imputed income must be calculated for specific assets (not all assets) when three conditions are met:

- The value of net family assets exceeds \$50,000 (adjusted by inflation)
- The specific asset is not specifically excluded; and
- Actual asset income cannot be calculated for that specific asset

If actual income from asset can be computed for some assets but not all, the owner agent must add up the actual income from assets for those assets where actual income can be calculated and then calculate imputed income just for those assets where actual income cannot be calculated.

Imputed income is calculated using the passbook rate.

- Prior to 2/1/15, the passbook rate was 2.00%
- From 2/1/15 through 12/31/23, the passbook rate was 0.06%
- For 2024, the passbook rate is 0.40%
- HUD will calculate a new passbook rate each July

#### D. Computing the Total Household Income

After all income and asset information has been verified for a household, all included sources of income are added together to calculate the total household income. In order for the household to qualify for a program assisted unit, the total household income must be at or below the income limit in effect at the time of tenant certification. If the total household income is greater than the income limit, then the household cannot be certified for a program assisted unit. Income and assets must be calculated in accordance with the Section 8 methodology as described in 24 CFR 5.609 and in further detail in Chapter 5 of HUD Handbook 4350.3 as superseded by Notice H 2023-10/PIH 2023-27 (HOTMA Implementation Guidance) where applicable. Any income and asset source not specifically excluded from household income must be included.

Income limits are based on **gross annual income, not adjusted annual income**. Allowances commonly used in some federal housing programs, such as childcare allowance, elderly household allowance, dependent allowance, handicapped assistance allowance, medical deductions, etc., are not permitted to be subtracted from the household's gross annual income to determine income eligibility. Adjusted income is only calculated to determine the rent to charge households exceeding 80% AMI in HOME-assisted units as described in Section 3.01.

### Section 5.05 Annual and Interim Income Recertification Requirements

Owners may utilize effective dates when performing tenant certifications. Therefore, the tenant may sign the tenant certification on or before the date the certification takes effect. **All income and eligibility verifications must be dated no more than six**

**months prior to the effective date of the tenant certification.** The Owner should have language in the tenant certification documents indicating that the tenant must inform the recipient of any changes of income or household composition that may occur between the date the tenant signs the certification and the effective date of the certification.

#### **Recertification for HOME and HTF-assisted Units**

Every sixth year of the affordability period, the owner agent must perform an income recertification for each low-income household and receive third-party documentation to support that certification. In other years, the owner agent may accept the household's self-certification of income. For example, a HOME project is closed out and begins its affordability period in 2023. 2024 is Year 1. 2029 is Year 6. In 2029, all tenants must have a full income recertification using source documentation as verification.

The owner agent may choose one of three options when deciding when to perform annual recertifications.

1. Recertification may be performed at the anniversary date of the initial move-in certification; or
2. Recertification may be performed at lease renewal; or
3. Recertification may be performed on an annual schedule where all households are verified at the same time every year (for example, owner may choose to annually recertify every existing household on January 1st).

### **Section 5.06 Lease and Rent Requirements**

All residents occupying program units must be certified and under a lease no later than the time that the household moves into the unit. A signed lease is required for all permanent rental housing units. A signed lease must be in effect for each household/unit. Once executed, the lease terms cannot be modified without reasonable notice to the tenant in accordance with Mississippi Code 89-8-11.

#### **A. Lease or Program Agreement Requirements**

A signed lease must be in effect for each year that a household resides in a unit. A new lease and/or a lease renewal addendum must be completed annually. Leases must reflect the correct date that the household moves into or otherwise takes possession of the unit. A unit must be leased directly to the household, not to an organization that provides services to the household.

The household may have a cosigner, if necessary, but the cosigner must sign a self-affidavit stating that (1) they will not reside in the unit and (2) disclosing whether they will be providing income to the household in the form of rent or utility payments or other recurring gifts. If income is provided, this must be treated as recurring gift income per Section 5.03.

At a minimum, the lease language must include (but is not limited to), the following. Note: Language about programmatic requirements may be included in a lease addendum instead of the main body of the lease.

1. The legal name of all parties to the agreement and all other occupants;
2. Address and description of the unit to be rented;
3. The date the lease becomes effective;
4. The term of the lease (must be for at least one year unless there is a mutual agreement between tenant and Owner for a shorter period; must be separately documented in the tenant file);
5. The rental amount;
6. Language addressing security deposits;
7. Language or Lease Addendum acknowledging receipt of the Fair Housing and Lead-Based Paint Brochures;
8. The utility allowance requirements, including a clear breakdown of which utilities are Owner-paid and which are tenant-paid;
9. The use of the premises including language addressing that only members listed on the lease/TIC may dwell in the unit, that the unit must be the household's primary residence, and that the unit may not be sublet;
10. The rights and obligations of the parties, including the obligation of the tenant to recertify annually (or more frequently as required);
11. Language addressing income decreases and increases (i.e., for HOME-assisted units the 80% rule), utility allowance increases/decreases, basic rent changes (in Rural Development or 236 Developments), household composition changes, student status changes (for HOME-assisted units) or any other change and its impact on the tenant's rent and eligibility. The Owner must give at least 30 day written notice prior to increasing rent.

12. Language addressing the right of the development and/or other funding providers to enter the assisted unit for physical inspections;
13. Description of the lease renewal process;
14. Description of the termination process (must give at least 30 days' notice);
15. Signature of all tenants 18 and older or emancipated;
16. Signature of Owner/property manager; and
17. Date of execution.

**B. Prohibited Lease Language**

Per 24 CFR 92.253(b) and 24 CFR 93.303(b), the following items within a lease will constitute a finding of noncompliance:

1. Agreement to be sued, to admit guilt, or to a judgment in favor of the Owner in a lawsuit brought in connection with the lease;
2. Agreement that the Owner may seize or sell personal property without notice and a court decision (this does not apply to tenants who have vacated the property);
3. Excusing Owner from responsibility- Lease cannot contain an agreement not to hold the Owner or Owner's agents legally responsible for any action or failure to act, whether intentional or negligent;
4. Waiver of notice stating the Owner may institute a lawsuit without notice to the tenant;
5. Waiver of legal proceedings stating the Owner may evict the tenant without instituting a civil court proceeding;
6. Waiver of jury trial;
7. Waiver of right to appeal or otherwise challenge a court decision;
8. Agreement to pay all legal costs regardless of the outcome. The tenant may be obligated to pay costs if he or she loses a court proceeding but may not be required to pay the Owner's attorney fees or other legal costs if the he or she wins the court proceeding;
9. Agreement by the tenant (other than a tenant in transitional housing) to accept supportive services that are offered;
10. Language allowing a rent increase without at least 30 day written notice as per 24 CFR 92.252(f)(3); and
11. Language allowing termination of lease without at least 30 days written notice as per 24 CFR 92.253(c). For more information on termination of tenancy, see Section 5.06 below.

**C. Rents and Security Deposits**

Rents on the program units may not exceed the maximum allowable rent. Any violation of overcharging rents is considered noncompliance, and the Owner will have to adjust rent and repay the overcharged rents (See Section 3.02 for more information on correctly implementing rent limits).

**D. Initial Minimum Term of Lease**

There must be a lease term of at least one year on all program units unless the Owner and the tenant have a mutually agreed upon a different lease term for the unit. All leases must, however, be for no less than 30 days.

Federal regulations do allow shorter leases for certain types of housing for homeless individuals. The following types of housing are exempt from the one-year minimum lease term:

1. Single Room Occupancy (SRO) units in developments receiving McKinney Act and Section 8 Moderate Rehabilitation assistance; or
2. Single Room Occupancy (SRO) units intended as permanent housing and not receiving McKinney Act assistance.

**\*\*Note:** Leases must reflect the correct date of move-in, and/or the date the tenant takes possession of the unit.

**E. Eviction or Termination of Tenancy**

If a household cannot pay the rent or otherwise commits material violation of the lease, the Owner has the same rights in dealing with the income-eligible tenant as with any other tenant, including, if necessary, eviction. MHC encourages Owners to utilize eviction only as a last resort and to implement eviction prevention strategies.

**1. Program Requirements and Guidance**

Regulations state that there must be just cause for eviction or other form of termination of tenancy (non-renewal of

lease). This provision is often referred to as "good cause eviction." Language outlining actions that constitute good cause for eviction or termination of tenancy must be included in writing at the time of initial occupancy, preferably in the lease. Examples of good cause evictions may include nonpayment of rent, violations of the lease agreement, destruction or damage of the property, interference with other tenants, tenant fraud, or use of the property for an unlawful purpose. When dealing with tenant conduct issues, the Owner is strongly encouraged to provide a written warning notice to the tenant prior to beginning eviction. This notice should include a statement that continued poor conduct could constitute a basis for future termination.

For transitional housing, good cause for termination includes completion of the tenancy period for transitional housing or failure to participate in any required supportive services.

## 2. Items Not to be Construed as Good Cause for Eviction

- An increase in income that causes the household to exceed the unit set-aside, or the 80% (for HOME-assisted units) income limit is not considered good cause for eviction or termination of tenancy.
- Eviction is not permitted if such eviction is discriminatory based on the tenant/household's protected class under the Fair Housing Act (see Section 4.02).
- Per the Violence Against Women Reauthorization Act of 2013 (see Section 4.02) the Owner/manager shall ensure that an incident of actual or threatened domestic violence, dating violence, sexual assault, or stalking shall not be construed as either:
  - A serious or repeated violation of a lease by the victim or threatened victim of such incident; or
  - Good cause for terminating the assistance, tenancy, or occupancy rights to housing of the victim of such incident.

**Owners may not terminate tenancy solely because a household experiences a change in income and existing tenants are never required to move because of an increase or decrease in income. This includes temporarily noncompliant HOME units in which the households exceed 80% of AMI.**

## 3. Documenting the File

When the Owner determines that eviction or termination of tenancy is necessary, the tenant must be served written notice and given no less than thirty (30) days to vacate. The Owner must document the justification and keep copies of the notifications sent to the tenant.

When a tenant is evicted or a lease is terminated, MHC will expect to see documentation outlining the specific cause for non-renewal. It is the Owner's responsibility to document and defend the good cause for eviction if challenged in state court.

## Article VI. Compliance Monitoring Procedures

This section of the manual outlines MHC's procedures for monitoring, in accordance with 24 CFR Part 91, 24 CFR Part 92, and 24 CFR Part 93. Remaining in compliance is solely the responsibility of the Owner and is necessary to use and retain the funds allocated to the award.

Monitoring each development is an ongoing activity that extends throughout the affordability period/extended use period. MHC is required by regulation to conduct compliance monitoring and to take the appropriate steps when noncompliance is found.

### Section 6.01 Owner and Management Contacts

Correspondence from MHC regarding compliance monitoring and physical inspections will be sent to the Owner contact person and management company contact person provided in the development's Application. All other correspondence will be sent directly to the Owner contact person. MHC will annually update the contact information based on the information provided in the development's Annual Owner Certification of Compliance. As part of the Owner Certification documentation, the Owner can elect one designated "primary Owner contact" and one designated "primary management contact" per development. MHC will allow no more than one primary Owner contact name and address and one primary management contact name and address per development.

If at any time the contact person of the Owner or management agent changes, it is the sole responsibility of the Owner to inform MHC in writing of such change with supporting documentation.

### Section 6.02 The Compliance Manual

MHC provides this Compliance Manual as a resource to Owners and management agents. The manual describes the compliance regulations that the Owner and management agent must follow and the compliance monitoring procedures used by MHC. **An amended Compliance Manual will be released periodically, and the newest edition overrides all previous editions. Except where otherwise noted, all amendments to the Compliance Manual apply to all developments, regardless of year of funding.**

### Section 6.03 Quarterly Construction Status Reports

Owners are required to report quarterly during the development phase and lease up phase. Quarterly reports will be due on the 5<sup>th</sup> of the month following the end of the prior quarter.

Due Dates:

- April 5<sup>th</sup> – reflecting the Project period January, February, March
- July 5<sup>th</sup> – reflecting the Project period April, May, June
- October 5<sup>th</sup> – reflecting the Project period July, August, September
- January 5<sup>th</sup> – reflecting the Project period October, November, December

Furthermore, during the construction phase, owners must provide Section 3 and MBE/WBE quarterly reports. If necessary, monthly reports may be requested detailing construction progress and barriers to progress, copies of invoices being paid, and evidence of appropriate lien waivers.

### Section 6.04 The Initial Compliance Monitoring Review

Before the Owner receives the last 10% retainage of their award, an initial compliance monitoring review must be completed. The project should have reached 100% completion and have passed the required 100% physical inspection. This initial monitoring occurs within 12 months of construction completion and is necessary to mark the project complete in IDIS.

Several items, including but not limited to the following, are reviewed during this monitoring:

1. **Section 3.** Owners and developers of housing construction/rehabilitation projects receiving \$200,000 or more in aggregate HUD funding (including HOME or HTF as well as CDBG or other similar funding from a local government) are subject to the requirements of Section 3 of the Housing and Community Development Act of 1968 as outlined in 24 CFR 75. The purpose of Section 3 is to provide economic opportunities, particularly employment, generated by HUD-assisted development activity, to low- and very low-income persons. In practice, MHC expects that all HOME/HTF rental projects will be subject to Section 3. Projects subject to Section 3 are required to take steps to achieve HUD-specified benchmarks (and maintain records and provide reporting) on total labor hours worked including by eligible "Section 3 workers" (25% of total labor

hours) and by "Targeted Section 3 workers" (5% of total labor hours).

This requirement is met by completing the "Reporting on Section 3 Activities (sample form)" on the MHC website along with the following supporting documentation:

- A. For a worker to qualify as a Section 3 worker, one of the following must be maintained:
  - i. A worker's self-certification that their income is below the income limit from the prior calendar year;
  - ii. A worker's self-certification of participation in a means-tested program such as public housing or Section 8-assisted housing;
  - iii. Certification from a PHA, or the owner or property manager of project-based Section 8-assisted housing, or the administrator of tenant-based Section 8-assisted housing that the worker is a participant in one of their programs;
  - iv. An employer's certification that the worker's income from that employer is below the income limit when based on an employer's calculation of what the worker's wage rate would translate to if annualized on a full-time basis; or
  - v. An employer's certification that the worker is employed by a Section 3 business concern.
- B. For a worker to qualify as a Targeted Section 3 worker:
  - i. An employer's confirmation that a worker's residence is within one mile of the work site or, if fewer than 5,000 people live within one mile of a work site, within a circle centered on the work site that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census;
  - ii. An employer's certification that the worker is employed by a Section 3 business concern; or
  - iii. A worker's self-certification that the worker is a YouthBuild participant.
- C. Additional reporting if Section 3 benchmarks are not met. If the Owner's reporting indicates that the Developer has not met the Section 3 benchmarks described in 24 CFR 75.13, the Owner must report on the "Reporting on Section 3 Activities (sample form)" on the qualitative nature of its Section 3 compliance activities and those of its contractors and subcontractors. Such qualitative efforts may, for example, include but are not limited to the following:
  - i. Engaged in outreach efforts to generate job applicants who are Targeted Section 3 workers.
  - ii. Provided training or apprenticeship opportunities.
  - iii. Provided technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).
  - iv. Provided or connected Section 3 workers with assistance in seeking employment including: drafting resumes, preparing for interviews, and finding job opportunities connecting residents to job placement services.
  - v. Held one or more job fairs.
  - vi. Provided or referred Section 3 workers to services supporting work readiness and retention (e.g., work readiness activities, interview clothing, test fees, transportation, childcare).
  - vii. Provided assistance to apply for/or attend community college, a four-year educational institution, or vocational/technical training.
  - viii. Assisted Section 3 workers to obtain financial literacy training and/or coaching.
  - ix. Engaged in outreach efforts to identify and secure bids from Section 3 business concerns.
  - x. Provided technical assistance to help Section 3 business concerns understand and bid on contracts.
  - xi. Divided contracts into smaller jobs to facilitate participation by Section 3 business concerns.
  - xii. Provided bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.
  - xiii. Promoted use of business registries designed to create opportunities for disadvantaged and small businesses.
  - xiv. Outreach, engagement, or referrals with the state one-stop system as defined in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.

- 2. **Minority-owned Business Enterprises & Women-owned Business Enterprises (MBE/WBE).** Federal regulations require that all HOME/HTF program recipients make every effort to use local business firms and contract with small, minority-owned, and women-owned businesses in the procurement process. Specifically, the Owner/Developer must take affirmative steps to use small firms, minority-owned firms, women-owned firms, or labor surplus area firms per 2 CFR 200.321(a).

Affirmative steps must include:

- A. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- B. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;

- C. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
  - D. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
  - E. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
  - F. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed above.
3. **Affirmative Marketing.** The Owner must follow the Affirmative Fair Housing Marketing Plan that was submitted with the funding application. Evidence of all marketing activity and outreach activities must be provided. Ads, flyers, and social media posts are examples of supporting evidence. The outreach should have been directed towards those least likely to apply as shown in the marketing plan.
4. **Tenant Selection Policies and Criteria.** The Owner must have written tenant selection policies and criteria that meet HOME/HTF requirements. The policy must describe who can rent units (income restrictions, special populations, nondiscrimination against those with rental assistance), VAWA protections, and the use of a waiting list and applicant notification of reasons for rejection. Tenant selection policy & criteria must include the following:
- Occupancy is limited to very low-and low-income households
  - Description of preferences to particular population(s), if any
  - No exclusion of applicants who hold rental assistance certificate or voucher
  - Required use of waiting list and selection of tenants in chronological order of application, to extent possible
  - Owners must give prompt written notice to rejected applicants, with the reason
  - Compliance with VAWA protections
- Documentation includes a copy of the tenant selection policy, and the tenant files show compliance with the policy.
5. **Lease Compliance.** There must be a lease between Owner and tenant, and it must:
- Be for at least one year; shorter term by mutual written agreement
  - Include VAWA lease addendum, if HOME commitment made to project after 12/16/2016
  - Must NOT contain prohibited lease terms per 92.253(b)/93.303(b)
6. **Initial Income Eligibility Determination.** For initial leasing, Owner determines tenant income eligibility:
- Uses HOME/HTF income limits applicable at time
  - Uses MHC-specified definition of income (Part 5)
  - Review at least 2 months of source documentation
  - Count income for all household members
  - Project household's prevailing rate of income for the next 12 months
  - Determination: no more than 6 months before signing lease
  - Same definition of income for all tenants in project
- Documentation includes the tenant's application/worksheet reporting household members & income source documents (pay stubs, etc.).
7. **Initial Rent and Rent Schedule.** For HOME-assisted units, rents cannot exceed the high HOME rent limit. In projects with 5+ HOME units, 20% of HOME units must charge rent that cannot exceed the low HOME rent limit. If the tenant pays for utilities and/or services, the Owner must deduct a utility allowance from the rent limit to determine maximum rent based on the HUD Utility Schedule Model or another model that is based on type of the utilities at the project. An initial rent schedule and utility allowance schedule should have already been submitted to MHC. The review will make the determination that the rent stated in the lease is HOME/HTF compliant, and the Owner correctly deducted the utility allowance and any other subsidies when determining maximum rent. A rent calculation worksheet would be proper documentation of this requirement.
8. **Financial Review.** Documentation must show evidence that any HOME/HTF funds drawn down to the project as of the date of the initial compliance monitoring review have been paid to contractors/vendors named on the invoices in the previously

submitted requests for cash. Canceled checks or wire transfers are sufficient evidence for proof of payment. The final request for cash shall include a cost certification. For HOME projects, documentation must show payment within 15 days of receipt from MHC.

9. **Lead-Based Paint.** For rehabilitation projects on buildings built before 1978, the tenant file must show that the tenant received the free educational pamphlet "Protect Your Family from Lead in Your Home", a warning statement in the lease, a disclosure of known LBP or LBP hazards, all available information, and an opportunity for testing.
10. **Davis-Bacon Labor Standards** (For projects with 12 or more HOME-assisted units). Evidence of compliance with Davis-Bacon labor standards is required.

### Section 6.05 Annual Owner Certification of Compliance

Once the Affordability Period begins, the Owner must annually certify project compliance to MHC under penalty of perjury. The Annual Owner Certification of Compliance is due each year and certifies information for the preceding 12-month period. Complete submission includes finalizing the Annual Owner Certification questions, submitting all tenant events, and payment of annual monitoring fees (if the project has tax credits).

The first annual owner certification is due the year following the year of the project's closeout date. **However, the Owner must begin reporting tenant events with the first tenant move-in.** The report covers the period January 1 – December 31 of each year.

Through these reports, the Owner must annually certify that:

1. The award meets the required set-aside per the Regulatory Agreement.
2. The Owner has completed a Tenant Income Certification form and supporting documentation to support the certification for each low-income household, including for HOME-assisted units documentation proving student status eligibility.
3. Each low-income unit in the award was rent restricted as provided under the program and MHC requirements;
4. The development is in continuing compliance with all promises, covenants, set-asides, and agreed upon restrictions as set forth in the application, Regulatory Agreement, and recorded Declaration of Restrictive Covenants
5. The unit types, gross rents, utility allowance, and actual rents charged for each unit;
6. All units in the development are for use by the general public and no finding of discrimination under the Fair Housing Act or VAWA occurred for the award.
7. Fair housing, equal employment opportunity, and lead-based paint information is posted, as required by MHC. Each beneficiary of a program assisted unit has been given a lead-based paint and fair housing brochure as required by MHC. Documentation of each beneficiary's receipt of the brochures is being maintained throughout the affordability period and is available for inspection by MHC.
8. All units are used on a non-transient basis (except for transitional housing units allowed under the Regulatory Agreement).
9. All units in the development are suitable for occupancy, taking into account all federal, state, and local health, safety, and building codes and the state or local unit of government responsible for making building code inspections did not issue a report of a violation for any building or unit in the award.
10. All tenant facilities included in the award under the program and state regulations, such as swimming pools, recreational facilities, and parking areas, are provided on a comparable basis without charge to all tenants of the award;
11. No low-income units in the building became vacant during the applicable year; or one or more low-income units in the building became vacant during the applicable year and reasonable efforts were/are being made to rent such units or units of comparable size in the building to eligible tenants.
12. No tenant of any low-income unit in the award experienced an increase in income above the limit allowed; or income of tenants of a low-income unit in the award increased above the limit allowed and the appropriate over-income rules were followed (if HOME-assisted).
13. The development has at least one smoke detector on each level of the rental dwelling unit;
14. There have been no changes in entity ownership or if there have been, MHC has been provided with all details and all necessary documentation; and
15. The development is otherwise in compliance with the applicable laws, rules, regulations, and ordinances.

### Section 6.06 MHC Monitoring Reviews and Inspections During the Affordability Period

MHC reserves the right to review a development's tenant/unit files and related records either via desktop review (files submitted electronically to MHC offices) or onsite at the development and to perform physical inspections as deemed necessary throughout

the Affordability Period.

- All properties will be subject to tenant file audits and physical unit inspections once every three years throughout the affordability period. The monitoring and inspection sample size will be determined as follows:
  - For projects with one to four assisted units, 100% of the assisted units will be monitored/inspected.
  - For projects with more than four assisted units, at least 20% of the assisted units, but no fewer than four units, will be monitored/inspected. For physical inspections, at least one assisted unit in each building will be inspected.
- Inspectable areas under NSPIRE will be inspected for all buildings. Inspectable areas include unit, inside, and outside..

However, MHC reserves the right to inspect the files and/or physical units at any time at its discretion, with or without advance notification to the Owner. Decisions to monitor/inspect more frequently may be based on tenant complaints or MHC's assessment that a project is high risk. A project may be deemed high risk based on compliance issues identified through the Annual Owner Certification or on financial issues identified through the annual Financial Review (if applicable).

#### A. File Monitoring

All awards will have a file audit in the same year the development has a physical inspection. MHC staff or a representative of MHC will conduct the audit. The audit will either be conducted onsite or through a desktop review. Regardless of whether it is done onsite or offsite, the audit will consist of the following:

1. Fair Housing and Equal Opportunity - Are the fair housing and equal opportunity posters displayed at:
  - The property location if a single site project; and/or
  - At the site where residents apply for housing.
2. Lead Based Paint Educational Information (if applicable) - Is the Lead Based Paint Poster displayed at:
  - The property location if a single site project; and/or
  - At the site where residents apply for housing.
  - Annual recertification of the unit passing a visual assessment (as required by the Lead-Based Paint regulations, if applicable).
3. Affirmative Marketing- Projects with five or more assisted units must follow Affirmative Fair Housing Marketing procedures.
  - MHC will review the Affirmative Marketing Plan process utilized in determining the market least likely to apply for housing, and how the units were marketed to this segment of the population. MHC will review documentation including brochures, advertisements, and marketing materials that were utilized;
  - Affirmative Fair Housing Marketing Plans must be evaluated at least once every five years and updated according to the policies of the Fair Housing and Equal Opportunity Office of the Department of Housing and Urban Development (HUD). All updated Affirmative Fair Housing Marketing Plans must be submitted to MHC.
  - The Affirmative Fair Housing Marketing Plan must be created using HUD Form 935.2A.
4. Tenant Selection Plans - MHC will review the written tenant selection plans utilized by management. The plan should allow MHC staff to determine how tenants are selected and the criteria used for approving or denying applicants. See Section 4.02 for more information on Tenant Selection Plans.
5. VAWA Compliance (if applicable), including records to demonstrate that tenants have been properly notified of their rights under VAWA through required notices and lease addendum documents. See Section 4.02 for information on VAWA applicability and requirements.
6. Utility Allowance - MHC will review documentation of utilities paid by the tenant versus those paid by the Owner.
7. Tenant Files - For each unit randomly selected, a file must be available containing the following documentation:
  - Lease (original and current);
  - Lease addenda forms- e.g., HOME or HTF Program Lease Addendum, VAWA Addendum, etc.
  - Application (for move-in files);
  - Tenant Income Certification (TIC) form;
  - Income Certification Questionnaire;
  - Income and asset verifications;
  - Student status certifications (for HOME-assisted units)
  - Utility allowance and supporting documentation;
  - Documentation of the receipt of the applicable brochures (Fair Housing & Lead Based Paint); and

- For tenants receiving tenant-based Section 8 vouchers, a copy of the Housing Assistance Payment (HAP) Contract and the current HAP Amendment from the Public Housing Authority or a copy of the current HUD Form 50058. For tenants in Section 8 Project Based Voucher (PBV) units, a copy of the current HUD Form 50058 showing the amount of rental assistance. For tenants in Section 8 Project Based Rental Assistance (PBRA) units, a copy of the current HUD Form 50059 showing the amount of rental assistance.

**When performing an onsite (at the development or management office) review, MHC will:**

1. As a courtesy, MHC will notify the Owner and/or management agent at least one week in advance of the intended site visit. **However, MHC reserves the right to inspect any unit/tenant file at any time at its discretion without prior notification.**
2. The Compliance Officer will randomly choose a selection of 20% of the files for review;
3. Provide an exit interview summary to management representative;
4. Inform the Owner of any findings of noncompliance with regard to such review; and
5. Allow the Owner 30 days to notify MHC of any correction of noncompliance.

NOTE: If files are not available or are found in such a condition that an MHC Auditor cannot effectively review the files, the 30-day correction period will begin immediately.

**When performing an in-house (at MHC office) file audit, MHC will:**

1. Notify the Owner in writing which unit files have been selected for review;
2. Respectfully request that either (1) electronic copies of selected files and documentation be submitted through an MHC approved file transfer site. Contact MHC staff if online file transfer is available; or (2) hard copies of the selected files and documentation be shipped to MHC or hand delivered by the Owner or a representative of the Owner. Do not send original copies. All documents will be shredded at completion of the audit.
3. Ask for a current rent roll and utility allowance information;
4. Shred all files and confidential information after the review is completed;
5. Give a time frame in which the tenant file documentation must be submitted. Currently, MHC requires files to be submitted within two weeks of notification of the monitoring;
6. Inform the Owner of any findings of noncompliance regarding such review; and
7. Allow the Owner 30 days to notify MHC of any correction of noncompliance.

NOTE: The desktop notification/file request letter will include a checklist of the items that must be included in each tenant file submitted. When reviewing copies of the files, MHC will expect to see all the applicable documents listed on the checklist, in the approximate order that they are listed (leasing information, tenant information, income verifications, asset verifications, other clarifications). Compliance Officers will not review files that are submitted in a disorderly or incomplete fashion.

**B. Physical Inspections**

**Prior to performing an onsite development inspection, MHC or its third-party agent will:**

1. Notify the Owner and/or the management company of the date and approximate time the inspection will take place.
2. Request that the Owner and/or management company representative be present and accompany the inspector throughout the entire inspection process.

It is imperative that **all** units be available for interior and exterior inspections (vacant units, occupied units, and common areas inclusive). Physical inspection is not limited to vacant units. Staff will ask to inspect specific units whether the unit is occupied or not and will not give advance notice as to which units will be inspected. Units to be inspected will be selected randomly.

**After performing an onsite development inspection, MHC will:**

1. Immediately provide the property representative, if needed, a copy of a Critical Violations Letter identifying all life-threatening or severe issues (per the NSPIRE severity classification) observed at the time of the inspection that require immediate corrections. **All life-threatening or severe issues identified in the Critical Violations Letter must be corrected within 24 hours, and MHC must be notified of the completed corrections within 72 hours.**
2. Send a copy of the inspection report to the owner and management company indicating a correction time frame per

the NSPIRE severity classification. **Life-threatening or severe issues must be corrected within 24 hours.** Moderate severity issues must be corrected within 30 days. Low severity issues must be corrected within 60 days.

3. Request that all noncompliance issues be corrected within the time frame specified in the inspection report.
4. Request that legible copies of the proof of the corrections, in the form of work orders, receipts, and/or invoices, along with an owner-signed affidavit, be forwarded to MHC within the allotted time frame indicated in the inspection report.
5. Schedule a second inspection if necessary;
6. Review the supporting documents of correction for correlation with the inspection report.
7. Send correspondence indicating that no further corrective actions regarding the physical condition of the property are needed at this time or contact the owner via letter to identify what deficiencies still exist.

#### C. Financial Review for HOME & HTF

For each HOME or HTF project with 10 or more units (total units, not assisted units), MHC must annually review the financial condition of the project to determine "the continued financial viability of the housing" in accordance with the Financial Oversight requirements of 24 CFR 92.504(d)(2) for HOME or 24 CFR 93.404(e) for HTF. MHC must take actions, as feasible, to correct any problems identified through financial review.

**MHC will request the following items be submitted by the Owner to conduct the financial review:**

1. Property specific financial information for the previous year:
  - Most recent audited financial statements for the property (if applicable); or
  - Property's internal financial statements – including Balance Sheet and Profit and Loss Statement
2. Monthly rent rolls for the previous year
3. Property insurance and tax payments for the previous year:
  - Evidence of property insurance payment; and
  - Evidence of property tax payment.

Note- if the project financials are incorporated into the Owner entity's overall financial statements, MHC will request to review the Owner entity's financial statements (most recent audit and/or internal financial statements) to make sure the entity has sufficient financial capacity to manage and sustain the project.

Exception: If all sufficient financial information can be gathered from the financial information submitted as part of the property's Annual Owner Certification of Compliance, MHC staff will not request submission of additional financial statements.

**When performing a financial review, MHC will:**

1. Notify the primary Owner and the management contacts for the property in writing and provide two weeks to submit the requested documents, unless sufficient information can be gathered from the Annual Owner Certification
2. Evaluate the financial capacity of the property
3. Inform the Owner and the management of any financial concerns. If concerns exist, the Owner and/or management will be subject to more frequent financial submission (monthly or quarterly) so that MHC can closely monitor financial performance.

### Section 6.07 Noncompliance

Noncompliance is defined as a period of time a during the affordability period/extended use period in which an award, development, specific building, or unit fails to satisfy program requirements.

For more information on noncompliance, see Article VII.

### Section 6.08 Amendments to Compliance Monitoring Procedures

The compliance monitoring procedures and requirements set forth herein are issued by MHC pursuant to applicable HUD regulations and published guidance. These provisions may be amended by MHC for purposes of conforming with the regulations and guidance and/or as may otherwise be appropriate as determined by MHC. In the event of any inconsistency or conflict between the terms of these procedures and the monitoring procedures set forth in such regulations, the provisions set forth in the regulations shall control.



In addition, MHC periodically releases Bulletins containing updates on policies, forms, and other issues relevant to program compliance.

**Section 6.09 Procedures for the Transfer of Program Units**

The Owner must notify MHC staff immediately of any Disposition or Sale of any units in the award before the affordability period/extended use period expires. If the new Owner maintains the affordability restrictions, MHC will work with the Owner to amend appropriate documents. If the new Owner will not maintain the affordability restrictions, MHC will be required to recapture the original award amount from the original Owner.

## Article VII. Noncompliance

### Section 7.01 Types of Noncompliance

Generally, a development is out of compliance if during the Affordability Period:

1. The development no longer meets the set-aside requirements of the application, the income and rent restriction requirements of the program, or other requirements for the units which are set-aside; or
2. There is failure to submit the annual utility allowance documentation, Annual Owner Certification, or tenant events, along with any applicable supporting documentation in a timely manner; or
3. An ineligible household resides in a program unit (including a student ineligible household for HOME-assisted units); or
4. A unit or building is no longer suitable for occupancy or otherwise in violation of physical inspection standards; or
5. The Owner does not comply with requests to conduct a physical inspection or file audit.

### Section 7.02 Consequences

Penalties include, but are not limited to, the following:

1. Penalty fees paid to MHC such as re-inspection fees and/or late fees;
2. Recapture of award funds (see Section 7.06 below);
3. Negative points on future applications;
4. Rejection of future applications (i.e., suspension or debarment);
5. Repayment of rent overages;
6. Mandatory attendance at an MHC-sponsored compliance training; and/or
7. An increase in the frequency of MHC audits/inspections

### Section 7.03 Notification of Noncompliance to Owner by MHC

MHC is required to provide written notice of noncompliance to the Owner if:

1. Any required submissions are not received by the due dates;
2. Tenant files including Tenant Income Certification, Income Questionnaires, supporting verification documentation, and rent records are not made available during an audit or not submitted when requested by MHC; and/or
3. The development is found to be out of compliance through physical unit inspection, Annual Owner Certification review, file audit, and/or other means.

MHC will not provide documentation for specific awards to more than one contact person in an ownership entity for each award. If other individuals within an ownership entity wish to receive such documentation, they must obtain it from the contact person designated as the "Primary Owner" contact.

### Section 7.04 Notification of Noncompliance to MHC by Owner

If the Owner and/or management agent determines that a unit, building, or an entire development is not in compliance with program requirements, MHC should be notified immediately. The Owner and/or management agent must formulate a plan to bring the development back into compliance and advise MHC in writing of such a plan. The Owner and/or management agent must keep documentation outlining: the noncompliance issue, date the noncompliance issue was discovered, date that noncompliance issue was corrected, and actions taken to correct noncompliance.

Additionally, the Owner is responsible for replacing temporarily noncompliant HOME units (units where the household exceeds 80% AMI) as per the guidelines in Section 3.01.

### Section 7.05 Correction Period

Should MHC discover (as a result of an inspection or review or in any other manner) that the development is not in compliance with program federal or state requirements, MHC shall notify the Owner. The Owner is to commence appropriate action to cure such noncompliance. The Owner shall have a **maximum** of 30 days from the date of notice to cure the noncompliance. If MHC determines that there is good cause, an extension may be granted.

## Section 7.06 Recapture

If funds are recaptured because the housing no longer meets affordability requirements, regardless of entity or activity, these funds must be returned to MHC. The award recipient must ensure that a lien and restrictive covenant is executed against every property constructed, rehabilitated, or acquired, in whole or in part, with HOME or HTF funds. Upon occurrence of any of the following events during the Affordability Period, the entire sum secured by the lien, without interest, shall be due and payable by Developer and/or Owner upon demand. Repayment may be demanded upon: (1) Transfer or conveyance of the real estate by deed, land contract, lease, or otherwise, during the Affordability Period; (2) Commencement of foreclosure proceedings by any mortgagee (or deed in lieu of foreclosure), within the Affordability Period; (3) Units not being used as a residence by a qualifying tenant or not leased according to the program affordability requirements. The award recipient will be responsible for repaying MHC for any HOME or HTF funds utilized for any housing constructed, redeveloped, rehabilitated, or acquired that does not meet the affordability requirements throughout the Affordability Period.

## Section 7.07 Suspension and Debarment

### A. Purpose of Policy

As a recipient of federal and state funds, MHC has a moral, and often legal, obligation to ensure that those funds are used as intended. To fulfill this duty, MHC must have the discretion to suspend or debar those who misuse, abuse, or otherwise fail to use funds correctly. The purpose of this policy is to define suspension as it relates to misuse of funds on MHC funded rental projects during the affordability period and to explain how suspension is recommended, approved, and maintained. This policy, while in alignment with the agency's overall suspension policy, applies specifically to the programs administered and monitored by MHC.

### B. Scope of Persons Affected

This policy applies to all persons directly or indirectly receiving, administering or associated with funds from an MHC Program whether or not such person has a contractual relationship with MHC, including but not limited to the following persons:

- Contractors
- Sub-contractors
- Applicants
- Award/ grant recipients
- Sub-recipients
- Sub-grantees
- Property Owners
- Developers
- Syndicators
- Administrators
- Management companies/agents
- Individuals employed by, contracted by or affiliated with any of the persons listed

Such persons will be referred to as "affected persons" in this policy. For the purposes of this policy, the term "person" shall be interpreted broadly to mean any individual, trust, cooperative, association, organization, or any other entity.

### C. Definitions

**Affected person** is defined as any person directly or indirectly receiving, administering, or associated with funds from an MHC Program whether or not such person has a contractual relationship with MHC. For the purposes of this policy, the term "person" shall be interpreted broadly to mean any individual, trust, cooperative, association, organization, or any other entity.

**Debarment** is defined as a determined period of time, not to exceed five (5) years, during which an affected person is prohibited from participating in an MHC Program(s). See Part K below for additional information on debarment.

**Suspension** is defined as an **indefinite but temporary** status assigned to an affected person making it ineligible to apply for additional funding until such time that the suspension status is revoked. Suspension is generally invoked for failure to meet federal and/or state compliance obligations and reporting requirements. Other considerations leading to suspension could include but are not limited to fraudulent activity, financial health concerns, and poor record of past performance. Unlike debarment, suspension is not for a set amount of time and can generally be revoked as soon as MHC's concerns and any identified issues have been resolved.

Parts D through G below discuss suspension recommendations based on noncompliance. Other scenarios resulting in the recommendation of suspension are not discussed in detail but will follow the same basic guidelines herein, including issuance of (1) preliminary issue letters giving the affected person the opportunity to satisfy concerns, (2) a suspension recommendation letter notifying the affected person that suspension has been recommended, and (3) an official notice that suspension has been invoked.

Suspension does not waive any compliance requirements or release the project from its affordability period. A suspended organization must continue to keep its project(s) in compliance and work towards remedying any issues with the project(s) that caused the suspension recommendation.

**Suspension list** is defined as MHC's internal roster of entities that have been officially suspended. MHC will also maintain a list of entities recommended for suspension but not yet officially suspended. This may also be referred to as the "watch list."

**Suspension recommendation** is defined as the act of an MHC employee recommending (usually based on the persistence of uncorrected noncompliance) that an entity be disqualified from future MHC funding by being placed on the MHC's Suspension List. A suspension recommendation does not implement an actual suspension until approved by the appropriate MHC staff.

#### **D. Suspension Recommendation Based on Failure to Cooperate with File Audit Request**

If files are not submitted for a desktop request or the auditor is not given access to files for an onsite audit, MHC will send a notification letter to the designated contacts giving a final ten (10) day correction period. There are two possible results following issuance of this letter:

- If the files are received, they will be reviewed by the assigned Compliance Auditor. Issues identified could result in a suspension recommendation as defined in Part G below.
- If the files are not received, the organization will be recommended for suspension.

#### **E. Suspension Recommendation Based on Failure to Correct Audit Issues**

After completion of a tenant file audit, the affected person is sent either a "no issues" or an "issues identified" letter. If issues are identified, affected person is given a ninety (90) day correction period to respond. There are three possible results following issuance of an issues identified letter:

- If a correction response is received that adequately resolves the issues, the audit is closed and an "issues resolved" letter is sent.
- If a correction response is received but the issues are not adequately resolved, a follow-up letter is sent identifying the remaining issues and giving an additional thirty (30) days to submit additional documentation. If no response is received after this additional thirty (30) days, a follow-up letter is sent giving a final ten (10) day correction period. This letter states that failure to submit the requested response will result in recommendation of suspension.
- If no response is received during the correction period, a follow-up letter is sent giving a final ten (10) day correction period. This letter states that failure to submit the requested response will result in recommendation of suspension.

If the response is not received after the final letter is sent, the affected person will be recommended for suspension.

#### **F. Suspending an Organization**

After a suspension recommendation letter has been sent, the recommendation will be reviewed by the Chief Real Estate Development Officer and Director of Real Estate Compliance. This review will ensure that the proper steps were taken by MHC staff and that the issue (1) has not been resolved and (2) warrants the suspension recommendation.

If suspension is invoked, the affected person will receive an official letter stating that the organization has been added to MHC's Suspension List effective the date of the letter. Copies of the suspension letter and all prior notifications will be maintained by MHC in the file for the applicable project/award.

Suspension is at the sole discretion of MHC. Unless otherwise stated, a suspension or debarment will apply to not only the affected person, but to any entity owned, controlled, or managed by the affected person or a spouse, domestic partner, child, sibling, aunt, uncle, niece, nephew, cousin, grandchild, parent or grandparent of the affected person, including "in-

laws”, “half” or “step” relations.

**G. Maintaining a Suspension and Debarment List**

MHC will internally maintain a list of entities recommended for suspension, suspended entities, and debarred entities. This list will be available to MHC management and appropriate staff. Because the suspension list will apply to the entire agency and be made available across departments, suspension based on performance on an award could affect future funding from other MHC departments’ funding sources.

**H. Removal from Suspension List / Reinstating an Organization**

An affected person can be removed from the suspension list if the original issues that invoked the suspension are sufficiently resolved, the necessary documentation proving such is submitted to MHC, and the project is considered otherwise in compliance.

To request removal from the suspension list, the affected person should send a letter to MHC requesting such removal and providing a narrative of how the outstanding issues have been resolved. All necessary supporting documentation to prove compliance should be attached to the letter. Upon receipt of the request, the MHC staff that originally recommended suspension will meet to review and make a determination. Removal from the suspension list is at the sole discretion of MHC.

**I. Debarment**

In its sole discretion, MHC may debar an affected person from participation in an MHC Program(s) for a period not to exceed five (5) years based on reasonable evidence that the affected person has behaved or is behaving improperly regarding an MHC Program(s), whether intentionally or unintentionally. The difference between suspension and debarment is that a suspension is used to allow MHC to determine whether a debarment or other action is warranted pending the completion of an investigation.

Therefore, suspension is an indefinite but temporary measure, while debarment is for a set amount of time.

**Appeals Process**

An MHC decision to debar an affected person may be appealed within thirty (30) calendar days of notice to the affected person of that decision. The appeal must be in writing and contain, at a minimum, the reasons for the appeal and supporting documentation or evidence. MHC staff will discuss with MHC legal and respond to the appeal within forty-five (45) calendar days of the receipt of the appeal. The response to the appeal is not appealable.

An MHC decision to suspend an affected person is not appealable because it does not represent the final disposition on the matter.

The appeal for reconsideration of debarment must be submitted in writing via mail to:

Executive Director  
c/o Senior Vice President of Federal Grants  
Mississippi Home Corporation  
735 Riverside Drive  
Jackson MS 39202-1166

**J. Potential Recapture**

In addition to suspension or debarment by MHC, affected persons found to be out of compliance with the HOME program are subject to all recourse under the regulations and statutes of those programs, including possible recapture of funds. If an affected person remains on the suspension or debarment list for more than ninety (90) days and has not informed MHC of corrective actions in progress, MHC will consider that affected person noncompliant and begin the process of recapturing funds for the project(s) that invoked the suspension.

**Section 7.08 Tenant Misrepresentation or Fraud**

If fraud/misrepresentation of information is discovered while processing an application for residency, the applicant should be denied. Handling tenant fraud becomes more problematic when the fraud is discovered at recertification. In this scenario it may be

determined that the household was never initially qualified and has been inappropriately occupying the unit. Fraud is considered material noncompliance with the lease and program requirements and is therefore grounds for termination of tenancy. For more information on termination of tenancy, see Section 5.06.

If tenant fraud/misrepresentation is discovered the following steps should be followed immediately.

1. Notify MHC that an incident of tenant fraud has been identified and provide a written explanation of what happened. If the incident was identified prior to an MHC audit and a corrective plan is in place, the incident will not be considered noncompliance.
2. Begin the process of removing the fraudulent unqualified household and replacing it with a qualified household. Every lease should include language stating that providing inaccurate information regarding program eligibility is cause for termination of tenancy. Thus, the fraud becomes not only a violation of program rules but also a lease violation and grounds for eviction.

To try and reduce the number of instances of tenant fraud/misrepresentation, management should ensure that the forms used in tenant files address the seriousness of providing fraudulent information. As mentioned above, all leases should include language that fraud is grounds for eviction or non-renewal of a lease. Additionally, it is a best practice to include language on other forms signed by the tenant/applicant stating that the forms are signed under penalty of perjury. By including such language, the recipient is showing a zero-tolerance policy for tenant fraud.

The following documentation may help the Owner establish that tenant fraud/misrepresentation occurred:

- Documentation proving the tenant was made aware of program requirements and prohibitions and did not follow those requirements such as signed lease documents and program agreements.
- Documentation showing that the tenant intentionally misstated or withheld information including but not limited to:
  - Evidence that false names or Social Security Numbers were used;
  - Copies of falsified, forged, or altered documents;
  - Proof that tenant omitted material facts that were known to the tenant such as proof of income and assets sources that were not disclosed by the tenant; and
  - Admission by the tenant that information was falsified or omitted.

### Section 7.09 Owner Fraud

If MHC becomes aware of an apparent act of fraud by the Owner, management company, or other entity involved with the management and compliance of a project, the project will be considered out of compliance and the following steps will be taken:

1. The entity will be placed on MHC's suspension list until further investigation is completed.
2. If warranted, MHC will debar the entities involved as outlined in Section 7.07.
3. If warranted, MHC will recapture the funds as outlined in Section 7.06.
4. Other noncompliance penalties such as increased auditing, rejection of future applications, etc. as outlined in Section 7.02 may also apply.

## Article VIII. Record Retention

The owner of a low-income housing project must keep records for each HOME-or HTF-assisted project for each year of the compliance period and the extended use period. All records pertaining to each fiscal year of funds must be retained for the most recent five-year period, except as provided below.

- A. For rental housing projects, records may be retained for five years after the project completion date; except that records of individual tenant income verifications, project rents and project inspections must be retained for the most recent five-year period, until five years after the affordability period terminates.
- B. For tenant-based rental assistance projects, records must be retained for five years after the period of rental assistance terminates.
- C. Written agreements must be retained for five years after the agreement terminates.
- D. Records covering displacements and acquisition must be retained for five years after the date by which all persons displaced from the property and all persons whose property is acquired for the project have received the final payment to which they are entitled in accordance with § 92.353 or § 93.352.
- E. If any litigation, claim, negotiation, audit, monitoring, inspection, or other action has been started before the expiration of the required record retention period records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.

COMPLIANCE

# **POLICY & PROCEDURES COMPLIANCE & MONITORING SECTION OF THE ESG MANUAL**



- The subrecipient fails to have written Procurement Procedures or fails to follow the procurement process.

## REPORTING

### Homeless Management Information System (HMIS)

A Homeless Management Information System (HMIS) is a client-level data collection and management system that allows for better coordination among agencies providing services to clients. It is not a national reporting system, and it is not designed to be a financial reporting/accounting system. Agencies providing ESG assistance MUST enter client-level data into HMIS so the subrecipient can provide aggregate data to MHC. All funds spent and reimbursed through ESG must be directly linked to an eligible ESG activity. Activities funded by ESG Rapid Re-Housing (RRH), Homeless Prevention (HP), Street Outreach, and Emergency Shelter must correspond to an eligible client or a shelter bed that can be reported in HMIS or VELA. Agencies that utilize grant funds are required to submit monthly and annual reports detailing expenditures and client services.

Subrecipients must enter data on all persons served and all activities assisted under ESG into HMIS or, in the case of victim service providers, a comparable database in accordance with HUD's standards on participation, data collection, and reporting under a local HMIS. Comparable systems must be able to export data suitable for Consolidated Annual Performance and Evaluation Report (CAPER) submission through the ESG-CAPER Annual Reporting Tool (eCart).

### Integrated Disbursement and Information System (IDIS)

IDIS is HUD's financial management system through which funds are drawn down and reports on performance data for HUD's Consolidated Annual Performance and Evaluation Report (CAPER).

## Annual Reporting (CAPERs)

The purpose of CAPER is to generate the Emergency Solutions Grant Consolidated Annual Performance and Evaluation Report. The CAPER is required to be COMPLETED ANNUALLY BY SUBRECIPIENTS of projects receiving Emergency Solution Grant (ESG) funding and is designed to provide an unduplicated count of persons served in ESG projects, as well as demographic breakdowns of those clients.

The CAPER reporting period is July 1<sup>st</sup> to June 30<sup>th</sup>; therefore, when completing the CAPER and collecting documentation, subrecipients will be reporting from two grant years. Subrecipient are required to submit all CAPER documentation MHC by July 31<sup>st</sup>. This will allow MHC time to compile and validate ESG reporting data before submitting the final CAPER to HUD.

The ESG CAPER consist of two parts.

- 1) The financial cumulative CAPER- A report on all expenses reimbursed, per the subrecipient's RFC, during the reporting period of July 1<sup>st</sup> to June 30<sup>th</sup>.
- 2) The ESG applicant cumulative report from HMIS or VELA- A report of all the clients served during the subrecipient's reporting period.

The data pulled from the two reports submitted for the CAPER are used to determined how resources were spent to reach identified goals.

## Monthly and Quarterly Reporting

The subrecipient is required to submit a Monthly Report that includes details on beneficiaries served during that month. If the beneficiary report is not submitted on time, it will delay the processing of the Request for Cash.

The Mississippi Home Corporation (MHC) will review the subrecipient's outcomes and expenditures on a quarterly basis to assess whether they are meeting the expectations outlined in their contract. If MHC determines that the subrecipient is not on track to achieve their targeted outcomes, including clients served and expenditures, they will collaborate with the subrecipient to renegotiate the budget and/or contract.

## MONITORING AND CLOSEOUT PROCEDURES

Compliance with regulatory and programmatic requirements of the ESG subgrant is generally determined through on-site monitoring and desktop monitoring by MHC. Monitoring concentration will include, but is not limited to, financial management, administrating and carrying out ESG activities, eligible beneficiaries and Homeless Management Information Systems (HMIS)/Comparable Database. Monitoring will generally be conducted after

advance notice and at a date and time convenient to both MHC and sub-grant recipients but may be conducted without notice and at any normal hour of business operation at the discretion of MHC. Pop-up monitoring may be conducted if the agency is determined at High-Risk and in noncompliance with regulations.

When preparing for a monitoring visit, ensure that agencies policies, ESG funded activity's, and files are in line with [CPD ESG monitoring](#) guide Chapter 28 and this manual. MHC ESG monitoring checklist for client files is available at <https://www.mshomecorp.com/federal-programs/forms/>.

## ESG MONITORING SYSTEM

### Program Administration and Monitoring

Mississippi Home Corporation (MHC) is responsible for ensuring that grants are administered in accordance with the requirements of applicable laws. MHC is further responsible for ensuring that their respective project sponsors carry out activities in compliance with all applicable requirements at 24 CFR, Part 576 and 2 CFR 200.

MHC monitors the subrecipients' participation in the program to ensure compliance with program regulations promulgated by HUD at 24 CFR, Part 576 for ESG programs designed to benefit persons experiencing homelessness. Effective oversight and monitoring recipients are important functions of MHC.

MHC staff reserves the right to conduct virtual monitoring or monitoring visits with project sponsors. Visits may be scheduled as a matter of routine or based on project sponsor performance, fiscal reporting, program reporting or other areas of concern. Subrecipients receiving ESG funding will receive an on-site monitoring or desk/virtual monitoring visit based on the Risk Analysis or as courtesy during the project grant year(s). After each monitoring is complete, MHC will send correspondence documenting findings and/or concerns, project accomplishments, areas of deficiencies and technical assistance needs. These areas will be highlighted in the report and serve to confirm issues discussed during the monitoring review process and to give project sponsors notice of deficient areas requiring attention.

MHC relies upon application review and reimbursement of funds expended in lieu of advancing funds. Desk audits are often performed at MHC to test financial compliance. Monitoring, therefore, is limited in scope concentrating on eligibility of beneficiaries and a comparison of program records with the programmatic claims of the applicant, and review of financial records and documentation.

## Introduction

ESG's monitoring process is a procedure for ensuring that the subrecipients are adhering to the federal and state regulations. The objectives of the monitoring processing are:

- to assist the subrecipient in carrying out its project in a timely method;
- to identify probable problem areas and to assist the subrecipient in complying with applicable laws and regulations;
- to assist subrecipient in resolving compliance problems through discussion, negotiation, or provision of technical assistance;
- to determine if each subrecipient complies with activity costs which are eligible under appropriate laws and regulations;
- to ensure the subrecipient is carrying out activities as described in the application submitted for funding, and to help subrecipient make appropriate changes to their project goals/objectives if needed;
- to offer adequate follow-up measures to ensure that performance and compliance deficiencies or problems are corrected by the subrecipient
- to determine if the subrecipient is leading the project with adequate control over program and financial performance, and in a way, which minimizes the chance for mismanagement.

## Selection/Risk Assessment

A "risk assessment" shall be conducted annual or more frequent on each ESG subrecipient. This technique will establish the priorities for monitoring and to determine where resources can be best applied. The risk assessment can determine which subrecipient should be monitored, the program areas to be covered. The selection process would ensure that the ESG subrecipient are conducting the project with adequate control over the program and financial performance which eliminates the chance for mismanagement, fraud or waste. Project sponsors should be selected for monitoring within each program and technical area using general risk factors of *program complexity, project sponsor capacity, recent problems, and past performance*.

- A. Award Profile
  - Projects undertaken by subrecipient
  - Funding levels
- B. Entity Capacity to Manage Grant Funds
  - Inexperienced staff
  - No progress, Low productivity
  - RFC accuracy with appropriate documentation
  - Difficulty in carrying out the program
  - Audit finding
  - High vacancy (shelter projects)

- C. Regulatory Policy Compliance
  - Federal required policies
- D. Experience and Performance
  - HIMS data quality and Coordinated Entry
  - Awarded before
  - Reporting delays and concerns
- E. Recent Problems
  - Incorrect or incomplete performance reports
  - Audit findings or no audit at all
  - Program participants complaints
  - Issues remaining from previous grant cycle year
  - Frequent audit findings or RFC concerns.

## Monitoring Steps

The subrecipient will be notified, in writing prior to the monitoring visit. The notification includes the following:

- the date and time of the on-site review
- name(s) and number(s) of the person(s) conducting the review
- purpose of the review
- a list of documents to be reviewed (these documents should be readily available)
- a request that the project sponsor's representatives and other appropriate staff be available during the review (i.e., financial staff, etc.)

### I. **Unscheduled/Pop-up Monitoring**

MHC's ESG representative may conduct unscheduled monitoring visit based on risk analysis.

### II. **On-Site/Desk Monitoring**

The MHC's Compliance Office/ESG representative will monitor the terms and conditions of its contract with the project sponsor. This includes: rate of expenditures, eligibility of expenses, and implementation of eligible activities under the ESG Program.

#### A. Monitoring Preparation

The monitoring review involves the completion of a standardized monitoring desk review form, which requires the following:

- A review of the program files
- A review of the program policies and procedures

- A spot review of the requests for cash

B. Monitoring Review

**On- site Visit**

- An initial and exit interview will be held with the Project Sponsor Representatives. A series of questions will be asked relating to the capacity of the organization, program effectiveness, contractual compliance and any recent changes that the organization has endured.
- MHC representative will review a sample of client files thoroughly to ensure eligibility compliance with all federal regulations. Incomplete files will be notated.
- Documents will be reviewed to verify that the organization is keeping appropriate and sufficient records. MHC reserves the right to have access to any financial back-up documentation to determine whether unnecessary or unreasonable expenditures occurred.
- MHC representative will review proper documentation on client's eligibility, rent restrictions, staff cost, and disbursements.
- MHC representative will review the environmental clearance will be verified to certify that the project sponsor is following federal and state regulations relative to environmental activities in federally assisted grants.
- As relevant, the procurement process will be reviewed to check for compliance with federal and state guidelines relative to the procurement of supplies, equipment, construction, and services for federally assisted grants.
- On-site visits of a large project may continue to a desk monitoring.

**Desk Monitoring**

MHC may conduct desk monitoring in lieu of or as a continuance of an on-site monitoring visit. During a desk monitoring:

- MHC representative will review a sample of client files thoroughly to ensure eligibility compliance with all federal regulations. Incomplete files will be notated.
- Documents will be reviewed to verify that the organization is keeping appropriate and sufficient records. MHC reserves the right to have access to any financial back-up documentation to determine whether unnecessary or unreasonable expenditures occurred.
- MHC representative will review proper documentation on client's eligibility, rent restrictions, and disbursements.
- MHC representative will review the environmental clearance will be verified to certify that the project sponsor is following federal and state regulations relative to environmental activities in federally assisted grants.

- As relevant, the procurement process will be reviewed to check for compliance with federal and state guidelines relative to the procurement of supplies, equipment, construction, and services for federally assisted grants.

C. Monitoring Review Concerns

- If during a review, MHC representative feels it necessary, MHC Internal Audit team may be engaged to monitor the subrecipient reimbursements and documentation. A concern that may be elevated to MHC Internal Audit includes but is not limited to documentation concerns.

D. Monitoring Report

- MHC will email or mail a Monitoring Review Results letter to the subrecipient after monitoring. The letter will include the strengths and weaknesses of the organization. Also, if there are any deficiencies that need corrective action, it will be included in the letter. A deadline will be given to the project sponsor to clarify all deficiencies for compliance (i.e. a follow-up visit, written response, etc.). If there are no findings (deficiencies), a compliance letter will be email or mailed to the project sponsor.
- Notification: After the completion of the monitoring, the subrecipient will receive written notification outlining the specific areas reviewed and providing next steps including:
  - Areas of review: Service, Management, Financial.
  - List of findings and/or concerns
  - Program rules connected to identified findings
  - Corrective Actions
  - The Monitoring Risk Level due for identified findings and/or concerns
  - The timeframe for addressing the deficiencies. Project sponsors typically will receive 10 to 30 calendar days of receiving the notice to address deficiencies. MHC reserves the right to adjust the timeframe if necessary.
- Corrective Action: MHC will provide project sponsor with corrective action steps needed to respond to or resolve any finding or concerns. When responding to finding or concerns, the project sponsor may provide MHC with a Corrective Action Plan (CAP) within the stated timeframe. The CAP must detail the steps the project sponsor will take to resolve the identified issues and avoid recapture. A CAP must be submitted to MHC by the subrecipient within 10 to 30 days of notification (MHC reserve the rights to request an immediate response based on the nature of the finding).
- Failure to respond to a monitoring report, failure to submit or implement an approved CAP, or failure to complete all of the identified corrective actions in the time allotted will result in

the immediate grant suspension and recapture of funds. No RFCs will be paid on any of the subrecipient's contracts until all findings have been corrected. Waiver of the "no RFC" policy may be considered on a case-by-case bases.

## ESG Recaptured Funds

Mississippi Home Corporation (MHC) may recapture funds previously awarded to an ESG recipient. MHC may reallocate any recaptured funds in any eligible category and reallocate them to any eligible applicant. Requests for supplemental funds will be considered on a case- by-case basis with funds granted only in those instances where the Corporation can readily determine that additional funding is justified. Grant award limits are not applicable when considering the allocation of these funds.

MHC may recapture funds previously awarded to an ESG recipient for reasons such as failure to satisfy timeliness of the implementation of the project, failure to comply with contractual conditions, unresolved monitoring, or failure to complete project closeout. If reimbursements are required, those funds may be mailed to MHC. Recaptured or de-obligated ESG funds may be used to supplement Administration, supplement existing projects which may require additional funds, fund other eligible applicants, or fund ESG eligible activities.

## Responsibilities of the Subrecipient

Subrecipients who receive ESG, assistance must understand it is their primary responsibility to enforce **ALL** obligations and regulations in complying with the intent of Congress as declared by the HEARTH Act Final Rule.

Subrecipients must ensure that activities undertaken meet the primary objectives of the Act, its regulations, and the State's ESG program objectives.

If the State determines that a subrecipient of ESG funds has failed to comply with any provision of this subpart, the State shall notify the non-profits' chief executive officer of the noncompliance and shall request the officer to ensure conformity in a timely manner.

Remedial actions and sanctions for failure to meet the ESG program requirements will be designed to prevent a continuation of the deficiency; mitigate, to the extent possible, its adverse effects or consequences; and prevent its recurrence.

Mississippi Home Corporation may instruct the subrecipient to submit and comply with proposals for actions to correct, mitigate, and prevent noncompliance with ESG requirements including but not limited to the following:

- Prepare and follow a schedule of actions for carrying out activities affected by the noncompliance, including schedules, timetables, and milestones necessary to implement the affected activities;
- Establish and follow a management plan that assigns responsibilities for carrying out the remedial actions;
- Cancel or revise activities likely to be affected by the noncompliance, before expending ESG funds for the activities;
- Reprogram ESG funds that have not yet been expended from affected activities to other eligible activities;
- Suspend disbursement of ESG funds for some or all activities;
- Reduce or terminate the remaining grant of sub-recipient and reallocate those funds to other subrecipients.

In addition, MHC may impose the following Remedial Plan of action for the noncompliance of subrecipients:

- The MHC may suspend payments to the extent HUD deems it necessary to preclude the further expenditure of funds for affected activities.
- The MHC may remove the sub-recipient from participation in reallocations of funds.
- The MHC may deny matching credit for all or part of the cost of the affected activities and require the sub-recipient to make further matching contributions to make up for the contribution determined ineligible.

- The MHC may require the subrecipient to reimburse its line of credit in an amount equal to the funds used for the affected areas.
- The MHC may reduce or terminate the remaining grant of a subrecipient and reallocate those funds to other recipients;
- The MHC may condition a future grant.
- The MHC may take other remedies that are legally available.

## Performance Standards and Outcomes

MHC consulted with each CoC to develop appropriate program outcomes and performance standards. ESG activities performance will be measured based on the CoC performance outcomes and the outcomes each **subrecipients** identified in their grant application.

Performance outcomes include:

1. Housing Measure
  - a. Emergency Shelter- persons, exiting to permanent housing during the operating year.
  - b. Emergency Shelter/Street Outreach- person's length of time remaining in homelessness
  - c. Street Outreach- successful placement of persons from street outreach to permanent housing
  - d. Permanent Housing- persons who remain in permanent housing at the end of the operating year or were exited into permanent housing
  - e. Permanent Housing- persons who returned to homelessness within a year of receiving assistance
2. Income Measure
  - a. Persons age 18 and older who increased their total income
  - b. Persons age 18 and older who increased their earned income

## Subrecipient Record-keeping/ Record Retention

The subrecipient must provide a Record Retention policy. The subrecipient's review will follow the guide provided for accuracy and completeness.

The subrecipient must maintain records for the ESG programs for the greater of five (5) years or for the period specified below. Copies made by microfilming, photocopying, or similar methods may be substituted for the original records. This includes documentation of each program participants' qualification as a homeless family or individual and other program participant which must be retained for five (5) years after the expenditure of all funds from the grant under which the program participant was served.

## MHC Record Retention

MHC shall retain records related to ESG, including supporting documentation, for a period of not less than five years after the fiscal year of the grant or three years after the closeout of the grant from HUD, whichever is greater.

MHC will maintain files and records that relate to the overall administration of ESG as follows:

- Consolidated Plan submission to HUD
- Executed Grant Agreements
- Eligibility and national objective determinations for each activity under ESG
- Citizen participation compliance documentation
- Fair Housing and Equal Opportunity records

## File Organization and Maintenance

A subrecipient should structure its project/case files and other records to comply with the general requirements to facilitate preparation of progress and other reports, including all submissions necessary for input into the Integrated Disbursement and Information System (IDIS) and the Consolidated Annual Performance and Evaluation Report (CAPER).

In setting up (or reviewing the adequacy of) its record-keeping system, a subrecipient should use this handbook to develop a list of all the items for which it must maintain documentation on a case/project basis and/or an activity basis.

# **POLICY & PROCEDURES IMPLEMENTATION MANUAL**

EMERGENCY SOLUTIONS GRANT PROGRAM



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## NSPIRE HCV/PBV INSPECTION CHECKLIST

PHA:	Address of Unit:
Family Identifier:	Owner:
Any children under 6 reside or expected to reside in the unit? (Y/N):	Owner Contact Information:
Inspector:	Housing Type:
Date of Inspection:	Year Constructed:
Type of Inspection:	Number of Bedrooms:
<b>Summary Decision on Unit (Pass/Fail):</b>	

Area	Deficiency Description	Unit	Inside	Outside	Inspector Comments
<p><b>*Affirmative Habitability Requirement per 24 CFR 5.703(d) and NSPIRE Final Rule</b></p> <p><b>Mark all that apply:</b></p>					
Address and Storage	Address, signage, or building identification codes are broken, illegible, or not visible. Only 1 bathtub or shower is present and it is inoperable or does not drain.	5 <input type="checkbox"/>	1 <input type="checkbox"/>	M <input type="checkbox"/>	
Bath and Shower	A bathtub or shower is inoperable or does not drain and at least 1 bathtub or shower is present elsewhere that is operational. Bathtub component or shower component is damaged, inoperable, or missing such that it may limit the resident's ability to maintain personal hygiene. Bathtub component or shower component is damaged, inoperable, or missing and it does not limit the resident's ability to maintain personal hygiene. Bathtub or shower cannot be used in private.*	M <input type="checkbox"/>	1 <input type="checkbox"/>		
	Fond storage space is not present.*	*M <input type="checkbox"/>	M <input type="checkbox"/>		
Cabinet and Storage	Storage component is damaged, inoperable, or missing.	M <input type="checkbox"/>	1 <input type="checkbox"/>		
Call-For-Aid System	System is blocked, or pull cord is higher than 6 inches off the floor.	M <input type="checkbox"/>	1 <input type="checkbox"/>		
	System does not function properly.	LT <input type="checkbox"/>	LT <input type="checkbox"/>		
Carbon Monoxide	Carbon monoxide alarm is missing, not installed, or not installed in a proper location.* Carbon monoxide alarm does not produce an audio or visual alarm when tested.	LT <input type="checkbox"/>	LT <input type="checkbox"/>		
	Ceiling has an unstable surface.	M <input type="checkbox"/>	M <input type="checkbox"/>		
Ceiling	Ceiling has a hole.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Ceiling component(s) is not functionally adequate.	5 <input type="checkbox"/>	5 <input type="checkbox"/>		
Chimney	A visually accessible chimney, flue, or firebox connected to a fireplace or wood-burning appliance is incomplete or damaged such that it may not safely contain fire and convey smoke and combustion gases to the exterior. Chimney exhibits signs of structural failure.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	

ESG

Area	Deficiency Description	Unit	Inside	Outside	Inspector Comments
Clothes Dryer Exhaust Ventilation	Electric dryer transition duct is detached or missing.	LT <input type="checkbox"/>	LT <input type="checkbox"/>		
	Gas dryer transition duct is detached or missing.	LT <input type="checkbox"/>	LT <input type="checkbox"/>		
	Electric dryer exhaust ventilation system has restricted airflow.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
	Dryer transition duct is constructed of unsuitable material.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
Cooking Appliances	Gas dryer exhaust ventilation system has restricted airflow.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
	Exterior dryer vent cover, cap, or a component thereof is missing.	S <input type="checkbox"/>	L <input type="checkbox"/>	L <input type="checkbox"/>	
	Cooking range, cooktop, or oven door not gasket or produce heat.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Cooking range, cooktop, or oven component is damaged or missing such that the device is unsafe for use.	M <input type="checkbox"/>	M <input type="checkbox"/>		
Door - Entry	Primary cooking appliance is missing.*	*NA <input type="checkbox"/>			
	A microwave is the primary cooking appliance and it is damaged.	S <input type="checkbox"/>			
	A burner does not produce heat, but at least 1 other burner is present on the cooking range or cooktop and does produce heat.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Entry door will not open.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Entry door will not close.	S <input type="checkbox"/>	M <input type="checkbox"/>		
	Entry door self-closing mechanism is damaged, inoperable, or missing.	S <input type="checkbox"/>	M <input type="checkbox"/>		
	Hole, split, or crack that penetrates completely through entry door.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Entry door is missing.	LT <input type="checkbox"/>	S <input type="checkbox"/>		
	Entry door surface is delaminated or separated.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Entry door frame, threshold, or trim is damaged or missing.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Entry door seal, gasket, or stripping is damaged, inoperable, or missing.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Entry door component is damaged, inoperable, or missing and it does not limit the door's ability to provide privacy or protection from weather or infiltration.	L <input type="checkbox"/>	L <input type="checkbox"/>		
Door - Fire	Entry door cannot be secured.	S <input type="checkbox"/>	M <input type="checkbox"/>		
	Fire labeled door does not open.	S <input type="checkbox"/>	S <input type="checkbox"/>		
	Fire labeled door does not close and latch or the self-closing hardware is damaged or missing such that the door does not self-close and latch.	S <input type="checkbox"/>	S <input type="checkbox"/>		
	Fire labeled door assembly has a hole of any size or is damaged such that its integrity may be compromised.	S <input type="checkbox"/>	S <input type="checkbox"/>		
Door - General	Fire labeled door seal or gasket is damaged or missing.	S <input type="checkbox"/>	S <input type="checkbox"/>		
	An object is present that may prevent the fire labeled door from closing and latching or self-closing and latching.	S <input type="checkbox"/>	S <input type="checkbox"/>		
	Fire labeled door cannot be secured.	S <input type="checkbox"/>	M <input type="checkbox"/>		
	Fire labeled door is missing.	LT <input type="checkbox"/>	LT <input type="checkbox"/>		
Door - General	A passage door does not open.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	A passage door component is damaged, inoperable, or missing and the door is not functionally adequate.	L <input type="checkbox"/>	L <input type="checkbox"/>		
	A door that is not intended to permit access between rooms has a damaged, inoperable, or missing exterior door component is damaged, inoperable, or missing.	L <input type="checkbox"/>		M <input type="checkbox"/>	

Area	Deficiency Description	Unit	Inside	Outside	Inspector Comments
Clothes Dryer Exhaust Ventilation	Electric dryer transition duct is detached or missing.	LT <input type="checkbox"/>	LT <input type="checkbox"/>		
	Gas dryer transition duct is detached or missing.	LT <input type="checkbox"/>	LT <input type="checkbox"/>		
	Electric dryer exhaust ventilation system has restricted airflow.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
	Dryer transition duct is constructed of unsuitable material.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
	Gas dryer exhaust ventilation system has restricted airflow.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
Cooking Appliances	Exterior dryer vent cover, cap, or a component thereof is missing.	S <input type="checkbox"/>	L <input type="checkbox"/>	L <input type="checkbox"/>	
	Cooking range, cooktop, or oven door not gasket or produce heat.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Cooking range, cooktop, or oven component is damaged or missing such that the device is unsafe for use.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Primary cooking appliance is missing.*	*NA <input type="checkbox"/>			
	A microwave is the primary cooking appliance and it is damaged.	S <input type="checkbox"/>			
Door - Entry	A burner does not produce heat, but at least 1 other burner is present on the cooktop range or cooktop and does produce heat.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Entry door will not open.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Entry door will not close.	S <input type="checkbox"/>	M <input type="checkbox"/>		
	Entry door self-closing mechanism is damaged, inoperable, or missing.	S <input type="checkbox"/>	M <input type="checkbox"/>		
	Hole, split, or crack that penetrates completely through entry door.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Entry door is missing.	LT <input type="checkbox"/>	S <input type="checkbox"/>		
	Entry door surface is delaminated or separated.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Entry door frame, threshold, or trim is damaged or missing.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Entry door seal, gasket, or stripping is damaged, inoperable, or missing.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Entry door component is damaged, inoperable, or missing and it does not limit the door's ability to provide privacy or protection from weather or infiltration.	L <input type="checkbox"/>	L <input type="checkbox"/>		
Door - Fire	Entry door cannot be secured.	S <input type="checkbox"/>	M <input type="checkbox"/>		
	Fire labeled door does not open.	S <input type="checkbox"/>	S <input type="checkbox"/>		
	Fire labeled door does not close and latch or the self-closing hardware is damaged or missing such that the door does not self-close and latch.	S <input type="checkbox"/>	S <input type="checkbox"/>		
	Fire labeled door assembly has a hole of any size or is damaged such that its integrity may be compromised.	S <input type="checkbox"/>	S <input type="checkbox"/>		
	Fire labeled door seal or gasket is damaged or missing.	S <input type="checkbox"/>	S <input type="checkbox"/>		
Door - General	An object is present that may prevent the fire labeled door from closing and latching or self-closing and latching.	S <input type="checkbox"/>	S <input type="checkbox"/>		
	Fire labeled door cannot be secured.	S <input type="checkbox"/>	M <input type="checkbox"/>		
	Fire labeled door is missing.	LT <input type="checkbox"/>	LT <input type="checkbox"/>		
	A passage door does not open.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	A passage door component is damaged, inoperable, or missing and the door is not functionally adequate.	L <input type="checkbox"/>	L <input type="checkbox"/>		
A door that is not intended to permit access between rooms has a damaged, inoperable, or missing exterior door component is damaged, inoperable, or missing.	L <input type="checkbox"/>		M <input type="checkbox"/>		

Area	Deficiency Description	Unit	Inside	Outside	Inspector Comments
Drain	Drain is fully blocked.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
Egress	Obstructed means of egress.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
	Sleeping room is located on the 3rd floor or below and has an obstructed rescue opening.	LT <input type="checkbox"/>			
	Fire escape access is obstructed.	LT <input type="checkbox"/>			
Electrical - Conductor, Outlet, and Switch	Outlet or switch is damaged.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
	Testing indicates a three pronged outlet is not properly wired or grounded.	S <input type="checkbox"/>	S <input type="checkbox"/>	S <input type="checkbox"/>	
	Outlet does not have visible damage and testing indicates it is not energized.	S <input type="checkbox"/>	S <input type="checkbox"/>	S <input type="checkbox"/>	
	Exposed electrical conductor.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
Electrical - GFCI/AFCI	Water is currently in contact with an electrical conductor.	LT <input type="checkbox"/>	LT <input type="checkbox"/>		
	GFCI outlet or GFCI breaker is not visibly damaged and the test or reset button is inoperative.	S <input type="checkbox"/>	S <input type="checkbox"/>	S <input type="checkbox"/>	
	AFCI outlet or AFCI breaker is not visibly damaged and the test or reset button is inoperative.	S <input type="checkbox"/>	S <input type="checkbox"/>	S <input type="checkbox"/>	
Electrical - Service Panel	An unprotected outlet is present within six feet of a water source.*	*S <input type="checkbox"/>	*S <input type="checkbox"/>	*S <input type="checkbox"/>	
	Electrical service panel is not readily accessible.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
	The overcurrent protection device is damaged.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
Elevator	The overcurrent protection device is contaminated.	S <input type="checkbox"/>	S <input type="checkbox"/>	S <input type="checkbox"/>	
	Elevator is inoperative.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Elevator door does not fully open and close.	M <input type="checkbox"/>	M <input type="checkbox"/>		
Exit Sign	Elevator cab is not level with the floor.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Safety edge device has malfunctioned or is inoperative.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Exit sign is damaged, missing, obstructed, or not adequately illuminated.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
Fence and Gate	Fence component is missing.	M <input type="checkbox"/>			
	Gate does not open, close, latch, or lock.	M <input type="checkbox"/>			
	Fence demonstrates signs of collapse.	M <input type="checkbox"/>			
Fire Escape	Fence component is damaged or missing.	M <input type="checkbox"/>			
	Fire escape component is damaged or missing.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
	Fire extinguisher pressure gauge reads over or under charged.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
Fire Extinguisher	Fire extinguisher service tag is missing, illegible, or expired.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
	Fire extinguisher is damaged or missing.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
	Flammable or combustible item is on or within 3 feet of an appliance that provides heat for thermal comfort or a fuel-burning water heater.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
Flammable and Combustible Item	OR				
	Improperly stored chemicals.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
	Floor substrate is exposed.	M <input type="checkbox"/>	M <input type="checkbox"/>		
Floor	Floor component(s) is not functionally adequate.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Floor preparation area is not present.*	*M <input type="checkbox"/>			
	Floor preparation area is damaged or is not functionally adequate.	M <input type="checkbox"/>	M <input type="checkbox"/>		
Food Preparation	Food preparation area is damaged or is not functionally adequate.	M <input type="checkbox"/>	M <input type="checkbox"/>		

Area	Deficiency Description	Unit	Inside	Outside	Inspector Comments
Foundation	Foundation is cracked.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
	Foundation has exposed rebar or foundation is spalling, falling, or chipping.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
	Foundation is infiltrated by water.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
	Foundation support post, column, beam, or girder is damaged.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
Garage Door	Foundation vent cover is missing or damaged.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
	Garage floor has a hole.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
Guardrail	Garage floor does not open, close, or remain open or closed.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
	Grab bar is not secure.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
Handrail	Guardrail is missing or not installed.*	*LT <input type="checkbox"/>	*LT <input type="checkbox"/>	*LT <input type="checkbox"/>	
	Guardrail is not functionally adequate.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
Handrail	Handrail is missing.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
	Handrail is not secure.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
Handrail	Handrail is not functionally adequate.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
	Handrail is not installed where required.	L <input type="checkbox"/>	L <input type="checkbox"/>	L <input type="checkbox"/>	
HVAC	The inspection date is on or between October 1 and March 31 and the permanently installed heating source is not working or the permanently installed heating source is working and the interior temperature is below 64 degrees Fahrenheit.*	*LT <input type="checkbox"/>			
	The inspection date is on or between October 1 and March 31 and the permanently installed heating source is working and the interior temperature is 64 to 67.9 degrees Fahrenheit.*	*S <input type="checkbox"/>			
	An conditioning system or device is not operational.	M <input type="checkbox"/>	L <input type="checkbox"/>		
	Unvented space heater that burns gas, oil, or kerosene is present.*	*LT <input type="checkbox"/>	*LT <input type="checkbox"/>		
	Combustion chamber cover or gas shutoff valve is missing from a fuel burning heating appliance.	LT <input type="checkbox"/>	LT <input type="checkbox"/>		
	Heating system or device safety shield is damaged or missing.	S <input type="checkbox"/>	S <input type="checkbox"/>		
	The inspection date is on or between April 1 and September 30 and a permanently installed heating source is damaged, inoperable, missing, or not installed.*	*M <input type="checkbox"/>	*M <input type="checkbox"/>		
	Fuel burning heating system or device exhaust vent is misaligned, blocked, disconnected, improperly connected, damaged, or missing.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
	The inspection date is on or between October 1 and March 31 and the permanently installed heating source is inoperable.		M <input type="checkbox"/>		
	Evidence of cockroach infestation.	M <input type="checkbox"/>	M <input type="checkbox"/>		
Infestation	Evidence of bedbug infestation.	S <input type="checkbox"/>	M <input type="checkbox"/>		
	Evidence of bedbug infestation.	S <input type="checkbox"/>	M <input type="checkbox"/>		
	Evidence of mouse infestation.	S <input type="checkbox"/>	M <input type="checkbox"/>		
	Evidence of rat infestation.	S <input type="checkbox"/>	M <input type="checkbox"/>		
	Evidence of other pests.	S <input type="checkbox"/>	M <input type="checkbox"/>		
	Evidence of rat infestation.	S <input type="checkbox"/>	M <input type="checkbox"/>		
	Evidence of other pests.	M <input type="checkbox"/>	M <input type="checkbox"/>		

Area	Deficiency Description	Unit	Inside	Outside	Inspector Comments
Leak - Gas/Oil	Natural gas, propane, or oil leak.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
	Blocked sewage system.	S <input type="checkbox"/>	S <input type="checkbox"/>	S <input type="checkbox"/>	
	Leak in sewage system.	S <input type="checkbox"/>	S <input type="checkbox"/>	S <input type="checkbox"/>	
Leak - Sewage	Cap to the cleanout or pump cover is detached or missing.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
	Cleanout cap or riser is damaged.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
Leak - Water	Environmental water intrusion.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
	Puncturing leak.	M <input type="checkbox"/>	M <input type="checkbox"/>	L <input type="checkbox"/>	
Lighting - Auxiliary	Fluid is leaking from the sprinkler assembly.	M <input type="checkbox"/>	M <input type="checkbox"/>	L <input type="checkbox"/>	
	Auxiliary lighting is damaged, missing, or fails to illuminate when tested.	S <input type="checkbox"/>	S <input type="checkbox"/>	S <input type="checkbox"/>	
Lighting - Exterior	A permanently installed light fixture is damaged, inoperable, missing, or not secure.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
	A permanently installed light fixture is inoperable.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
Lighting - Interior	A permanently installed light fixture is not secure.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
	A permanently installed light fixture is not present in the kitchen and bathroom.*	*M <input type="checkbox"/>	*M <input type="checkbox"/>	*M <input type="checkbox"/>	
Litter	At least one (1) permanently installed light fixture is not present in the kitchen and bathroom.*	*M <input type="checkbox"/>	*M <input type="checkbox"/>	*M <input type="checkbox"/>	
	Litter is accumulated in an undesignated area.	M <input type="checkbox"/>	M <input type="checkbox"/>	L <input type="checkbox"/>	
Minimum Electrical and Lighting	At least two (2) working outlets are not present within each habitable room. OR At least one (1) working outlet and one (1) permanently installed light fixture is not present within each habitable room.*	*M <input type="checkbox"/>	*M <input type="checkbox"/>	*M <input type="checkbox"/>	
	Presence of mold-like substance at moderate levels is observed visually.	M <input type="checkbox"/>	L <input type="checkbox"/>	L <input type="checkbox"/>	
Mold/Like Substance	Presence of mold-like substance at high levels is observed visually.	S <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
	Presence of mold-like substance at extremely high levels is observed visually.	LT <input type="checkbox"/>	S <input type="checkbox"/>	S <input type="checkbox"/>	
Parking Lot	Elevated moisture level.	M <input type="checkbox"/>	L <input type="checkbox"/>	M <input type="checkbox"/>	
	Parking lot has any one pothole that is 4 inches deep and 1 square foot or greater.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
Potential Lead-based Paint Hazards - Visual Assessment	Parking lot has ponding.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
	Paint in a unit or inside the target property is deteriorated – below the level required for lead-safe work practices by a lead-certified firm or for passing clearance.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
Private Roads and Driveways	Paint in a unit or inside the target property is deteriorated – above the level required for lead-safe work practices by a lead-certified firm and passing clearance.	S <input type="checkbox"/>	S <input type="checkbox"/>	S <input type="checkbox"/>	
	Paint Outside on a target property is deteriorated – below the level required for lead-safe work practices by a lead-certified firm or for passing clearance.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
Refrigerator	Paint Outside on a target property is deteriorated – above the level required for lead-safe work practices by a lead-certified firm and passing clearance.	S <input type="checkbox"/>	S <input type="checkbox"/>	S <input type="checkbox"/>	
	Road or driveway has any one pothole that is 4 inches deep and 1 square foot or greater.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
Refrigerator	Road or driveway has any one pothole that is 4 inches deep and 1 square foot or greater.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
	Refrigerator is inoperable such that it may be unable to safely and adequately store food.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
Refrigerator	Refrigerator component is damaged such that it impacts functionality.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
	Refrigerator is missing.*	*M <input type="checkbox"/>	*M <input type="checkbox"/>	*M <input type="checkbox"/>	

Area	Deficiency Description	Unit	Inside	Outside	Inspector Comments
Retaining Wall	Retaining wall is leaning away from the fill side.			M ☐	
	Retaining wall is partially or completely collapsed.			M ☐	
Roof Assembly	Restricted flow of water from a roof drain, gutter, or downspout.			M ☐	
	Gutter component is damaged, missing, or unfasted.			M ☐	
	Roof surface has standing water.			M ☐	
Roof Assembly	Substrate is exposed.			M ☐	
	Roof assembly has a hole.			M ☐	
Sharp Edges	Roof assembly is damaged.			M ☐	
	A sharp edge that can result in a cut or puncture hazard is present.	S ☐	S ☐	S ☐	
Sidewalk, Walkway, Ramp	Sidewalk, walkway, or ramp is blocked or impassible.			M ☐	
	Sidewalk, walkway, or ramp is not functionally adequate.			M ☐	
Sink	Sink or sink component is damaged or missing and the sink is not functionally adequate.	M ☐	L ☐		
	Water is directed outside of the basin.	L ☐	L ☐		
	Water is not draining.	M ☐	M ☐		
	Sink is improperly installed, pulling away from the wall, heaving, or there are gaps between the sink and wall.	M ☐	M ☐		
Sink	Sink component is damaged or missing and the sink is functionally adequate.	L ☐	L ☐		
	Cannot activate or deactivate hot and cold water.*	*M ☐	M ☐		
	Sink is missing or not installed within the primary kitchen.*	*M ☐			
Site Drainage	Water runoff is unable to flow through the site drainage system.			L ☐	
	Erosion is present.			L ☐	
Smoke Alarm	Grate is not secure or does not cover the site drainage system's collection point.			M ☐	
	Smoke alarm is not installed where required.*	*LT ☐	*LT ☐		
	Smoke alarm is obstructed.	LT ☐	LT ☐		
Sprinkler Assembly	Smoke alarm does not produce an audio or visual alarm when tested.	LT ☐	LT ☐		
	Sprinkler head assembly is encased or obstructed by an item or object that is within 18 inches of the sprinkler head.	LT ☐	LT ☐		
	Sprinkler assembly component is damaged, inoperable, or missing and it is detrimental to performance.	LT ☐	LT ☐		
	Sprinkler assembly has evidence of corrosion.	LT ☐	LT ☐		
Stairs	Sprinkler assembly has evidence of foreign material that is detrimental to performance.	LT ☐	LT ☐		
	Tread is missing or damaged.	M ☐	M ☐		
Steps and Stairs	Stringer is damaged.	M ☐	M ☐		
	Step or stair is not functionally adequate.			M ☐	
Structure	Structural system exhibits signs of serious failure.	LT ☐	LT ☐	LT ☐	

ESG

Area	Deficiency Description	Unit	Inside	Outside	Inspector Comments
Toilet	Only 1 toilet was installed, and it is missing.	LT <input type="checkbox"/>	M <input type="checkbox"/>		
	A toilet is missing and at least 1 toilet is installed elsewhere that is operational.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Only 1 toilet was installed, and it is damaged or inoperable.	S <input type="checkbox"/>	M <input type="checkbox"/>		
Toilet	A toilet is damaged or inoperable and at least 1 toilet is installed elsewhere that is operational.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Toilet component is damaged, inoperable, or missing such that it may limit the resident's ability to safely discharge human waste.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Toilet is not secured at the base.	M <input type="checkbox"/>	M <input type="checkbox"/>		
Trash Chute	Toilet component is damaged, inoperable, or missing and it does not limit the resident's ability to discharge human waste.	L <input type="checkbox"/>	L <input type="checkbox"/>		
	Toilet cannot be used in private *	*M <input type="checkbox"/>	M <input type="checkbox"/>		
	Chute door does not open or self close and latch.	M <input type="checkbox"/>	M <input type="checkbox"/>		
Trip Hazard	Chute is clogged.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Trip hazard on walking surface.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
	Exhaust system does not respond to the control switch.	M <input type="checkbox"/>	M <input type="checkbox"/>		
Ventilation	Exhaust system has restricted airflow.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Exhaust system component is damaged or missing.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Bathroom does not have proper ventilation or dehumidification.	M <input type="checkbox"/>	M <input type="checkbox"/>		
Wall - Exterior	Exterior wall covering has missing sections of at least 1 square foot per wall.			M <input type="checkbox"/>	
	Exterior wall has peeling paint of 10 square feet or more.			M <input type="checkbox"/>	
	Exterior wall component(s) is not functionally adequate.			M <input type="checkbox"/>	
Wall - Interior	Interior wall has a loose or detached surface covering.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Interior wall component(s) is not functionally adequate.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Interior wall has a hole that is greater than 2 inches in diameter or there is an accumulation of holes that are cumulatively greater than 6 inches by 6 inches.	M <input type="checkbox"/>	M <input type="checkbox"/>		
Water Heater	Temperature pressure relief (TPR) valve has an active leak or is obstructed or relief valve discharge piping is damaged, capped, has an upward slope, or is constructed of unsuitable material.	S <input type="checkbox"/>	S <input type="checkbox"/>	S <input type="checkbox"/>	
	No hot water.	S <input type="checkbox"/>	L <input type="checkbox"/>		
	The relief valve discharge piping is missing or terminates greater than 6 inches or less than 2 inches from waste receptor flood-level.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
Window	Chimney or flue piping is blocked, misaligned, or missing.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
	Gas shutoff valve is damaged, missing, or not installed.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
	Window will not open or stay open.	M <input type="checkbox"/>	L <input type="checkbox"/>		
Window	Window cannot be secured.	M <input type="checkbox"/>	L <input type="checkbox"/>		
	Window will not close.	S <input type="checkbox"/>	M <input type="checkbox"/>		
	Window component is damaged or missing and the window is not functionally adequate.	M <input type="checkbox"/>	M <input type="checkbox"/>		

Note: This checklist is not a standards form and is not required for use. The form or its data should not be submitted to HUD, and will not be collected or maintained by HUD. No PI data should be submitted, nor will it be collected. The housing authority or owner is responsible for compliance with the HUD NSPHF Standard per the NSPHF Final Rule (89 FR 30442) and accompanying Federal Register Notice (89 FR 40832, 89 FR 65832).

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ESG

## INTRODUCTION & BACKGROUND

Mississippi Home Corporation (MHC) is responsible for ensuring that grants are administered according to the requirements of applicable laws. Additional program information can be found on the HUD Exchange ESG Page. This manual contains a basic overview of the Mississippi Home Corporation Emergency Solution Grants (ESG) and its eligible activities and requirements. It is not intended to replace existing guidance produced by the U.S. Department of Housing and Urban Development (HUD) 24 CFR 576, 2 CFR 200, and other programmatic regulations.

### **Emergency Solutions Grant (ESG)**

On May 20, 2009, the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH) was enacted into law. The HEARTH Act consolidates three of the separate homeless assistance programs administered by HUD under the McKinney-Vento Homeless Assistance Act into a single grant program and revises the Emergency Shelter Grants program and renames it the Emergency Solutions Grants (ESG) program.

The change in the programs' name from Emergency Shelter Grants to Emergency Solutions Grants reflects the change in the programs' focus from addressing the needs of homeless people in emergency or transitional shelters to assisting people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. There are two (2) major additions to the program: the Homelessness Prevention component and the Rapid Re-Housing program component. The homelessness prevention component includes various housing relocation and stabilization services with short-term rental assistance to help people avoid becoming homeless. Medium-term rental assistance may be provided for up to 24 months. The rapid re-housing assistance component includes similar services to help people who are homeless move quickly into permanent housing and achieve stability in that housing.

A third component of the ESG program includes the provision of street outreach. Street Outreach allows for ESG funds to be used for essential services, including the utilization of case management activities and other services.

In accordance with 24 CFR 576.400(e)(ii) Written standards must be developed by subrecipients. This manual will help guide standards required by subrecipients. Standards must include requirements listed in 24 CFR 576.400 (e)(ii) and follow the requirements of all related federal regulations and this manual.



## OVERVIEW

### Purpose

This Policy and Procedures Implementation Manual applies to the implementation of the Emergency Solutions Grants (ESG) Program as authorized by subtitle B of Title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11371-11378). Mississippi Home Corporation allocates grants to non-profit organizations for reimbursement of eligible expenses related to operating shelters, for street outreach, homelessness prevention and rapid-rehousing assistance. This Policy and Procedures Implementation Manual can be used to provide guidance and recommendations for subrecipients when developing their agency's ESG Policy. However, agencies' program performance is monitored according to that agency's program policy as long as it is in accordance with 24 CFR 576.

The manual outlines the Federal and State requirements of the Emergency Solutions Grant (ESG). This manual along with HUD regulations 24 CFR 576 is the primary resource for implementing projects, but it is not the only resource needed to successfully administer such projects. This manual is a living document and, therefore, will include updates as necessary to reflect changes in MHC's policies and procedures, as well as new HUD regulations, notices, and other guidance. This manual follows federal guidance provided by 24 CFR Part 576.

### Program Administration

The U.S. Department of Housing and Urban Development (HUD) awards ESG grants to the State of Mississippi through the Mississippi Home Corporation (MHC). MHC administers these funds for the State and delegates the implementation to subrecipients; however, as the HUD grantee (or "recipient"), MHC is responsible for ensuring that subrecipients carry out activities in compliance with all applicable requirements. Subrecipients are responsible for making sure that compliance with program requirements occurs at all applicable levels. ESG grant applications can be submitted for one to two-year grant cycle. First time ESG applicants are encouraged to apply for a one-year grant application.

## Controlling Statutes, Regulations and Authority

Agencies must comply with applicable laws and guidance including the requirements of:

- The Health Act of 2009;
- The ESG Interim Rule found at [24 CFR Part 576](#);
- OMB Uniform Guidance;
- The requirements of this Policy and Procedures Implementation Manual
- The terms and conditions of the sub-grant agreement; and
- Any subsequent HUD Regulations, Notices, and Guidance.
- [HUD regulations 2 CFR 200](#)

## Objectives

The objectives of the programs are to assist subrecipients in accomplishing the following:

1. Providing financial assistance to homeless persons and/or those at imminent risk of homelessness;
2. Meeting the needs of special groups within the homeless population;
3. Providing essential services; and
4. Shelter Operation and Maintenance.
5. Reducing the length of time spent in homelessness, preventing the experience of homelessness, and decreasing returns to homelessness.

The Emergency Solutions Grant continues to prioritize programs' focus from addressing the needs of homeless people in emergency shelters to assisting people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. MHC's overall goal for ESG programs is to work with community agencies in ending and preventing the experience of homelessness in Mississippi.

### National Strategic Goals/ Priorities/ Objectives

*HOME Together* is focused on federal strategies that will support states and communities to make homelessness a rare, brief, and one-time experience—and that will sustain that success once achieved. That focus is reflected in its structure.

Ensure Homelessness is a Rare Experience

Objective 1.1: Collaboratively build lasting systems that end homelessness

- Build momentum behind a common vision
- Understand the size and scope of the problem
- Reduce fragmentation
- Drive cost-effective solutions

Objective 1.2: Increase capacity and strengthen practices to prevent housing crises and homelessness

- Reduces the prevalence of risk of housing crises
- Reduce the risk of homelessness while households are engaged with or transitioning from systems
- Target assistance to prevent housing crises

Ensure Homelessness is a Brief Experience

Objective 2.1: Identify and engage all people experiencing homelessness as quickly as possible

- Identify every individual and family
- Coordinate comprehensive strategies
- Use HMIS and other data sources to build maintain active lists of people experiencing homelessness

Objective 2.2: Provide immediate access to low-barrier emergency shelter or other temporary accommodations to all who need it

- Provide access to low-barrier emergency shelter
- Provide access to service-enriched, long-term temporary accommodations when needed and appropriate

Objective 2.3: Implement coordinated entry to standardize assessment and prioritization processes and streamline connections to housing and services

Objective 2.4: Assist people to move swiftly into permanent housing with appropriate and person-centered services

- Expand access to new and existing affordable housing for people experiencing homelessness
- Connect people to rapid re-housing
- Connect people with the most intense needs to permanent supportive housing
- Link people experiencing unsheltered homelessness to housing services

Ensure Homelessness is a One-Time Experience

Objective 3.1: Prevent Returns to Homelessness through Connections to Adequate Services and Opportunities

Sustain an End to Homelessness

Objective 4.1: Sustain Practices and Systems at a Scale Necessary to Respond to Future Needs

## MHC Goals

Every five (5) years, Mississippi Home Corporation (MHC) creates a plan to address identified housing needs in the State. The goals and priorities are:

### **Goal 1: HOME Rental Development. Expand and Preserve Affordable Rental Housing**

- Increase the affordable housing stock to targeted populations.
- Prioritize developments that reserve units for households earning at or below 30% AMI or households that are homeless.
- Require developers to partner with approved nonprofits through a letter of commitment.
  - Letters of commitment must specify services that will be provided to the target population. For example, the partnering agency will provide transportation, case management, job training, employment readiness programs, and other approved supportive services activities.

**Measurement:** Number of affordable housing units developed, and the number of affordable housing units reserved for prioritized households.

### **Goal 2 HOME, ESG & HOPWA. Link Housing Development with Employment & Supportive Services that promotes Self-Sufficiency**

- Aligning new affordable housing projects with job hubs through mapping and strategic partnerships with employers, MDA, and transportation agencies.

**Measurement:** Number of affordable housing units developed within 10-15 miles of major employment hubs.

### **Goal 3: HOME Homeowner Activity. Increase Homeownership Opportunities for households**

- Provide direct financial assistance to homebuyers at or below 80% AMI to bridge affordability gaps.
- Promote homebuyer education and counseling to improve long-term housing stability.

**Measurement:** Number of first-time homebuyers assisted and the percentage of successful mortgage sustainment over time.

### **Goal 4: ESG and HOPWA activity. Enhance Housing Stability & Homelessness Prevention Programs**

- Use the **ESG, HOME-ARP, and HOPWA programs** to provide **wraparound support services**, including job training, transportation, case management, education, and other approved services to properties that prioritize identified special populations (homeless and 30% AMI).
- Require housing stability plans for all homeless prevention housing assistance programs (ESG, HOPWA) recipients to ensure long-term sustainability.
- Work with the CoCs to end the experience of homelessness and improving health outcomes by providing housing assistance through HOPWA and ESG.

**Measurement:** Number of formerly homeless individuals housed and percentage maintaining stable housing for 12+ months.

**Measurement:** Number of individuals who increased income while in the program.

**Goal 5: HOME Rental Development and Homeownership programs. Increase Manufacture Housing Stock for households.**

- Use manufacturer housing to address affordable housing needs.

**Measurement:** The number of manufactured units placed in communities with low housing stock.

**Goal 6: HOME Homeowner Activity. Increasing Outreach for Housing Preservation through Homeowner Rehabilitation Assistance**

- Promote education, outreach, and services
  - Provide community-based training to nonprofits and local governments to increase program awareness.

**Measurement:** Number of outreach and training events provided throughout the state.

Number of new agencies and communities that apply for homeowner rehabilitation assistance.

**Goal 7: Increase Community Knowledge about CHDOs**

- Operating support to foster, maintain and increase our Community Housing Development Organizations.

**Measurement:** Number of workshops, trainings, and Technical Assistance provided throughout the state.

**Goal 8: CDBG Economic Development. Create, expand, and retain jobs for lower-income persons.**

**Goal 9: CDBG Economic Development. Create or expand employment at for-profit businesses.**

**Goal 10: CDBG Economic Development. Invest in eligible infrastructure that supports better-paying jobs for Mississippians.**

## ESG Expected Outcomes

**Goal : ESG activity. Enhance Housing Stability & Homelessness Prevention Programs**

- Use the ESG to provide **wraparound support services**, including job training, transportation, case management, education, and other approved services to properties that prioritize identified special populations (homeless and 30% AMI).
- Require housing stability plans for all homeless prevention housing assistance programs recipients to ensure long-term sustainability.
- Work with the CoCs to end the experience of homelessness and improve health outcomes by providing housing assistance through HOPWA and ESG.

**Measurement:** Number of formerly homeless individuals housed. Expect to serve a cumulative of 800 individuals with ESG.

- Decrease in the number of chronic homeless individuals identified.
- Decrease in the number of homeless individuals and households identified.

(use CoC or PIT data)

**Measurement:** The percentage of formerly homeless individuals that maintain stable housing for 6+ months.

The State expects that 50% or more of the former homeless individuals served by ESG will maintain housing.

**Measurement:** Number of individuals who increased income while in the ESG program.

The State expects that 25% of households will increase income while in the ESG program.

## Program Staff

The staff involved in ESG and ESG program management may be contacted for assistance at the following:

Federal Grants	Tamara Stewart, Vice President of Federal Grants <a href="mailto:tamara.stewart@mshc.com">tamara.stewart@mshc.com</a> 601-718-4654	
Federal Grants	Fredrick Davis, Compliance Officer, Federal Grants <a href="mailto:fredrick.davis@mshc.com">fredrick.davis@mshc.com</a> 601-718-4657	
Federal Grants, ESG	Vickie Palfrey, Grant Specialist, ESG <a href="mailto:vickie.palfrey@mshc.com">vickie.palfrey@mshc.com</a> 4655	601-718-

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1.6	5/15/24	5/15/24
1.7	1/15/25	1/15/25
1.8	6/30/25	6/30/25

## PROGRAM REQUIREMENTS

### Annual ESG

The ESG program is designed to assist people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. Subrecipients are required to carry out projects in accordance with the regulations for the Emergency Solutions Grants Program, McKinney-Vento/HEARTH Act, Title IV (42 U.S.C. 11371) and 24 CFR 576. Projects funded with ESG must be low barrier with a housing first orientation. Per HUD guidance, individuals and families assisted with these funds must not be required to receive treatment or perform any other prerequisite activities as a condition for receiving shelter, housing, or other services for which these funds are used. Programs may also not use health status to discriminate or restrict access to programs.

The ESG programs provide funding to: (1) engage homeless individuals and families living on the street; (2) improve the number and quality of emergency shelters for homeless individuals and families; (3) help operate these shelters; (4) provide essential services to shelter residents, (5) rapidly rehouse homeless individuals and families, and (6) prevent families/individuals from becoming homeless.

ESG funds may be used for five program components: street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, and HMIS; as well as administrative activities. Administrative activities are not an eligible charge for subrecipients. Subrecipients can charge staff and overhead costs directly to ESG activities 24 CFR 576.108(a).

All ESG subrecipients are required to have internal program policies that are in line with this manual and CFR 576 standards.

## Eligible Beneficiaries

The minimum eligibility criteria for the ESG program set forth by Mississippi Home Corporation are as follows:

- For essential services related to street outreach, beneficiaries must meet the definition of unsheltered homeless.
- For emergency shelter services and related essential services, beneficiaries must meet the definition of homelessness under paragraph (1) or (4).
- For rapid rehousing, beneficiaries must meet the definition of homelessness under paragraph (1), (2), or (4).
- For homeless prevention, beneficiaries must verify that their household income is at or below 30% AMI, they have no other resources and meet the definition of homelessness under paragraph (2) or (4).

Subrecipient must use a system approved by the Feder government to verify the benefits are not provided to an ineligible alien who entered the United States illegally or is otherwise unlawfully present in the United States.

## Eligible Activities

### ESG Eligible Activities

The Emergency Solutions Grant (ESG) Program is designed to end and prevent homelessness. Towards that end, it has four main components under which services and activities are provided to program participants: *Street Outreach*, *Emergency Shelter*, *Homelessness Prevention*, and *Rapid Re-housing*. Two other components, *Homeless Management Information System (HMIS)* and *Administration*, facilitate data collection and program management. Each component of ESG contains specific activities that may be paid for using ESG funds provided that certain requirements are met.

Component	Serving	
	Those who are Homeless	Those who are At-Imminent Risk of Homelessness
Street Outreach	✓	
Emergency Shelter	✓	
Homelessness Prevention		✓
Rapid Re-housing	✓	

For every component, MHC requires subrecipients to serve each participant and/or potential participant with the "total needs support". This emphasizes case management as essential to assessing housing and service needs,

arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of program participants.

## Services/Activities Components

24 CFR 576 – Subpart B details the allowable activities that may be funded with ESG. A summary of these components and the activities associated are as follows:

### 1. Street Outreach Component (24 CFR 576.101)

ESG funds may be used for the costs of providing essential services necessary to reach out to **unsheltered homeless people**, connect them with emergency shelter, housing, or critical services, and provide urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility. Essential services are targeted towards unsheltered homeless individuals. Essential services include case management, engagement, transportation, emergency health services, and transportation.

Case management is essential to assessing housing and service needs, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of program participants.

Additional eligible costs under ESG street outreach component include:

- Engagement, which includes assessment, providing crisis counseling, addressing urgent physical needs (providing meals, blankets, clothes, or toiletries).
- Case management which includes the cost of assessing housing and service needs, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the participant. Identification cards are an allowable expense under Street Outreach case management as long as it is needed to access shelter and other emergency services.
- Cost of program participant’s travel on public transportation

- Emergency health services (physical health and mental health). Eligible cost is for direct outpatient treatment provided by licensed medical professionals operating in community-based settings. ESG funds may only be used for these services to the extent that other appropriate mental health services are unavailable or inaccessible within the community.

2. **Emergency Shelter Component** ([24 CFR 576.102](#))

Emergency shelter operations and services funded under this component provide access to emergency shelters and improve shelter quality. ESG funds may be used to provide essential services to homeless individuals and households in emergency shelters and fund shelter operations. All items purchased must be for the operation of the shelter.

For regular ESG, Emergency Shelter + Street Outreach cannot exceed 60% of the total ESG annual award.

Eligible essential services cost under the ESG shelter component include:

- Hotel or motel vouchers for families or individuals who are unable to access shelter.
- Cost of program participant's travel on public transportation
- Life skills training which includes but not limited to budgeting resources and managing money (which may include payee services).
- Mental health services for outpatient treatment by licensed professionals of mental health conditions. ESG funds may only be used for these services to the extent that other appropriate mental health services are unavailable or inaccessible within the community.
- Substance abuse treatment services designed to prevent, reduce, eliminate, or deter relapse to substance abuse or addictive behavior and are provided by licensed or certified professionals. ESG funds may only be used for these services to the extent that other appropriate substance abuse treatment services are unavailable or inaccessible within the community.
  - Treatment cost consists of outpatient treatment for up to 30 days. Group and individual counseling are eligible cost; inpatient detoxification and other inpatient drug or alcohol treatment are NOT eligible costs.
- Outpatient health services may be provided through ESG only to the extent that other appropriate health services are unavailable within the community.

- Educational services are an eligible cost, when necessary, for the program participant to obtain and maintain housing. Educational services include General Educational Development (GED) programs, and English as a Second Language program.
  - The State of Mississippi has many free GED classes, but limited resources that pay for GED testing. The Corporation recommends that subrecipients are interested in using the education resources to identify and partner with existing GED programs in the community.
- Employment Assistance and Job Training programs are eligible including services that assist individuals in securing employment, acquiring learning skills, and/or increasing earning potential. Learning skills include those skills that can be used to secure and retain a job, including the acquisition of vocational licenses and/or certification.

Essential services are targeted and prioritized for individuals who are homeless and are in need of essential services to secure housing. Agencies are encouraged to use essential services to help eligible individuals obtain self-sustainability.

If no appropriate emergency shelter is available, grantees may use ESG funds to provide unsheltered homeless individuals with hotel/motel vouchers. Hotel/motel vouchers may be provided if shelter beds are unavailable, but it is not safe for them to use because of the need for social distancing.

Hotel or motel vouchers may be paid for a homeless family or individual when no appropriate shelter is available. Hotel or motel stays should be limited to no more than one week. If participants require longer than a 7 day stay, subrecipients must get approval from MHC staff.

Subrecipients must provide low-barrier access to ESG funded shelters. Subrecipients are required to develop shelter standards that dictate the admission process, length of time and diversion. Length of time can be no longer than twelve months. Funded shelters must meet shelter and housing standards identified in 576.403, have accessibility to special needs populations, meet VAWA requirements, and have safeguards in place to meet safety and shelter needs of special populations.

All shelter programs funded by ESG must enter shelter residence information and shelter bed count information into HMIS or VELA. The ESG shelter program must be provided through a holistic approach whereas shelter must work with shelter residence to obtain permanent housing. MHC will not fund a shelter program if it is not connected directly or indirectly to a permanent housing program.

### 3. Homelessness Prevention Component (24 CFR 576.103)

ESG funds may be used to prevent an individual or a family from moving into an emergency shelter of another place described in paragraph (1) of the "homeless" definition in §576.2. Allowable activities for services

provided with homeless prevention is in accordance with the housing relocation and stabilization services requirements in § 576.105. Homeless prevention assistance may be provided to individuals and families who meet the criteria under the “imminent risk of homelessness” definition, as defined in paragraph (2) of the homeless definition or who meets category 4 of the homeless definition in §576.2 and have an annual income at or below 30% of median family income for the area as determined by HUD. Funds may be used as described by §576.103 to prevent homelessness which may include relocation and stabilization services as described by §576.105.

- Homeless prevention assistance may be provided for short-term assistance (up to 3 months), or a medium-term assistance (up to 24 months). Re-evaluation of need and eligibility must be conducted and documented every **three months**.
- The applicant and the program participant must be the same. A person who is listed as “in the household” cannot make an application for assistance unless that person is a party to the lease agreement and utility bills.
- Eligible applicants who meet the “imminent risk of homelessness” definition as defined in paragraph two of the “homeless” definition, or paragraph four of the homeless definition and have an annual income at or below **30% AMI** who are determined to have no alternative resources and no other place to go.
- The applicant and the program participant must be the same. A person who is listed as “in the household” cannot make an application for assistance unless that person is a party to the lease agreement and utility bills.

#### 4. **Rapid Rehousing Component** ([24 CFR 576.104](#))

ESG funds may be used to provide rapid re-housing services/activities in accordance with the housing relocation and stabilization services requirements in § 576.105 and the short- and medium-term rental assistance requirements in § 576.106. Housing relocation and stabilization services/activities must be provided as necessary to help homeless individuals and households (meeting Category 1 or 4 of the HUD Homeless Definition) to quickly move to permanent housing and achieve stability.

- Eligible participants must meet Categories 1 or 4 of the HUD Homeless Definition
- For Annual ESG, rental assistance may be short-term (up to three months) or medium-term (up to 24 months).
- Re-evaluation every 12 months.

**5. Data Management and Program Management Components**

**A. Homeless Management Information System (HMIS) (24 CFR 576.107)**

- a. Funding to facilitate data collection through the participation in and contribution to the HMIS designated by the Continuum of Care for the area. The following guidelines must be adhered to:
1. The sub-recipient must ensure, in accordance with HUD standards of participation that data on all persons served and all activities assisted under the ESG program are entered into the applicable community wide HMIS (or comparable database) in the area in which those persons and activities are located.
  2. The subrecipient must report and track all data collection and reporting under a local HMIS.
  3. If the sub-recipient is a victim services provider or a legal services provider, it may use a comparable database that collects client-level data over time and generates unduplicated aggregate reports based on the data. Information entered into a comparable database must not be entered directly into or provided to an HMIS.

Allowable activities for RRH and HP

Housing Relocation and Stabilization Services (24 CFR 576.105)

Annual ESG funds can be used to pay housing owners, utility companies, and other third parties for the below listed costs. Qualified individuals who meet the homeless criteria under paragraph (1) or (4) of the "homeless" definition in §576.2 for RRH, or qualified individuals who meets the homeless criteria under paragraph two or four of the homeless definition for HP qualifies for assistance described the Housing Relocation and Stabilization category. All funds must be paid directly to the service provider. The following financial assistance activities are eligible expenses:

1. Rental application fees that are charged by the owner to all applicants.

2. Security deposits that are equal to no more than two (2) months' rent.
3. Last months' rent if it is necessary to obtain housing for a program participant. The last months' rent may be paid to the housing owner at the time the owner is paid the security deposit and the first months' rent. This assistance must be included in determining total rental assistance.
4. Prior rental arrears may be paid to a previous landlord if the arrears negatively impact the program participants' ability to get new housing. To pay this service, the old lease must be provided, and the Affidavit of Arrears must be completed and signed by the prior landlord.
5. Utility deposits as required by the utility company for all customers. The only eligible utility services are gas, electric, water and sewage.
6. Utility payments may be paid for up to 24 months per program participant, per service, including up to 6 months of utility payments in arrears, per service.
7. Moving costs may be paid for truck rental or hiring a moving company. Temporary storage fees for up to 3 months are allowable provided the fees are accrued after the program participants begin receiving assistance and before he/she moves into permanent housing. Payment of temporary storage fees that are in arrears is not an eligible expense.

#### Short-term and medium-term rental assistance (24 CFR 576.106)

To qualify for short- and medium-term rental assistance, a program participant and a housing owner must have a typed and signed lease for the provision of rental assistance. Subrecipients can provide program participants with up to 24 months of rental assistance during any 3-year period.

- Short-term rental assistance may be provided for up to three (3) months. The case manager must reassess the program participants' circumstances at least monthly and update case notes into HMIS. The case manager must provide reasonable timelines for the program participant to submit information necessary to determine program eligibility.
- Medium-term rental assistance may be provided for up to twenty-four (24) months. The case manager must reassess the program participants' circumstances at least monthly and must update case notes into HMIS.

#### Rental Assistance

- **Deposits and Move-In Assistance**

The Housing Relocation and Stabilization Services section in this manual and CFR §576.105 describes allowable move-in cost and deposits. ESG funds can be used to pay for activities directly related to obtaining stable housing. Qualified individuals who meets the homeless criteria under paragraph (1) or (4) of the “homeless” definition in §576.2 for RRH, or qualified individuals who meets the homeless criteria under paragraph (2) of the homeless definition for HP qualifies for deposits and other move-in assistance described the Housing Relocation and Stabilization category. Eligible activities include deposits, and eligible moving equipment. Program participants who receive rent payments from another financial assistance program (e.g. Section 8), are eligible for security deposits only.

- **Rental Arrears.**

Under Annual ESG, the payment of rental arrears consists of a one-time payment for up to 6 months of rent in arrears (delinquent), including any late fees on arrears. Any subsequent payment of late fees must be paid with non-ESG funds. The costs of rental and utility arrears assistance are only eligible to the extent that the assistance is necessary to help the program participant regain stability in their housing or move into other permanent housing and achieve stability in that housing. Rental assistance or arrears to pay for a lot on which a manufactured home is located will require prior MHC approval.

Except for a one-time payment of rental arrears on the tenant's portion of the rental payment, rental assistance cannot be provided to a program participant who is receiving tenant-based rental assistance, or living in a housing unit receiving project-based rental assistance or operating assistance, through other public sources. Rental assistance may not be provided to a program participant who has been provided with replacement housing payments under the URA during the period of time covered by the URA payments §576.106 (c).

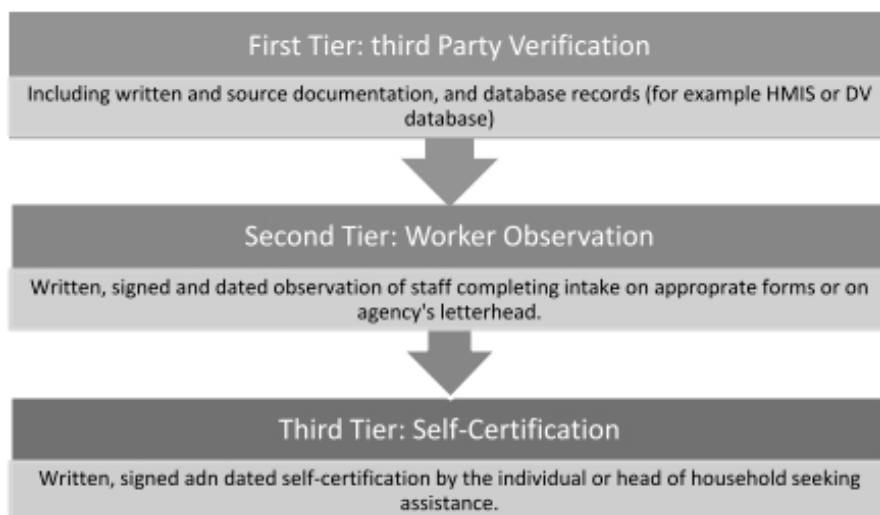
- **Maximum Amount of Rent to be Paid.**

Subrecipients of ESG funds must determine what percentage or amount of rent and utilities cost each program participant must pay while receiving homelessness prevention or rapid re-housing assistance. Such standards must be included in the sub-recipient's Written Standards and must be applied consistently across all ESG funded projects.

## Record Keeping

### Documentation Order of Priority.

It is the subrecipient responsibility to collect the required documentation to determine eligibility and provide services. Documentation order of priority **MUST** be followed for all ESG applicants. Documentation order of priority **DOES NOT** apply for individuals fleeing or attempting to flee a domestic violence situation. Documentation must be collected in order of preference:



**\*Agencies cannot withhold or deny services if third party documentation is not accessible.**

**\*If third party documentation is not accessible, subrecipients must provide documentation proof of efforts to collect third party documentation. Subrecipients policies must include documentation priority and documentation of efforts to collect third party documentation.**

#### First Tier Documentation: Third Party Verification

- Source Documents:
  - Pre-existing records from a third party provided to intake staff such as receipts and printouts from relevant third-party information system,
  - Examples: HMIS, CES, SSI award letter, Eviction Notice, Discharge paperwork
  -

- **Written verification:**
  - Letters, written referral, or written observations by another person that are signed, dated, and on appropriate letterhead.
  - Examples: Written observation of a shopkeeper, written referral from law enforcement, letter from property owner that person must leave.
- **Documented Oral Verification**
  - Verification provided by a third party given over the phone or in person directly to the intake staff. Intake staff records the statement in writing, certifies its true and completes, signs and dates.
  - Examples: Intake worker calls leaseholders who confirm that the family can no longer stay in the apartment after this week because of pending lease violations.

**Second Tier Documentation: Intake Worker Observation**

- **Intake worker observation must:**
  - Be issued on third party letterhead or form an agency email address.
  - Identify the intake worker that made the observation
  - Certify that the statement is true and complete
  - Be signed and dated by the intake worker
  - Example: An intake worker physically observes a person residing in their car and writes, signs and dates the observation for the record.

**Third Tier Documentation: Self-Certification**

- **Self-Certification must :**
  - Identify the individual or head of household
  - Provides detail of specific criteria being documented
  - Certify that the statement is true and complete
  - Be signed and dated by the individual or head of household.
- Self-certification should be infrequent, but are permitted.

Subrecipients will be responsible for ensuring the following:

- Before financial services are provided, collect eligibility documentation and documentation to justify financial assistance.
- Emergency/Arrearage payments must be made to the provider (e.g. landlord, utility company) of such items or services on behalf of an individual or family, and not directly to an individual family, or debt collections agency.
- Proper documentation must be maintained to ensure that all costs incurred are eligible.
- Proper documentation must be maintained that shows how the amount of assistance provided was determined to be necessary and reasonable.
- Proper documentation and support must be uploaded into HMIS

#### Homeless Status §576.500.

Subrecipients must maintain and follow intake procedures to ensure compliance with the homeless definition in §576.2. The procedures must require documentation at intake of the evidence relied upon to establish and verify homeless status. Consider the documentation order of priority section of this manual for obtaining “homeless” or “imminent risk of homelessness” evidence. Lack of third-party documentation must not prevent an individual from accessing shelter, receiving street outreach, or from receiving services provided by victim service providers. Records contained in an HMIS or comparable database used by victim service or legal service providers are acceptable evidence of third-party documentation. Reference Mandatory Documentation in this manual for acceptable verification of “Homeless”.

#### Rent Reasonableness.

Under ESG, rent must meet rent reasonableness standards and cannot exceed HUD’s published FMRs for the area. The rent for the unit assisted with ESG funds must not exceed the lesser of the FMR or the rent reasonableness standard. Rent reasonableness is determined by comparing the gross rent of three to four units in a set community to the Fair Market Rent (FMR updated annually) of that community.

- A. To calculate the gross rent of a unit that is being tested for rent reasonableness and the FMR standard in a unit where the tenant is responsible for paying the utilities:

1. Total contract rent amount of the unit + Any fees required for occupancy under the lease (excluding late fees and pet fees) + Monthly utility allowance\* (excluding telephone) = Gross Rent Amount

a) Utility Allowance is established by a local Public Housing Authority (PHA) and includes all utilities paid for by the tenant.

B. To calculate the gross rent of a unit that is being tested for rent reasonableness and the FMR standard in a unit where the tenant is NOT responsible for paying the utilities:

1. Total contract rent amount of the unit + Any fees required for occupancy under the lease (excluding late fees and pet fees) = Gross Rent Amount

Subrecipients must establish their own written policies and procedures for documenting comparable rents to establish transparency and consistency across all projects. Written policies and procedures should include:

- A methodology for documenting comparable rents
- Case file checklists and forms
- Standards for certifying comparable rents as reasonable
- Determination must be supported by documentation in the case file.

A grantee must determine, and document rent reasonableness for all units for which ESG rent assistance (including arrears) and/or security deposit assistance is being provided. The requirement applies whether homelessness prevention or rapid rehousing assistance is provided.

### Fair Market Rent.

Rental assistance cannot be provided for a unit that exceeds the Fair Market Rent established by HUD. Fair Market Rent amounts are based on units that include utilities. Rent must follow HUD standard of rent reasonableness (comparable like units).

### Rental Assistance Agreement.

Rental assistance payments may only be paid to the property owner with whom the sub-recipient has entered into a rental assistance agreement. The rental assistance agreement must be very specific and set forth the terms under which the assistance will be provided (i.e., when the assistance begins and ends). The agreement must also provide that during the term of the agreement, the owner must give the program participant a copy of any notice to vacate the housing unit. This shall also include any complaint used under state or local law to commence an

eviction action against the program participant. Only ESG agreements provided by MHC are acceptable documents. All others may result in ineligible costs. The rental assistance agreement must contain the same cost, same payment due date, grace period, and late payment penalty requirements as the program participant's lease.

#### Late Fees.

Payment of late fees are allowable costs in connection with payments of rental/utility arrears. The subrecipient is solely responsible for paying late payment penalties that it incurs with non-ESG funds, and for late payment penalties incurred due to subrecipient internal policies.

- a. Annual ESG – The program pays for the initial late fees at the time of assessment. This will cover late fees related to arrangements to bring the rental payments current. No additional late fees will be paid once the rent is current.

#### Lease Agreement.

Each program participant must have a legally binding typewritten lease agreement for the rental unit. The lease must be between the property owner or landlord and the program participant (tenant). The lease must be signed by the landlord and the tenant(s). The lease must clearly provide a full and complete address for the rental property. If the lease agreement is between parent and child, siblings or other relatives, it is invalid, and not reimbursable. If an employee, spouse or other family members of the sub-recipient program has rental property, that employee is not eligible for rental reimbursement through the ESG program.

If the property owner is renting a single-family unit, the lease must also be typewritten. Handwritten lease agreements or notices from the property/landlord are no longer acceptable.

#### Program Income

24 CFR 576.2, 576.407(c)(1). Allowable income generated from ESG program activities may be used for matching contributions, subject to the requirements in §576.201, 2 CFR 200.80, and this manual. ESG-CV is exempt from Match requirements.

## National Standards for Physical Inspection of Real Estate (NSPIRE)

The NSPIRE Final Rule, establishes minimum standards for real estate used in federally funded programs. Permanent housing funded under the Rapid Re-housing and Homelessness Prevention components of ESG must meet the [NSPIRE inspection standards](#).

ESG funds cannot be used to help a program participant remain in or move into housing that does not meet the NSPIRE inspection standards. This restriction applies to all activities under the Homelessness Prevention and Rapid Re-housing components, including rental assistance and housing relocation and stabilization services.

## Environmental Review

The environmental review is an examination of the potential environmental impacts of a project to ensure compliance with the National Environmental Policy Act (NEPA) and all related laws and authorities. Subrecipients must submit all available relevant information necessary for MHC's Environmental Impact Officer to perform an environmental review required by 24 CFR Part 50 and must carry out mitigating measures deemed necessary.

Subrecipients may not expend any funds, regardless of source, on any project funded (except temporary emergency shelters) in whole or in part with an ESG sub-grant until the environmental review has been completed. Failure to comply with this requirement may result in cancellation of the sub-grant.

## Coordination of Service & Systems

ESG funded programs must coordinate and integrate, to the maximum extent practicable, ESG-funded activities with other programs targeted to homeless people in the state of Mississippi.

Subrecipients must develop their ESG program with the [Federal Strategic Plan](#), MHC's Annual Action Plan, and the Consolidated Plan goals in mind. In working towards these goals, subrecipients must:

- Work with their local Continuum of Care agencies to end homelessness
- Work with publicly funded institutions and systems to prevent homelessness (such as foster care and other youth facilities, mental health facilities, correctional programs or institutions, and health-care facilities)
- Work with local agencies that serve the most in need populations.

In coordinating services, subrecipients must also consider affordable permanent housing placements.

Subrecipients are encouraged to coordinate with:

- Local Housing Authority
- Tax-credited housing
- Income-based housing

## ESG Funding Limits

Funding Source	Income Limit	Assistance Type	Term of Assistance
ESG-HP	30% AMI	<ul style="list-style-type: none"> <li>• One-time Rental and/or Utility Arrears</li> <li>• Relocation and Stabilization Services</li> <li>• On-going monthly payments</li> </ul>	up to 24 months
ESG RRH		<ul style="list-style-type: none"> <li>• Relocation and Stabilization Services</li> <li>• On-going monthly payments</li> </ul>	Up to 24 months
Shelter		<ul style="list-style-type: none"> <li>• Eligible activities identified under the Emergency shelter component</li> </ul>	12 months

## DETERMINING PROGRAM PARTICIPANT ELIGIBILITY

### Eligible Program Participants

There are five eligible populations identified for ESG:

- ❖ Homeless Definition Category 1: Literally Homeless (Living on the Street or in Emergency Shelter)
- ❖ Homeless Definition Category 2: Imminently Homeless (within 14 days)
- ❖ Homeless Definition Category 4: Fleeing/attempting to flee Domestic Violence

Note: MHC does not fund serves provided to Category 3 of the homeless definition and the At Risk of Homeless population as defined by HUD in the At Risk of Homeless definitions.

ESG services will be reserved for those who are homeless based on HUD's definition of homelessness.

Individuals At Risk of Homelessness based on HUD's definition of At Risk of Homelessness can be referred to other resources like HOME-ARP.

### Assessment

All applicants must be assessed to determine eligibility for receipt services. The type and length of assistance for which an eligible household qualifies is determined by their household income, stability of their current housing, and/or their homeless status.

An initial evaluation to determine program eligibility of individuals and/or families will be conducted by the subrecipients. Subrecipients are expected to include documentation on the results of the eligibility assessment in the client's case file and identify which program source and program component the individuals or families are being assisted with, and the length of assistance needed. After the initial evaluation, the type and amount of assistance will be established to ensure the individual or family's needs are met to regain stability.

Eligible applicants must meet the homeless definition and have no other resources available. Subrecipients must keep all supporting documents in applicants' file.

## Coordinated Entry/Assessment System §576.400(d).

Each Continuum of Care in Mississippi has developed a coordinated entry system or a coordinated assessment system in accordance with requirements to be established by HUD. Each ESG funded program within the Continuum of Care's area MUST use that assessment system. The recipient and subrecipient must work with the Continuum of Care to ensure the screening, assessment and referral of program participants are consistent with the written standards.

Coordinated assessment systems must be low-barrier and may be utilized to prioritize households with zero/low income, disabilities, and long-term histories of homelessness.

A victim service provider may choose not to use the Continuum of Care's centralized or coordinated entry system for participants impacted by domestic violence.

## Income Eligibility

Household Income	Eligible Program Funds
HP Household income at or below 30% AMI	Annual ESG

When calculating income, temporary income (i.e. Federal Pandemic Unemployment Compensation Program payments, stimulus checks) should not be included in the calculations. A lack of income does not preclude any household from receiving services. Households without income are eligible to receive ESG assistance in any of the following components:

- ❖ Street Outreach (*Homeless definition paragraph 1 and 4*)
- ❖ Emergency Shelter (*Homeless definition paragraph 1 and 4*)
- ❖ Homelessness Prevention (*Homeless definition paragraph 2*)
- ❖ Rapid Re-housing (*Homeless definition paragraph 1 and 4*)

## Homeless or Imminent Risk of Homelessness

HUD's definition of Homeless or Imminent Risk of Homelessness should be used to determine an applicant's eligibility.

## But For

To establish eligibility, an initial consultation with a case manager is to be conducted and an assessment made as to whether the household will require emergency shelter or be literally homeless “**but for**” this financial assistance. The case manager should be able to make the determination that the household has no other available housing options or lacks financial resources that would prevent them from becoming homeless. This includes no family support and no other social support networks.

The initial consultation conducted by the case manager should make the necessary determination of the range of services that may be required for the program participant. The structure of the ESG program is designed to provide and promote comprehensive services to the program participants. This is an effort to assist the program participant with gaining and maintaining stability in all facets of life, not just housing. The case manager must be knowledgeable of all services that are available in a community to service the program participant effectively.

Additionally, each program participant receiving homelessness prevention or rapid rehousing assistance must be required to meet regularly with a case manager (except where prohibited by the Violence Against Women Act (VAWA) and the Family Violence Prevention and Services Act (FVPSA), and the assistance provider must develop an individualized plan to help that program participant retain housing after the ESG assistance ends.

## Rent Limitation and Duration

ESG rental assistance is limited to the Fair Market Rent, including the Utility Allowance calculation for the identified area and the Rent Reasonableness determination. Subrecipients may choose to reduce the rent limitations in their community to less than the FMR; however, subrecipients cannot increase the rent limitation to go above the FMR of the area. Subrecipients must use a rent limit policy that is used consistently for all units receiving a rent subsidy, including arrears, and must be completed before the rent subsidy is paid. The rent limit is the maximum rent subsidy that can be paid for a unit of a given size.

## Determining Rent Subsidy

Rent subsidy may be in the form of TBRA or PBRA. Subrecipients must have a standardized procedure for determining the amount of rent subsidy for each household. The procedure should include consideration of the

household's resources and expenses. Although each household may receive a different amount of rent subsidy, the procedure for determining the subsidy must be standardized.

Client files must include documentation of the subsidy amount and determination process. Rent subsidy should be adjusted when there is a change in household circumstance, income, or need.

If utilities are not included in the rent but are the responsibility of the resident, a utility allowance for reasonable rent utility consumption must be subtracted from the rent. Subrecipients must use their local Public Housing Authority's (PHA) schedule of utility allowances per CPD Notice 17-11.

## Duplication of Benefits (DOB)

Duplication of Benefits (DOB) occurs when an individual or household receives financial assistance for the same service, during the same period, from multiple funding sources.

The ESG requires that the subrecipients complete the following analysis to avoid DOB

1. Assess the needs of the applicant.
2. Ask the applicant if they have received/receiving any additional support or any kind.
3. Calculate the unmet need
4. Document the calculation
5. Make sure all applicant subrogation forms are complete.

ESG funds may not be used to cover costs that have already been paid for or that will be paid for by another federal program or other sources. Subrecipients must determine and document if the household is receiving assistance from other sources (e.g. ERAP, SSVF, HOME-ARP, CoC, FEMA costs for temporary shelter, Emergency Housing Vouchers, philanthropy, faith-based, CDBG, etc.) to avoid duplication of benefits as well as verify that the other form of assistance does not disqualify the eligibility of the individual or household ([Section 312 \(42 U.S.C. 5155\)](#)).

To prevent a duplication of benefits, tenants and landlords are required to sign the Duplication of Benefits Certification which does the following:

- Provides a self-certification to the landlord and tenant indicating that they have not received a duplicative benefit;

- Request disclosure of any potentially duplicative assistance that they have already received, or reasonably anticipate receiving;
- Certifies that the landlord and applicant agree to repay assistance that is determined to be duplicative.

## Types of Rental Assistance

### **Tenant-based rental assistance (ESG TBRA).**

- (1) A program participant who receives tenant-based rental assistance with ESG may select a housing unit in which to live and may move to another unit or building and continue to receive rental assistance, as long as the program participant continues to meet the program requirements.
- (2) The recipient may require that all program participants live within a particular area for the period in which the rental assistance is provided.
- (3) The rental assistance agreement with the owner must terminate and no further rental assistance payments under that agreement may be made if:
  - (i) The program participant moves out of the housing unit for which the program participant has a lease;
  - (ii) The lease terminates and is not renewed; or
  - (iii) The program participant becomes ineligible to receive ESG rental assistance.

### **Project-based rental assistance (ESG PBRA).**

If the recipient or subrecipient identifies a permanent housing unit that meets ESG requirements and becomes available before a program participant is identified to lease the unit, the recipient or subrecipient may enter into a rental assistance agreement with the owner to reserve the unit and subsidize its rent in accordance with the following requirements:

- (1) The rental assistance agreement may cover one or more permanent housing units in the same building. Each unit covered by the rental assistance agreement ("assisted unit") may only be occupied by program participants, except as provided under paragraph (i)(4) of this section.
- (2) The recipient or subrecipient may pay up to 100 percent of the first month's rent, provided that a program participant signs a lease and moves into the unit before the end of the month for which the first month's

rent is paid. The rent paid before a program participant moves into the unit must not exceed the rent to be charged under the program participant's lease and must be included when determining that program participant's total rental assistance.

- (3) The recipient or subrecipient may make monthly rental assistance payments only for each whole or partial month an assisted unit is leased to a program participant. When a program participant moves out of an assisted unit, the recipient or subrecipient may pay the next month's rent, *i.e.*, the first month's rent for a new program participant, as provided in paragraph (i)(2) of this section.
- (4) The program participant's lease must not condition the term of occupancy to the provision of rental assistance payments. If the program participant is determined ineligible or reaches the maximum number of months over which rental assistance can be provided, the recipient or subrecipient must suspend or terminate the rental assistance payments for the unit. If the payments are suspended, the individual or family may remain in the assisted unit as permitted under the lease, and the recipient or subrecipient may resume payments if the individual or family again becomes eligible and needs further rental assistance. If the payments are terminated, the rental assistance may be transferred to another available unit in the same building, provided that the other unit meets all ESG requirements.
- (5) The rental assistance agreement must have an initial term of one year. When a new program participant moves into an assisted unit, the term of the rental assistance agreement may be extended to cover the initial term of the program participant's lease. If the program participant's lease is renewed, the rental assistance agreement may be renewed or extended, as needed, up to the maximum number of months for which the program participant remains eligible. However, under no circumstances may the recipient or subrecipient commit ESG funds to be expended beyond the expenditure deadline in § 576.203 or commit funds for a future ESG grant before the grant is awarded.

## Use with other Subsidies

Except for a one-time payment of rental arrears on the tenant's portion of the rental payment, rental assistance cannot be provided to a program participant who is receiving tenant-based rental assistance, or living in a housing unit receiving project-based rental assistance or operating assistance, through other public sources. Rental assistance may not be provided to a program participant who has been provided with replacement housing payments under the URA during the period of time covered by the URA payments.

## Case Management

Case management is essential to assessing housing and service needs and arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of program participants.

Determination of eligibility of a program participant for ESG financial services must be conducted by the sub-recipient through an initial consultation with a case manager. The case manager should be able to determine the amount and types of assistance the individual or family needs to regain permanent housing stability.

Case management is an eligible activity with ESG to ensure housing stability for participants. Case management time and eligible activities can be charged to the grant. The activity sheets and HMIS/VELA must detail the work and amount of time dedicated to ESG. Timesheets and activity worksheets/contact logs are MANDATORY for ALL staff members carrying out duties directly related to the grant for which the organization is requesting reimbursement.

Reimbursement for ALL staff MUST be accompanied by an activity sheet detailing the work they have completed in the component pertaining to ESG.

*\*Please refer to the appendix for a sample Activity Sheet.*

**Note:** An Activity Sheet is applicable if you are requesting salary reimbursement and accompanies each service/activity component that is listed on the Request for Cash. Please note a separate activity sheet is needed for each program that salary reimbursement is requested.

Case management activities provided through homeless prevention or rapid re-housing assistance to a program participant **MUST**:

- Require the program participant to meet with a case manager not less than once per month to assist the program participant in ensuring long-term housing stability, and
- Develop a plan to assist the program participant to retain permanent housing after the ESG assistance ends, taking into account all relevant considerations, such as the program participant's current or expected income and expenses; other public or private assistance for which the program participant will be eligible and likely to receive; and the relative affordability of available housing in the area.
- Document contact with ESG applicants through a contact log or case note in HMIS/VELA.

\*The subrecipient is exempt from the requirement to "meet with a case manager not less than once per month" if the Violence Against Women Act of 1994 (42 U.S.C. 13701 et seq. ) or the Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq. ) prohibits that recipient or subrecipient from making its shelter or housing conditional on the participant's acceptance of services.

## Housing Engagement & Case Management

Housing stability case management includes approved housing placement activities identified with §567.105 Housing Relocation and Stability Services section (2) *Housing Stability Case Management*. Housing placement cannot exceed 30 days during the period the program participant is seeking permanent housing and cannot exceed 24 months during the period the program participant is living in permanent housing and seeking relocation. Component services and activities includes:

- Using Coordinated Entry System to evaluate participants for homeless prevention or rapid re-housing assistance
- Conducting the initial evaluation
- Counseling
- Developing, securing, and coordinating services
- Developing an initial housing and service plan.

### Case Management Staffing Ratio by Population Recommendation

Staffing ratios may vary depending on the specific populations being served and the case management model used. Recommendations for staffing ratios are based on best practice standards and the demographics of the population. The client-to-staff ratio can change frequently as case managers assist clients in transitioning out of the program and into stable housing while simultaneously bringing new clients into the ESG program. Additionally, following the Critical Time Intervention (CTI) model, the intensity of case management is designed to decrease over time. As clients gain more responsibilities and work towards self-sustainability, they require less intensive support. **The case management staffing ratio provides the minimum and maximum amount of clients per staff.**

Below are general best practice standards based on population:

- Chronic homeless – 15:1
- Non-chronic individuals with mental health – 20:1
- **Critical Time Intervention (CTI)- 15 to 20:1**

## Individual Housing Stability/Service Plan

All applicants receiving ESG services are required to have an Individualized Housing Stability/Services Plan. This plan must be written, kept in clients' files and in HMIS, and accessible to MHC staff or HUD for monitoring purposes. The individualized housing stability/service plan is a plan developed by case managers and participants and serves as a path to permanent housing stability. **The initial plan must start at initial intake and assessment, provide a step-by-step guide to a successful discharge, and should evolve over time.** At a minimum, the service plan should address:

- Housing
- Employment/Income
- Identified barriers to stability

**Each individual housing stability/service plan must have:**

- ❖ Obtainable goals
- ❖ Goals that are related to housing stability and self-sustainability
- ❖ Action steps
- ❖ Identify responsibilities within the action steps
- ❖ Goal accomplishment dates
- ❖ Be in agreement with the client and case manager
- ❖ Be revised as needed

## Case Management Best Practices

Services provided should be case management focus. Determining the best approach to case management can be difficult; however, there are several best practice case management models to consider when providing case management.

1. [Housing First](#)
2. [Critical Time Intervention](#)
3. [Supportive Housing Services Plan Guidebook](#)
4. [Motivational Intervention](#)

5. Rapid Resolution
6. Trauma-Informed Care
7. Diversion
8. Rapid Rehousing; Housing Barriers Assessment
9. Discharge planning
10. Employment First

## Termination of Assistance

The subrecipient may terminate assistance to a program participant who violates program requirements. Termination from the ESG program does not bar the subrecipient from providing further assistance at a later date to the same individual or family.

Program applicants may be terminated for from ESG the following reasons:

1. Not disclosing any increases in income above 30% AMI during the recertification process.
2. Not meeting with a case manger and a conducting a housing stability service plan as required by 24 CFR 576.401(e)(1).
3. Additional rules as set by the subrecipient. **All program rules must first be approved by MHC.**

### Due process

Subrecipients must provide a formal process that recognizes the rights of individuals receiving assistance under the due process of law. This process, at a minimum, must consist of:

- Providing the program participant with a written copy of the 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 termination decision; and
- Prompt written notice of the final decision to the program participant.

**During this process, the subrecipient must provide effective communication and accessibility for individuals with disabilities, including the provision of reasonable accommodations. Similarly, the subrecipient must provide meaningful access to persons with LEP.**

## Mandatory Documentation

### Verification of Eligibility

#### Rapid Rehousing documentation

Eligible participants must have the following for RRH:

- Homeless certification
- Referred from the local Coordinated Entry System
- The ESG applicant and the program participant must be the same. A person who is listed as "in the household" cannot apply for ESG assistance unless that person is a party to the lease agreement and utility bills and that person qualifies for ESG assistance.
- This list is for eligibility and does not include housing required documentation.

#### Homeless Prevention documentation

Eligible participants must provide the following:

- An active, signed lease agreement between the program participant and the landlord or property owner. Leases with a month-to-month clause will also be accepted. *Verbal rental agreements are not eligible.*
- A notice to leave. The eviction notice can be a letter/notice from the landlord, property owner or an official legal court document. At the minimum, the document must:

- Identify the ESG applicant and unit location where the applicant is the leaseholder,
  - Indicate that the applicant must leave their housing within 14 days,
  - Be signed and dated by the owner/landlord or court
  - List the total amount that must be paid to remain in the unit.
- A signed affidavit of arrears signed by the landlord, property manager or property owner.
  - A Rental Assistant Agreement is required in addition to a signed lease. The rental assistant agreement is a signed agreement between the grant subrecipient and the housing owner.
  - A verification of payment ledger/history provided by the landlord or applicant. The ledger is used as backup documentation to the affidavit and certifies the delinquent amount and additional charges.
  - Verification of current individual/household income is an eligibility requirement for homeless prevention services. See income eligibility section in this document for information regarding income restrictions with homeless prevention.
  - Verification that the individual/household has no other resources to prevent them from moving into an emergency shelter.
  - The ESG applicant and the program participant must be the same. A person who is listed as "in the household" cannot apply for ESG assistance unless that person is a party to the lease agreement and utility bills and that person qualifies for ESG assistance.

## Client File Documentation

Program participants that are eligible for assistance must provide all applicable mandatory documentation to complete the application process. Subrecipients are required to upload the following documents to the client file, as applicable:

1. **Homeless Status** §576.500. Required documentation for verification of homelessness as defined in the "homeless" definition under paragraphs (1), (4) (eligible activities includes Outreach, Shelter, RRH) and under paragraphs (2), (3), (4) (eligible activities if individual does not meet category (1) HP).
  - If an individual or family qualifies as homeless under paragraph (1) (i) or (ii) of the homeless definition, allowable activities are Outreach, Shelter, RRH and acceptable evidence includes:

- a written observation by outreach worker/case manager of conditions where the individual or family was living,
  - a written referral by another services provider, or
  - a self-certification by the head of household seeking assistance.
- If the individual qualifies as homeless under paragraph (1)(iii) of the homeless definition, because he or she resided in a shelter or place not meant for human habitation and is exiting an institution where he or she resided for 90 days or less allowable activities are Outreach Shelter, RRH and acceptable documentation includes appropriate homeless verification and one of the following:
    - Discharge paperwork or a written or oral referral from appropriate official of the institution. Discharge information must state the beginning and end dates of the time residing in the institution.
    - Written record of the intake worker's due diligence in attempting to obtain evidence.
  - If the individual or family qualifies as homeless under paragraph (2) of the homeless definition because they will imminently lose their housing allowable activity is HP and appropriate evidence including:
    - A court order resulting from an eviction action that requires the individual or family to leave their residence in 14 days after the date of their application for assistance; or equivalent notice under Mississippi state law, or a Notice to Terminate.
    - For individuals and families whose primary nighttime residence is a hotel or motel room NOT PAID for by charitable organization, evidence that the individual or family lacks the resources necessary to reside there for more than 14 days after the date of application; or
    - An oral statement by the individual or head of household that the owner or renter of the housing they currently reside will not allow them to stay for more than 14 days after their application for assistance.
      - If documentation is not available, evidence of due diligence must be recorded.
    - Certification by the head of household that NO subsequent residence has been identified; and
    - Certification or other written documentation that the individual or family LACKS the resources and support networks needed to obtain other permanent housing.

- If the individual or family qualifies under paragraph (4) of the homeless definition in § 576.2, because the individual or family is fleeing domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions related to violence, then acceptable evidence includes an oral statement by the individual or head of household seeking assistance that they are fleeing that situation, that no subsequent residence has been identified and that they lack the resources or support networks.
2. **Application.** This document is to be completed by the case manager and signed by the program participant. The case manager must provide complete detail of how the program participant became homeless or has been put "at risk" of becoming homeless. All information provided in the application should be certified as true and correct to the best of the parties' knowledge. Any application that is not signed by **both** the case manager and the program participant is not a valid document. The ESG application is **mandatory** for all program participants.
3. **Income verification.** HUD defines income as "any money that goes to, or on behalf of, the head of household or spouse (even if temporarily absent) or to any other household member". Annual income includes the current gross income of all adult household members and unearned income attributable to a minor. The types of income to be counted include:
- Earned Income
  - Self-Employment/Business Income
  - Interest & Dividend Income
  - Pension/Retirement Income
  - Unemployment & Disability Income
  - TANF/Public Assistance
  - Alimony, Child Support and Foster Care Income
  - Armed Forces Income

Annual income must be calculated using HUDs income calculation worksheet. The case manager must obtain verification of all income reported by the program participant. If the program participant has indicated previous employment but is not currently employed, the case manager must provide documentation from the previous employer or from unemployment compensation. **This documentation is mandatory for all program participants and adult household members.**

The following forms (as applicable) must be completed for income verification:

- Unemployment verification
- Self-Declaration
- Zero Income Certification (if the program participant was self-employed or without any income to report.)
- Income Calculation Worksheet
- Employment Verification

3. **Asset verification, if applicable.** Assets are defined as cash or material items that can be converted to cash quickly. They include real and/or personal property and investments that a household may possess, including assets that are owned by more than one person, but allow unrestricted access to the applicant. Assets include:

- Amounts in checking and saving bank accounts.
- Stocks, bonds, savings certificates, money market funds, and other investment accounts.
- The cash value of trusts that may be withdrawn by the household.
- IRA, Keogh and similar retirement savings accounts, even when early withdrawal will result in a penalty.
- Lump sum receipts of cash received and accessible by household, such as inheritances, capital gains, lottery winnings, insurance settlements, and other claims.

Household assets generally are not counted as income, except for interest and dividend income. However, household assets should be taken into consideration when determining whether a household has other financial resources to obtain or maintain housing.

4. **Lease Agreement.** This document must :

- Be typed and signed.
- Clearly list all the parties to the lease;
- Provide terms and conditions;

- Have a beginning and ending date; and
- Be signed by all involved parties (landlord and tenant)
- For arrearage rental assistance, the lease agreement must be signed by all involved parties (landlord and tenant) prior to the application date.

If the lease has expired, it must have a clause addressing the continuance of the agreement on a month-to-month arrangement unless State law dictates that the lease automatically continues under a month-to-month or annual arrangement until the lease is renewed or is otherwise terminated. In the event the lease is extended on a month-to-month agreement, the landlord must still provide a written statement which clearly indicates this is month-to-month. The written lease agreement is mandatory for all program participants applying for ESG assistance.

5. **Eviction Notice, if applicable.** This document must be typewritten and indicate the amount of rent due, the amount of time tenant has failed to pay rent and the length of time he/she must pay the delinquent rent or vacate the property within a certain number of days. The eviction notice must be signed and dated by the landlord or provided in a court order. This document is required for those “at imminent risk” of becoming homeless.
6. **Rental Assistance Agreement.** The rental assistance agreement must be very specific and set forth the terms under which the assistance will be provided (i.e., when the assistance begins and ends). This document is mandatory for all program participants.
7. **Rent Reasonableness checklist.** Rent reasonableness should be determined by considering the following:
  1. The reasonableness in relation to rents being charged for comparable **unassisted** units, taking into account the location, size, type, quality, amenities, management, and maintenance of each unit; and
  2. The rent should not be in excess of the rent currently being charged by the same owner for properties (if comparable to the unit in which the participant will be leasing) as well as those actual rents charged.

**Rent reasonableness must be determined for all units for which rental assistance, arrears and/or security deposit assistance is being provided before the assistance is provided.** If the rent for the unit does not meet rent reasonableness, then **ESG funds cannot** be used to assist the household in that unit. Furthermore, these funds cannot be used to pay the rent up to the rent reasonableness standard, while the tenant pays the remainder. This document is mandatory for all program participants. All subrecipients must ensure their Written Standards include standards for how their agency will document rent reasonableness.

See the Record keeping section of this manual to determine how to calculate Rent Reasonableness.

8. **NSPIRE Housing Inspection Standards.** These standards apply when a program participant is receiving financial assistance and moving into a new (different) unit, as well as homelessness prevention. NSPIRE inspections must be conducted upon initial occupancy. This document is mandatory for all program participants. [[Docket No. FR-6086-F-03](#)]
  
9. **Lead-Based Paint, if applicable.** All grantees funded with ESG funds must follow minimum standards for compliance with the lead-based paint remediation and disclosure requirements identified in 24 CFR 576.403 and 578.99(f), including the Lead-Based Paint Poisoning Prevention Act, the Lead-Based Paint Hazard Reduction Act of 1992 and implementing regulations in 24 CFR part 35, subparts A, B, H, J, K, M and R. All subrecipients must include in their Written Standards policies and procedures on how they will document need for and inspections for lead-based paint.

An example checklist (see Appendix) is included as a tool to guide grantees through the lead-based paint inspection process to ensure compliance. ESG staff may use this checklist to document any exemptions that may apply, whether any potential hazards have been identified, and if safe work practices and clearances are required and used. This document should be kept in each program participant's file.

10. **Affidavit of Arrears, if applicable.** This document must be signed and dated by the landlord and provide the specific amounts and the number of months that the tenant has failed to pay rent. This document is required for those "at risk" of becoming homeless.

11. **Rental Payment Ledger, if applicable.** This document must come from the apartment management and must be in alignment with the affidavit of arrears. If the tenant is renting from a homeowner, this information may not be available, so the affidavit of arrears will be enough. This document is required for those "at risk" of becoming homeless.
  
12. **Termination of Assistance, if applicable.** If a program participant violates program requirements, the sub-recipient may terminate the assistance in accordance with a formal process established by the subrecipient that recognizes the rights of individuals affected. The agency must exercise judgment and examine all extenuating circumstances in determining when violations warrant termination so that a program participant's assistance is terminated only in the most severe cases.

To terminate rental assistance or housing relocation and stabilization services to a program participant, the required formal process, at a minimum, must consist of:

- 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 who made or approved the termination decision; and
- Prompt written notice of the final decision to the program participant.
- Due processing

Subrecipients must provide in their Written Standards a description of their formal termination process.

13. **Continued Assistance Form:** All applicants that are receiving ESG RRH or HP assistance longer than one month must include a copy of the Continued Assistance Form with their RFC request. This form must be completed by the case manager and includes a summary of the clients' Housing Stability Plan.
  
14. **Housing Stability Plan:** A copy of the housing stability plan worked on by client and case manager while receiving ESG services. All ESG clients must have a Housing Stability Plan that identifies

obtainable goals with an objective of housing sustainability. Housing Stability Plans must be documented in HMIS and the client's file.

15. **Contact Logs:** A copy of case notes or contact logs that demonstrate communication and engagement between the program client and the case manager. Case managers are required to make contact with ESG clients at a minimum of once a month and work with clients to obtaining housing stability. Contact logs must be documented in HMIS and the client's file.
  
16. **Check.** A copy of the check showing that the subrecipients have paid the property owner/landlord. Subrecipients must also provide bank statements with canceled checks paid to landlords and vendors on a quarterly basis.
  
17. **Confidentiality/ Privacy Statement.** This document must be uploaded in the HMIS file under the client number.

## Re-Evaluation

Subrecipients are required to re-evaluate the participant's eligibility and the types and amounts of assistance needed if they are to receive ongoing assistance.

Re-evaluation of the program participant's continued eligibility must include:

- Detailed case notes showing the program case manager's assessment of eligibility (i.e. monthly rent payment).
- Case notes must be completed and uploaded to the program participant's file, prior to submitting the Request for Cash.

## Income Re-evaluation timeline

Component	Funding Source	Income at Intake	Income at Re-evaluation	Frequency of Re-evaluation - not less than once
RRH	Annual ESG for all purposes	N/A	at or below 30% AMI	annually
HP	Annual ESG	At or below 30% AMI	At or below 30% AMI	every 3 months

For participants receiving rapid re-housing assistance, they must be re-evaluated not less than once **annually**, and for homelessness prevention participants, they must be re-evaluated not less than once every **three** months. At a minimum, each re-evaluation must establish that: (a) the program participant does not have an annual income that exceeds thirty percent (30%) of the median family income for the area for homeless prevention, as determined by HUD; and (b) the program participant lacks enough resources and support networks necessary to retain housing without ESG assistance.

The subrecipient may also require each program participant receiving homelessness prevention or rapid re-housing assistance to provide notification of changes in income or other circumstances (household composition) that affect the program participant's need for assistance under ESG.

## HMIS

### Homeless Management Information System (HMIS) Policy

#### Introduction

Mississippi Home Corporation (MHC), in compliance with HUD regulations (24 CFR 576 and 2 CFR 200), requires all Emergency Solutions Grants (ESG) Program subrecipients to participate in the Homeless Management Information System (HMIS). This policy outlines the expectations for data entry, privacy, security, reporting, and accountability, as guided by the 2024 HMIS Data Standards Manual.

**Purpose**

The goal of this policy is to ensure consistent and accurate data collection across ESG-funded programs, protect client confidentiality, support data quality, and align with HUD and MHC requirements. This policy applies to all ESG-funded activities including Rapid Rehousing, Homelessness Prevention, Emergency Shelter, and Street Outreach services.

**HMIS Participation Requirements**

All ESG subrecipients are required to actively use HMIS unless specifically exempted by HUD (e.g., domestic violence service providers). Subrecipients must adhere to both MHC and Continuum of Care (CoC) HMIS policies. This policy is intended to complement, not replace, the guidance and standards set by the CoC and HMIS Lead Agency.

**HMIS Data Collection and Documentation**

Subrecipients must enter all required Universal Data Elements (UDEs)—including client name, Social Security Number, date of birth, race/ethnicity, gender, veteran status, disabling condition, project start/exit dates, destination, prior living situation, and relationship to head of household—along with Program-Specific Data Elements (PSDEs) such as income and benefits, health insurance, physical and mental health status, domestic violence history, current living situation, and Coordinated Entry events. Housing move-in dates must be recorded for all housed clients.

In addition, ESG-funded providers must use HMIS to document:

- All client contacts with clear case notes.
- The Household's individualized Housing Stability Plan (either entered directly or uploaded as an attachment).
- Any changes to household income.

**Privacy and Security**

Client data must be handled in accordance with the HMIS Privacy and Security Standards. Written consent must be obtained before entering any personally identifiable information (PII). Each agency is responsible for maintaining privacy and security protocols, training staff accordingly, and assigning individual user credentials with strong password protection.

**Data Quality and Timeliness**

All data must be entered into HMIS within 7 days of collection. Subrecipients are responsible for correcting data errors identified through quality reviews. During monitoring, MHC will assess data accuracy, completeness, and timeliness. Subrecipients must ensure that all clients recorded in HMIS are receiving ESG-eligible services under the correct program activity.

**ESG Goals and Outcome Measurements**

Subrecipients are required to submit reports derived from HMIS data as part of MHC's performance tracking,

including the ESG CAPER, data quality assessments, and outcome-based reports. Key metrics include changes in income, housing stability, and recidivism into homelessness. The core goals of ESG are to:

- Shorten the time individuals and families spend homeless.
- Prevent households from becoming homeless.
- Reduce returns to homelessness.
- Improve income and stability outcomes for assisted households.

#### **Housing Stability Plan**

Each household receiving ESG assistance must have a documented Housing Stability Plan. This plan outlines specific steps and services to help the household secure and retain housing, increase income and access to benefits, and resolve barriers to long-term stability. Case managers should regularly review and update the plan to track progress and adjust services as needed.

#### **Monitoring and Oversight**

MHC will routinely monitor subrecipient compliance with HMIS requirements, including data entry, quality, reporting, and use of housing stability plans. All HMIS documentation must be retained for at least five years and made available to MHC upon request.

#### **Coordination with CoCs and System-Wide Standards**

MHC partners with the Mississippi Balance of State CoC, Open Doors Homeless Coalition, and Central Mississippi CoC to align performance standards, system protocols, and HMIS requirements. Subrecipients are expected to participate in CoC-led HMIS trainings, Coordinated Entry meetings, and data quality improvement efforts.

#### **Violations and Corrective Action**

Noncompliance with HMIS policies may result in MHC requiring technical assistance, corrective action plans, or, in cases of repeated violations, suspension or termination of ESG funding.

#### **Policy Updates**

MHC will review and update this policy as needed—at least annually—to remain aligned with HUD HMIS Data Standards and evolving ESG regulations.

## HMIS Evaluation

MHC relies on program information collected in HMIS to be up-to-date and correct. HMIS helps MHC verify that services are provided in accordance to ESG regulations, MHC policies, and the State's ConPlan. ESG funded agencies required to provide the following information in HMIS:

- Participant service dates

- Case management activities
- Housing Stability Plan
- Referrals from Coordinated Entry
- Returns to homelessness
- Participant income at intake
- Participant income changes
- Required program documentation
- Discharge destination
- Discharge date
- Contact logs
- Shelter resident information
- Shelter beds
- Employment status

MHC collects “active client” data from HMIS and reports for Domestic Violence agencies monthly to determine the number of participants served with program funds and to confirm that agencies are working towards the goals identified for ESG.

Agencies are required to discharge participants timely to prevent data discrepancies. MHC will provide subrecipients with a data discrepancy report as needed.

## Program Participant Confidentiality and Privacy Policies

Each subrecipient must incorporate into their policies and procedures a process that will ensure the confidentiality of applicant’s/program participant’s identifying information; records pertaining to any individual or family provided family violence prevention; and treatment services offered under any project assisted with ESG funds. Furthermore, the address or location of any shelter for victims of domestic violence programs must be anonymous except upon written authorization from the person or persons responsible for the operation of the shelter for this information to be made public.

All staff that will have access to confidential information must complete Personal Identifying Information (PII) training, complete related PII test, and verify through a signature that the training was completed. PII training must be submitted to MHC before client services are provided.

The subrecipient must provide the program participant with a confidentiality and privacy policy form, which is signed and dated in the participant file.

## Grievance and Appeals Process

Subrecipients are required to have an established process for addressing program participant's grievances for decisions, including termination or reduction of benefit, denial of benefit or other grievances. At a minimum, the process must include the following components:

- Informs the participant/applicant of the policy and documents participant/applicant acknowledgment of grievance and appeal procedure in the client's file;
- The grievance and appeal language will accompany all denial, reduction, and termination documentation.
- Informs the participant/applicant that they may contest and appeal any decision that denies (for any reason) or limits eligibility of participant/applicant and/or terminates or modifies any benefits;
- Allows any aggrieved person a minimum of thirty days within which to request an administrative review;
- Informs the applicant/participant of their right 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;
- Informs the applicant/participant and MHC in writing of the final determination and basis for the decision within ten days of the determination. Any person or persons designated by sub-recipient can complete the administrative review, other than the person who made or approved the decision under review or a subordinate of this person. MHC retains the right to require modification of any review or appeals process that in its determination does not meet basic principles for notification, instruction, time allowance, impartiality and access.
- Subrecipients must make accommodations for clients who have language or disability barriers that would prevent them from participating in the appeals process.

## Conflicts-of-Interest

HUD guidance states “no person who exercises or has exercised any functions or responsibilities with respect to activities under the ESG program, or who is in a position to participate in a decision-making process or gain inside information with regard to activities assisted under the program, may obtain a financial interest or benefit from an assisted activity; have any financial interest in any contract, subcontract, or agreement with respect to an assisted activity; or have a financial interest in the proceeds derived from an assisted activity, either for him or herself or for those with whom he or she has family or business ties, during his or her tenure or during the one-year period following his or her tenure”.

The state issued guidance which expanded the definition of relative to include a “spouse, child, parent or any person related by blood or marriage within the third degree”. This definition is based on the Ethics in Government Act and the state nepotism statute. It is the responsibility of the Grant Administrator to properly disclose the conflict-of-interest provision to interested participants. If it is found that a conflict-of-interest has occurred, the grant recipient may be required to repay program funds, using non-federal funds. Failure to repay the funds may result in termination of participation in any future HUD funded programs. There will be no exceptions to this guidance granted by MHC.

## Written Standards

Subrecipients are required to develop their own written standards for ESG as described in [24 CFR 56.400\(e\)](#) of the ESG Interim Rule and adapt them for ESG. These written policies and procedures will vary among subrecipients; however, they must all be written in accordance with federal regulations as well as MHC requirements.

- All policies must include the VAWA requirements.
- All policies are required 30 days after receipt of a signed contract.

## PROGRAM IMPLEMENTATION

### Implementation Process

Subrecipients should view the implementation of a project as a continuous learning process. All staff of subrecipients should be knowledgeable of program requirements. Communication with MHC Staff, review of policy statements and instructions, attending workshop events conducted by MHC and a thorough review of this manual should assist in developing a strong knowledge base of the program.

The following summarizes the implementation process:

- MHC provides contracts/agreements to subrecipients and conducts the implementation workshop to provide guidance and materials necessary to implement a project.
- Subrecipients should begin the environmental review process immediately to meet the necessary federal requirements and timelines. If the activity is exempt from Environmental Review due to ESG eligible program exemptions, subrecipients must complete an Environmental Review exempt form.
- Subrecipients should begin the procurement process for all services required for the project. Instructions for this process are outlined in the [procurement](#) section of this manual.
- Subrecipients must submit to MHC the documentation necessary to allow Contract Special Conditions clearance.
- Subrecipients must submit to MHC a Signatory Authority Letter for future Requests for Cash and program reporting. There should be no more than two (2) authorized signatories.
- Subrecipients must establish a financial management system that identifies the activity and line item budgets contained in the contract. The amount of funds approved in the contract budget will be closely monitored to avoid exceeding the allocated limits.

- Subrecipients must establish a recordkeeping system for the project.

## Implementation Workshop

MHC will host a mandatory implementation workshop following an award of funds. Subrecipients will be notified in writing of the date, time and location of the workshop.

## Grant Agreement

Upon being awarded funds, a grant agreement is executed between Mississippi Home Corporation and the subrecipient for the award amount and selected activity. The agreement is a very important document throughout the life of the project. It identifies the description of the activities funded, budgeted costs, general terms and conditions, and any special conditions which must be met before the MHC will release funds.

The agreement contains the following:

Signature Sheet	The Signature Sheet identifies the sub-recipient, effective dates of the contract, grant number, amount of funds awarded, and the attachments detailed below. This sheet is signed by senior management of Mississippi Home Corporation and requires the signature of the chief executive officer of the sub-recipient.
Special Conditions	The environmental regulation is the only special condition that requires written clearance.
General Terms and Conditions	The terms and conditions cite program authority, rules, and regulations pertinent to all ESG Grants.
Assurances	Compliance with the assurances is committed to by the signature of the chief executive officer of the subrecipient in the original project application. The sub-recipient contract signatory should carefully review all assurances prior to signing the contract, as that

office is ensuring compliance with all applicable laws, regulations and other requirements of the ESG program.

**Budget** This section of the contract reflects the funds allocated to each project activity area. Subrecipients not sure of an eligible expense should contact MHC Staff for clarification prior to making a commitment of funds. Although not intended to be exhaustive, the following list of allowable program activities is included in the contract: RRH, HP, Shelter, HMIS, and Street Outreach.

The term of the agreement will be outlined under "Project Period Beginning and Ending Dates". Extensions and budget modifications may be considered by MHC on a case by case basis. Subrecipients must submit to MHC a written request for program extension and/or budget modifications with an explanation of why an extension is needed. If a requested change is found to be advantageous to the project, MHC will prepare the necessary final documents for review. Once all parties have received copies of the executed revised agreement, the requested action may proceed. MHC must approve all changes prior to local action. Noncompliance may result in ineligible costs and may result in the repayment of grant funds.

## Effective Date of Award

All Grant Agreements will require signature by MHC and the Executive Director of the subrecipient to become fully executed. When fully executed, the sub-grant awards are effective as of the date indicated with MHC's signature unless HUD waivers apply.

Funds are available for use after:

- A budget has been approved by MHC;
- The contract/agreement has been fully executed;
- The start of the performance period; and
- The Environmental Review has been completed.

Expenses incurred prior to the completion of any of the above four milestones will not be reimbursed and may result in cancellation of the sub-grant, unless approved in writing by MHC.

## Performance Period

### Annual ESG

The performance period for each annual ESG sub-grant is twelve (12) months. Subrecipients must provide services to homeless individuals/families for at least the period during which ESG funds are provided.

## FINANCIAL MANAGEMENT

### Budget

ESG subrecipients must propose a budget based on the actual amount awarded. The budget must be approved by MHC prior to any reimbursable expenditure. **Reimbursement will not be made for activities that are not specified in an approved budget even though such activities may be classified as an eligible activity.** All funds spent and reimbursed through ESG must be directly linked to an eligible ESG activity. Activities funded by ESG Rapid Re-Housing (RRH), Homeless Prevention (HP), Street Outreach, and Emergency Shelter must correspond to an eligible client or a shelter bed that can be reported in HMIS or VELA. Agencies that utilize grant funds are required to submit monthly and annual reports detailing expenditures and client services.

MHC requires subrecipients to receive MHC's written approval prior to making contract amendments, modifications, or extensions. For MHC to consider a contract change, the subrecipient must submit an explanation of the need for the change with the executive director's signature. Some changes to original contracts may require the re-evaluation of an applicant's eligibility and could result in funding being withdrawn. The sub-recipient will be notified in writing when the State cannot approve a requested revision.

A request for budget modification must include the executive director's signature and a detailed allocation of funds. If approved, a modification of the contract budget will be prepared by MHC and submitted to the sub-recipient for signature. Budget modifications may include the creation of budgets for new activities/line items and/or the transfer of funds among existing budgeted activities/line items. All budget modifications require written MHC approval.

## Administrative Costs

Administrative costs will be used for costs related to the planning and execution of the ESG activities by MHC. The total amount for administration will be up to 7.5 percent of the total allocation of ESG funding grant. Administrative dollars will be retained by the MHC, and match support for this activity will be provided by awarded agencies in conjunction with other homeless activities.

## Staff Cost

Staff cost (including fringe benefits such as holiday, vacation, sick leave) and other overhead costs directly related to carrying out activities eligible under an ESG component are eligible costs under that component (see 24 CFR § 576.100(d)). The maximum allowable case management/staff cost will be reimbursed up to fifty percent (50%) of the total amount of the ESG grant award.

Staff time charged to the ESG grant must be charged to the appropriate funded ESG component and reflected in the subrecipient's approved budget. To determining how staff costs should be allocated will depend on the type of assistance being provided to the program participant.

- To allocate staff costs, first determine the program component under which these costs fall; then allocate the costs to an activity within the component.
  - For example, staff time expended on processing checks for utility payments for program participants could be eligible under the rapid re-housing component or the homelessness prevention component; the activity would be housing relocation and stabilization services.

- For the salaries and related staff cost that are not fully dedicated to a particular component, costs should be reimbursed in proportion to the actual hours worked on each ESG component. A staff position that is not fully dedicated to ESG cannot be paid solely through ESG funds.
  - For example, if an accountant spends 100 percent of his/her time tracking rental assistance or security deposits for homelessness prevention activities, then paying for this time is allowable under the homelessness prevention component because the accountant's time is only spent working on a single component. Alternatively, the cost for an accountant to process checks for both the homelessness prevention and rapid re-housing components must be pro-rated by each component.
  - Another example, if a case manager provides housing stability services to both ESG RRH and CoC RRH applicants, his/her time to conduct case management activities must be charged to the CoC RRH grant and ESG RRH component according to the time spent on each grant.
- Other overhead costs, such as rent for office space, photocopier costs, and lighting and utilities for an office, could be eligible either as a direct cost charged to one or more components, depending on the activities delivered by that office, or could be charged as an indirect cost if part of an indirect cost allocation plan.
- Staff time can be tracked directly to the program component or by other reasonable methodologies that can realistically estimate the actual time spent across ESG components, or across other grants. For example, a percentage. **If a percentage is used, the percentage of time charged to the ESG program or and ESG component must be reflective of the time worked and documented on the staff activity worksheet/contact logs and timesheet.**
- All staff receiving reimbursement must submit appropriate timesheets (signed and approved), **activity worksheets/contact logs**, and pay stubs.

## Matching Requirements

MHC ensures that 100 percent of the Emergency Solutions Grant received is matched with equal resources. Subrecipients must submit match documentation to MHC quarterly and provide a description of the nature of the reported matching expenses and a certification that the match funds were used for ESG-eligible expenses. In addition, at the annual monitoring, MHC will pull samples of match documentation for verification purposes. The match may be cash or an in-kind amount but cannot be counted as satisfying the matching requirement of another federal grant.

**Types of match that may be accepted include:**

- Cash contributions expended for allowable costs, including staff salaries and fringe benefits
- Non-cash contributions
- Services provided by volunteers are matched at the current minimum wage salary unless the recipient can verify a higher rate of pay for current employees performing similar work
- Real property, equipment, goods or services that if the recipient had to pay for them with grant funds, the payments would have been indirect costs
- The value of donated goods and services such as clothing, food, diapers, haircuts, etc. The value placed should be consistent with 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Guidance.
- Costs paid by program income provided the costs are eligible ESG costs that supplement the recipient's ESG program. All sources listed as match must meet these criteria:
  - The matching contribution must be made after the date that HUD signed the ESG Grant Agreement;
  - Cash contributions must be expended within the expenditure deadline in 576.203;
  - Non-cash contributions must be made within the expenditure deadline in 576.203.
  - Contributions used to match a previous ESG grant may not be used to match a subsequent ESG grant;
  - Contributions that have been or will be counted as satisfying a match requirement of other federal funds may not be used as match for ESG funding;
  - The matching funds must be used for ESG eligible clients and activities; and

If ESG funds are used to satisfy matching requirements of another federal program, funding from that program cannot be used to satisfy the matching requirements of ESG.

## ESG Match Exceptions

Applications will be accepted from new subrecipients who have the capacity to provide ESG services in their community but are unable to meet the match requirements. Up to \$100,000 of a State's fiscal year grant is not

required to be matched; therefore, MHC is passing this benefit to subrecipients that are least capable of providing the match contributions and to encourage new applications.

*Requirements for match exceptions:*

- Must be a new ESG applicant or an agency who has not received ESG funding in two or more years.
- The subrecipient does not have the required contributions to meet ESG Match Requirements listed above.
- The subrecipient can request 100% of its grant for consideration under this Match Exception. Grant requests will be capped as funds allowed/at \$33,000.

## Indirect Cost Billing

Indirect cost for administering the Emergency Solutions Grant (ESG) is an allowable ESG expense. In 2014, the United States Office of Management and Budget (OMB) released final regulations on indirect costs under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200) also referred to as the Uniform Administrative Guidance.

Subrecipients are not required to seek recovery and reimbursement for their indirect cost related to federal awards; however, Mississippi Home Corporation (MHC) is required to allow subrecipients to be reimburse for indirect cost, if they so desire.

If a subrecipient decide to seek reimbursement for indirect cost related to the ESG program, the indirect cost rate must reflect the Federal Negotiated Rate or the 15% de minimis rate. Grantees must inform MHC if they decide to use indirect cost billing and provide MHC their approved indirect rate with their contract at the beginning of the grant year.

It is recommended to bill the indirect costs under each approved activity type (e.g., Emergency Shelter Essential Services, Rapid Re-Housing (RRH) Housing Relocation and Stabilization Services, etc.). Indirect costs should be included **each time** the subrecipient bills for direct costs. Please see the [CoC and ESG Indirect Cost Toolkit](#) for more information.

## Subrecipient Financial Management Requirements

- Signatory Authorization Letter that identifies authorized parties responsible to sign Request for Cash and reporting documents;

- The subrecipient must submit the CoCs Financial Management policy to MHC;
- The subrecipient shall submit the internal control policy for the request for cash as a section of the Financial Management policy;
- The procedures submitted must correspond with the submission of each Request for Cash.

## Requests for Cash

Funds are requested by using the Request for Cash form and the Consolidated Support Sheet which can be viewed on MHC's website at [www.mshomecorp.com](http://www.mshomecorp.com). These forms must be accurately completed, or the request will be returned to the sub-recipient. All forms that require a signature must be signed for the Request for Cash to be reviewed and processed.

Prior to drawing down funds, the sub-recipient must have completed the following:

- Grant Agreement executed and returned to MHC;
- Environmental Review Record Clearance;
- Clearance of all contract special conditions;
- W9 Form submitted to MHC;
- Approved signatory form

## Submission Requirements

- For annual ESG, requests for cash (RFC) must be submitted by the 15<sup>th</sup> of every month for the previous month's activities. **The RFC's "service rendered" period must not be longer than 30 days and must be in chronological order. IF YOU CHOOSE TO SUBMIT MORE THAN ONE ESG REQUEST A MONTH, ON REQUEST MUST BE SUBMITTED ON THE 15th AND THE SECOND ON THE 30th OF THE MONTH.**

Requests for reimbursements must be submitted within sixty (60) days of services provided. *Example: If you are submitting an RFC for 08/01/2023-08/31/2023, your request for reimbursement documentation must be dated between August 1, 2023 - August 31, 2023.*

- Request for reimbursement over 60 days will not be accepted.
- **Expenses incurred after June 30<sup>th</sup> must be on a separate RFC.**
- RFCs must be emailed to [esg.rfc@mshc.com](mailto:esg.rfc@mshc.com). RFCs will not be accepted if they are sent to any other email address.
- RFCs must be submitted in chronological date order.
- MHC is required to make timely payments to each of its subrecipients within 30 days after the date of receiving the subrecipient's complete and approved payment request. If the sub-recipient submits an incomplete or incorrect request for payment, staff will make notification via email and return the request as necessary.
- Reimbursement Requirements/Policy must be followed in its entirety for reimbursement to be approved.
- Once the submitted RFC is approved, payment to a recipient will be made through an automatic deposit to the account identified by the agency.
- Agencies are recommended to have a separate bank account for the ESG program for reporting and compliance purposes.

## Request for Cash Form Instructions

The Request for Cash (RFC) form is used by subrecipients on a cost reimbursement basis to requisition funds. All applicable sections of the form must be complete.

### Request for Cash Submission Process

- 1) Agencies are required to submit an RFC for the awarded grant at a minimum of one a month.
- 2) Agencies must submit all RFC by 15<sup>th</sup> of each month. If the 15<sup>th</sup> falls on a weekend, the RFC must be submitted the following business day.
- 3) Agencies are required to submit verification of payment to vendors identified on the RFC.
  - a. For example, cancel checks (front & back) or bank statements.
- 4) Cost incurred on the RFC must be during the agency's contract period.

**Section A: General Information**

Recipient

Name of Sub-recipient (selected from the drop-down menu)

Mailing Address

Sub-recipient's mailing address is automatically populated based on the sub-recipient.

Street Address

Sub-recipient's street address is automatically populated based on the sub-recipient.

City, State Zip

Sub-recipient's City, State Zip is automatically populated based on the sub-recipient.

**Section B: Project Information**

Grant No.

Provided by MHC based on the Program Year

Contract No.

Provided by MHC based on the Program Year, Program and Sub-recipient.

Project No.

N/A

Services Rendered

This period must fall within the contract period and the timeframe in which costs occurred. The dates provided in this field are the dates that purchases were made or the dates that an action became known to the sub-recipient (i.e., mail date, invoice date). The Services Rendered period cannot overlap state or subrecipient fiscal years.

ESG

Request No.

The draw number for the contract

MHC Staff Initials

To be completed by MHC staff.

**Section C: Request per Activity**

Activity Description

ESG Activity Components are Shelter, Street Outreach, Rapid Rehousing, Homeless Prevention and HMIS.

Budget Amount

The budget amount for each activity will be based on the amounts approved in the Grant Agreement.

Total Prior Request to Date

Total amount of funds previously disbursed for each activity.

This Request

Total amount of funds being requested for each activity.

Remaining Balance

Total amount of funds remaining for each activity after the current request.

Unit of Service

The total number of clients receiving services for "This Request".

If the request is admin and staff only, no units of services should be provided.

Activity Numbers

ESG

Number assigned in IDIS for each activity.

Required Accomplishment Narrative:

Total number of persons served during the service period.

### **Signatory Section**

Is this your final request for cash on this contract?

Must check "Yes" if there will be no future requests on this contract.

Signature of Authorized Official

The authorized official who must sign the Request for Cash (RFC) must be the same official who signed the contract or the approved authorized signatory official.

In case of signatory designation, an authorization letter will be required to be on file with Mississippi Home Corporation. The authorized official responsible for signing the RFC should not be the same as the preparer of the document. There should be a clear separation of duties.

Typed Name and Title of Authorized Official:

Name and Title of authorized signer must be typed on form.

Date Signed

Date Request of Cash form signed by authorized officials.

Prepared by

Name of person preparing the Request for Cash form. This should be the person most familiar with the data reported, in case of questions. The Preparer of the RFC should not be the same as the authorized official responsible for signing the RFC. There should be a clear separation of duties. This signature can be typed in.

Preparer's Telephone No.:

Telephone number of the person preparing the RFC form.

Date Prepared

Date Request of Cash form prepared by the Preparer.

## Consolidated Support Sheet Form Instructions

The Consolidated Support Sheet is provided to the subrecipient for use in documenting the cost proposed for reimbursement in the Request for Cash. It allows the subrecipient to report individual cost incurred per each activity area and to tie that cost by invoice numbers to support documentation. This support sheet allows a subrecipient to maintain budget balances of activity area costs, federal expenditures, matching contributions, and total expenditures. Completed Consolidated Support Sheets are to be submitted each time a Request for Cash is submitted to MHC. Cost reported must equal the amount requested and disbursed. **No Request for Cash will be processed if the Consolidated Support Sheet and the Cumulative Support Sheet is not attached, signed and completed correctly.** The Request for Cash will be returned to the sub-recipient and must be re-submitted when completed or corrected. A duplicate copy of each Request for Cash must be retained in the subrecipient's file.

*General instructions are as follows:*

Program

Name of Program funds are being requested

Recipient

Name of Sub-recipient

Request for Cash Number

Draw request number for this contract

ESG

Contract Number

Provided by MHC based on the Program Year, Program and Sub-recipient.

Total Amount Requested

Automatically calculated field based on data entered for each line item.

Date

Date of activity.

Line Item

Description of the eligible cost for the activity.

IDIS # & HMIS #

The activity number assigned based on the Request for Cash form.

**For participants receiving assistance, please submit only the HMIS ID number associated with the participant not the name.**

Vendor Name / Invoice Number

Enter the individual vendor name, month of payment and corresponding vendor invoice numbers, ID numbers or names of program participants to reference attached cost documentation.

CAPER Category

The sub-category for an activity.

Date Expense Started, and Date Expense Ended

This is the date service range.

ESG

Total Invoice

Total amount of the invoice.

Amount of This Request

Amount of funds being requested for reimbursement for each line item.

Appendix: must be labeled A-Z, AA-AZ..

- Supporting documentation for all requests must be provided.
- Each requested line must include appropriate appendix and supporting documents.
- If you are using multiple grants and your requested amount is different than the invoice amount, a typed explanation and breakdown must be included in the appendix.
  - Handwritten breakdown and explanations on the invoice **will not** be accepted.

Match Amount

Enter the amount of match funds to be used towards the activity area based on the available documentation. Enter a line item which describes the type of match (cash donation, value of donated materials, lease value, rent value, staff salary, or volunteer time value), vendor name, and invoice number for each match amount. Federal share and match share must maintain a 1 to 1 ratio as the project progresses and must be at least 1 to 1 at project completion. **Match funds are not included in the last three columns of the Consolidated Support Sheet. Match funds and match documentation are required for each RFC equaling the amount of the request.**

Amount Budgeted

Total amount budgeted for each activity based on the contract.

Amount Requested to Date

This column contains previously approved and presently requested federal cost. This amount must match the amount showing in IDIS for this activity. If the prior amount requested is incorrect. The RFC will be returned to the subrecipient for correction. The changes must be initiated by the signer also. An entry is made of the

ESG

previously approved federal reimbursement activity total on the same row as "Amount Budgeted" for requests other than the initial. Entries are made for each federal cost item in the same amount as was shown for that item under "Amount of This Request". These cost entries will automatically inhabit the Balance column and be deducted from the activity area balance.

Balance

Automatically calculated field based on the "Amount of This Request" column.

Grand Total

Activity Area Totals will automatically inhabit the "Total" row for respective activity areas. From these activity totals a grand total will automatically inhabit the "Grand Total" row for each column.

Service Rendered (Beginning and Thru)

Automatically populated from the Request for Cash form.

Cumulative: Program Expenditures

(Federal Share) The total amount of federal funds requested to date for all activities. This should equal the grand total for "Amount Requested to Date".

Cumulative: Matching Expenditures

(Match Share) The total amount of matching funds reported to date for all activities. This should equal the grand total for the match column.

Total Expenditures

Enter the sum of the cumulative program expenditures and the cumulative matching expenditures reported to date.

Typed Name and Title of Authorized Official

Enter the name of the authorized official who must sign the Request for Cash. This is the same official who signed the contract or an approved authorized signatory official. In case of signatory designation, an authorization letter will be required to be on file with Mississippi Home Corporation.

**\*\* See the Request for Cash Program Bulletin in this manual.**

### **Mississippi Home Corporation Reimbursement Responsibilities**

1. The program staff shall process Requests for Cash/Consolidated Support Sheets and forward the documents to the MHC Finance Department. The total process time for each RFC is within 30 days of a **correctly submitted** Request for Cash.

In the event of questions, errors, or discrepancies regarding submitted document(s), the MHC staff shall contact the designated subrecipient financial officer to discuss the issue. **The staff will not make any corrections or other changes to the Request for Cash and/or Consolidated Support Sheets. It is the subrecipient's responsibility to submit a true and correct documentation.**

2. All Requests for Cash/Consolidated Support Sheets submitted by the subrecipient shall be maintained by both the ESG staff and the Finance Department of the MHC.

### **Subrecipients' Responsibilities**

1. The Request for Cash shall always be accompanied by the Consolidated Support Sheet and invoices to support all costs.
2. **At least one Request for Cash (RFC) must be submitted monthly.** You may submit more than one RFC each month after approval.

3. A Request for Cash must not include cost incurred during two of the subrecipient State's fiscal years. An individual cost falls into the fiscal year in which it is incurred based on the invoice date.
4. Costs eligible for reimbursement must be incurred during the contract period.
5. Requests for Cash MUST include documentation to support matching expenditures. When additional documentation or clarification is requested from the subrecipient, it must be submitted before the next request for cash will be processed. **NO Additional Request for Cash Reimbursement will be processed, until outstanding items are resolved.**

Request for Cash proper documentation must include

- Receipts for all purchases for which reimbursement is requested.
  - Proof of payment for all items for which reimbursement is being requested (i.e. payment check copies, credit card statement showing purchases, zero balance receipt showing the payment type.)
6. The subrecipient is responsible for providing a CAPER Summary Report monthly. This shall include beneficiary and financial reporting. Failure to submit these documents monthly will result in a delay of processing the Request for Cash.
  7. Subrecipients must comply with policies and procedures for submitting the annual CAPER (HMIS/Comparable Database). All ESG subrecipients must submit the report to MHC by July 15th of each reporting year. Reporting periods run from July 1 through June 30th of the subsequent year.
  8. Subrecipients must comply with policies and procedures for HUD's Section 3 Form #60002 for each open grant. All ESG subrecipients must submit the form to MHC by July 15<sup>th</sup> of each reporting year. Reporting periods run from July 1 through June 30<sup>th</sup> of the subsequent year.

## Internal Reviews for Requests for Cash

### **Purpose**

The purpose of internal reviews is to examine request for cash requests received from subrecipients and to provide objective and independent assurance of the existence, accuracy, completeness, and eligibility of the items requested for reimbursement in all material respects.

### **RFC Review**

Reviews will be conducted on each RFC submitted for reimbursement. Additionally, during the Risk Assessment, a sample of RFCs will be reviewed to determine the agency's level of risk.

### **Scope**

Review procedures should be sufficient to establish the following in all material respects.

- 1) No duplicates in reimbursements based on the beneficiary or the subrecipient
- 2) Existence of the beneficiary and existence of the expenditure
- 3) Accuracy of the expenditure
- 4) Completeness of the supporting documents
- 5) Eligibility of the person and of the expenditure

### **Independence and Objectivity**

The review will be conducted independently and objectively without regard to the subrecipient.

### **Method**

- 1) Payment will be made based on Request for Cash (RFC) requests submitted by the subrecipients for reimbursement of eligible expenses.

### **Sample Selection**

- 1) The sample will be selected from the Consolidated Support Sheets submitted as support for the Request for Cash.

#### **RFC Review**

- 1) All items are tested against required documentation and support sufficient to cover the scope described above.
- 2) After the completion of the RFC review, all discrepancies will be provided to the subrecipient's point of contact for review. The subrecipient will then have 5 working days to provide a written response to identified issues on the RFC.
- 3) RFC will not be processed until on issues are resolved.
- 4) If the identified issues are with RFCs that have already been reimbursed, the cost must be adjusted on the next RFC or by the final RFC.
- 5) Any recapture of funds will be deducted from the subrecipient's next RFC.

## Common Errors on Request for Cash Submissions

It is the responsibility of the State to ensure the activities of the ESG projects are administered in accordance with the HEARTH Act. The sub-recipient must ensure that project activities are carried out to avoid problems which violate the intent of the Act. Although the duties may be delegated, the ultimate responsibility for compliance rests with the non-profit's executive officers, as a State sub-recipient of ESG funding.

Listed below are some common problems that subrecipients of ESG projects should be aware of and try to avoid:

#### Environmental

- Contracts were executed prior to MHC environmental clearance apart from contracts for administrative services.
- Failure to provide MHC with necessary documentation.

#### Financial Management

- Eligible Matching funds were not expended at a proportionate ratio with ESG funds. In-kind services were not properly documented.
- Eligible Match funds not provided to match the RFC submitted.

- Representatives of the sub-recipient agency were not adequately bonded; if applicable.
- Financial records were not maintained on a current basis or not kept in accordance with standards contained in the State or federal regulations.
- All receipts are not recorded in Cash Receipts Ledger.
- Bank reconciliation and subsidiary ledgers are not maintained, such as payments and balances.
- Unsupported or insufficient support for payments.
  - Missing copies of checks/credit card statement showing payment of purchases requested for reimbursement.
  - New rental agreements uploaded in HMIS
  - Missing Activity sheets for staff costs.
- Expenditures made prior to the date of the contract or special conditions clearance.
- Inadequate procedures for verification of allowable costs.
- **Program modifications were implemented without prior MHC approval.** Any new activity not described in subrecipients original budget or grant will require a modification.
- Inadequate separation of duties (i.e. person approving expenditures is also disbursing and recording; executive directors paid as case managers).

#### Administration

Currently, Administration fees are not eligible expenses under ESG. Therefore, attending conferences, conventions, membership fees are not allowed.

- Appropriate timesheets, contact logs, and pay stubs not provided.
- Cost shared not appropriately divided across multiple grants.

#### Procurement

- Solicitations for MBE/WBE participation were not obtained.

- The subrecipient fails to have written Procurement Procedures or fails to follow the procurement process.

## Homeless Management Information System (HMIS)

A Homeless Management Information System (HMIS) is a client-level data collection and management system that allows for better coordination among agencies providing services to clients. It is not a national reporting system, and it is not designed to be a financial reporting/accounting system. Agencies providing ESG assistance MUST enter client-level data into HMIS so the subrecipient can provide aggregate data to MHC. All funds spent and reimbursed through ESG must be directly linked to an eligible ESG activity. Activities funded by ESG Rapid Re-Housing (RRH), Homeless Prevention (HP), Street Outreach, and Emergency Shelter must correspond to an eligible client or a shelter bed that can be reported in HMIS or VELA. Agencies that utilize grant funds are required to submit monthly and annual reports detailing expenditures and client services.

Subrecipients must enter data on all persons served and all activities assisted under ESG into HMIS or, in the case of victim service providers, a comparable database in accordance with HUD's standards on participation, data collection, and reporting under a local HMIS. Comparable systems must be able to export data suitable for Consolidated Annual Performance and Evaluation Report (CAPER) submission through the ESG-CAPER Annual Reporting Tool (eCart).

## Integrated Disbursement and Information System (IDIS)

IDIS is HUD's financial management system through which funds are drawn down and reports on performance data for HUD's Consolidated Annual Performance and Evaluation Report (CAPER).

## Reporting

### Annual CAPERs

The purpose of CAPER is to generate the Emergency Solutions Grant Consolidated Annual Performance and Evaluation Report. The CAPER is required to be COMPLETED ANNUALLY BY SUBRECIPIENTS of projects receiving

Emergency Solution Grant (ESG) funding and is designed to provide an unduplicated count of persons served in ESG projects, as well as demographic breakdowns of those clients.

The CAPER reporting period is July 1<sup>st</sup> to June 30<sup>th</sup>; therefore, when completing the CAPER and collecting documentation, subrecipients will be reporting from two grant years. Subrecipient are required to submit all CAPER documentation to MHC by July 31<sup>st</sup>. This will allow MHC time to compile and validate ESG reporting data before submitting the final CAPER to HUD.

The ESG CAPER consist of two parts.

- 1) The financial cumulative CAPER- A report on all expenses reimbursed, per the subrecipient's RFC, during the reporting period of July 1<sup>st</sup> to June 30<sup>th</sup>.
- 2) The ESG applicant cumulative report from HMIS or VELA- A report of all the clients served during the subrecipient's reporting period.

The data pulled from the two reports submitted for the CAPER are used to determined how resources were spent to reach identified goals.

Subrecipients must submit complete ESG data by the assigned deadline. Future awards and reimbursement may be impacted if the required reports are not submitted.

## Monthly and Quarterly Reporting

The subrecipient is required to submit a Monthly Report that includes details on beneficiaries served during that month. If the beneficiary report is not submitted on time, it will delay the processing of the Request for Cash.

The Mississippi Home Corporation (MHC) will review the subrecipient's outcomes and expenditures on a quarterly basis to assess whether they are meeting the expectations outlined in their contract and program goals. If MHC determines that the subrecipient is not on track to achieve their targeted outcomes, including clients served and expenditures, they will collaborate with the subrecipient to renegotiate the budget and/or contract.

## MONITORING AND CLOSEOUT PROCEDURES

Compliance with regulatory and programmatic requirements of the ESG subgrant is generally determined through on-site monitoring and desktop monitoring by MHC. Monitoring concentration will include, but is not limited to, financial management, administrating and carrying out ESG activities, eligible beneficiaries and Homeless

Management Information Systems (HMIS)/Comparable Database. Monitoring will generally be conducted after advance notice and at a date and time convenient to both MHC and sub-grant recipients but may be conducted without notice and at any normal hour of business operation at the discretion of MHC. Pop-up monitoring may be conducted if the agency is determined at High-Risk and in noncompliance with regulations.

When preparing for a monitoring visit, ensure that agencies policies, ESG funded activity's, and files are in line with [CPD ESG monitoring guide Chapter 28](#) and this manual. MHC ESG monitoring checklist for client files is available at <https://www.mshomecorp.com/federal-programs/forms/>.

## ESG MONITORING SYSTEM

### Program Administration and Monitoring

Mississippi Home Corporation (MHC) is responsible for ensuring that grants are administered in accordance with the requirements of applicable laws. MHC is further responsible for ensuring that their respective project sponsors carry out activities in compliance with all applicable requirements at 24 CFR, Part 576 and 2 CFR 200.

MHC monitors the subrecipients' participation in the program to ensure compliance with program regulations promulgated by HUD at 24 CFR, Part 576 for ESG programs designed to benefit persons experiencing homelessness. Effective oversight and monitoring recipients are important functions of MHC.

MHC staff reserves the right to conduct virtual monitoring or monitoring visits with project sponsors. Visits may be scheduled as a matter of routine or based on project sponsor performance, fiscal reporting, program reporting or other areas of concern. Subrecipients receiving ESG funding will receive an on-site monitoring or desk/virtual monitoring visit based on the Risk Analysis or as courtesy during the project grant year(s). After each monitoring is complete, MHC will send correspondence documenting findings and/or concerns, project accomplishments, areas of deficiencies and technical assistance needs. These areas will be highlighted in the report and serve to confirm issues discussed during the monitoring review process and to give project sponsors notice of deficient areas requiring attention.

MHC relies upon application review and reimbursement of funds expended in lieu of advancing funds. Desk audits are often performed at MHC to test financial compliance. Monitoring, therefore, is limited in scope concentrating on eligibility of beneficiaries and a comparison of program records with the programmatic claims of the applicant, and review of financial records and documentation.

## Introduction

ESG's monitoring process is a procedure for ensuring that the subrecipients are adhering to the federal and state regulations. The objectives of the monitoring processing are:

- to assist the subrecipient in carrying out its project in a timely method;
- to identify probable problem areas and to assist the subrecipient in complying with applicable laws and regulations;
- to assist subrecipient in resolving compliance problems through discussion, negotiation, or provision of technical assistance;
- to determine if each subrecipient complies with activity costs which are eligible under appropriate laws and regulations;
- to ensure the subrecipient is carrying out activities as described in the application submitted for funding, and to help subrecipient make appropriate changes to their project goals/objectives if needed;
- to offer adequate follow-up measures to ensure that performance and compliance deficiencies or problems are corrected by the subrecipient
- to determine if the subrecipient is leading the project with adequate control over program and financial performance, and in a way, which minimizes the chance for mismanagement.

## Selection/Risk Assessment

A "risk assessment" shall be conducted annual or more frequent on each ESG subrecipient. This technique is done pre monitoring and will establish the priorities for monitoring and to determine where resources can be best applied. The risk assessment can determine which subrecipient should be monitored, the program areas to be covered. The selection process would ensure that the ESG subrecipient are conducting the project with adequate control over the program and financial performance which eliminates the chance for mismanagement, fraud or waste. Project sponsors should be selected for monitoring within each program and technical area using general risk factors of *program complexity, project sponsor capacity, recent problems, and past performance*.

- A. Award Profile
  - Projects undertaken by subrecipient
  - Funding levels
- B. Entity Capacity to Manage Grant Funds
  - Inexperienced staff
  - No progress, Low productivity
  - RFC accuracy with appropriate documentation
  - Difficulty in carrying out the program
  - Audit finding
  - High vacancy (shelter projects)

- C. Regulatory Policy Compliance
  - Federal and state required policies
- D. Experience and Performance
  - HIMS data quality and Coordinated Entry
  - Awarded before
  - Reporting delays and concerns
  - Ability to reach program goals
- E. Recent Problems
  - Incorrect or incomplete performance reports
  - Audit findings or no audit at all
  - Program participants complaints
  - Issues remaining from previous grant cycle year
  - Frequent audit findings or RFC concerns.

**Risk Levels:** Low, Moderate, High

## Monitoring Steps

The subrecipient will be notified, in writing prior to the monitoring visit. The notification includes the following:

- the date and time of the on-site review
- name(s) and number(s) of the person(s) conducting the review
- purpose of the review
- a list of documents to be reviewed (these documents should be readily available)
- a request that the project sponsor's representatives and other appropriate staff be available during the review (i.e., financial staff, etc.)

### I. **Unscheduled/Pop-up Monitoring**

MHC's ESG representative may conduct unscheduled monitoring visit based on risk analysis.

### II. **On-Site/Desk Monitoring**

The MHC's Compliance Office/ESG representative will monitor the terms and conditions of its contract with the project sponsor. This includes: rate of expenditures, eligibility of expenses, and implementation of eligible activities under the ESG Program.

#### A. Monitoring Preparation

The monitoring review involves the completion of a standardized monitoring desk review form, which requires the following:

- A review of the program files
- A review of the program policies and procedures
- A spot review of the requests for cash

B. Monitoring Review

**On- site Visit**

- An initial and exit interview will be held with the Project Sponsor Representatives. A series of questions will be asked relating to the capacity of the organization, program effectiveness, contractual compliance and any recent changes that the organization has endured.
- MHC representative will review a sample of client files thoroughly to ensure eligibility compliance with all federal regulations. Incomplete files will be notated.
- Documents will be reviewed to verify that the organization is keeping appropriate and sufficient records. MHC reserves the right to have access to any financial back-up documentation to determine whether unnecessary or unreasonable expenditures occurred.
- MHC representative will review proper documentation on client's eligibility, rent restrictions, staff cost, and disbursements.
- MHC representative will review the environmental clearance will be verified to certify that the project sponsor is following federal and state regulations relative to environmental activities in federally assisted grants.
- As relevant, the procurement process will be reviewed to check for compliance with federal and state guidelines relative to the procurement of supplies, equipment, construction, and services for federally assisted grants.
- On-site visits of a large project may continue to a desk monitoring.

**Desk Monitoring**

MHC may conduct desk monitoring in lieu of or as a continuance of an on-site monitoring visit. During a desk monitoring:

- MHC representative will review a sample of client files thoroughly to ensure eligibility compliance with all federal regulations. Incomplete files will be notated.
- Documents will be reviewed to verify that the organization is keeping appropriate and sufficient records. MHC reserves the right to have access to any financial back-up documentation to determine whether unnecessary or unreasonable expenditures occurred.
- MHC representative will review proper documentation on client's eligibility, rent restrictions, and disbursements.
- MHC representative will review the environmental clearance will be verified to certify that the project sponsor is following federal and state regulations relative to environmental activities in federally assisted grants.

- As relevant, the procurement process will be reviewed to check for compliance with federal and state guidelines relative to the procurement of supplies, equipment, construction, and services for federally assisted grants.

C. Monitoring Review Concerns

- If during a review, MHC representative feels it necessary, MHC Internal Audit team may be engaged to monitor the subrecipient reimbursements and documentation. A concern that may be elevated to MHC Internal Audit includes but is not limited to documentation concerns.

D. Monitoring Report

- MHC will email or mail a Monitoring Review Results letter to the subrecipient after monitoring. The letter will include the strengths and weaknesses of the organization. Also, if there are any deficiencies that need corrective action, it will be included in the letter. A deadline will be given to the project sponsor to clarify all deficiencies for compliance (i.e. a follow-up visit, written response, etc.). If there are no findings (deficiencies), a compliance letter will be email or mailed to the project sponsor.
- **Notification:** After the completion of the monitoring, the subrecipient will receive written notification outlining the specific areas reviewed and providing next steps including:
  - Areas of review: Service, Management, Financial.
  - List of findings and/or concerns
  - Program rules connected to identified findings
  - Corrective Actions
  - The Monitoring Risk Level due for identified findings and/or concerns
  - The timeframe for addressing the deficiencies. Project sponsors typically will receive 10 to 30 calendar days of receiving the notice to address deficiencies. MHC reserves the right to adjust the timeframe if necessary.
- **Corrective Action:** MHC will provide project sponsor with corrective action steps needed to respond to or resolve any finding or concerns. When responding to finding or concerns, the project sponsor may provide MHC with a Corrective Action Plan (CAP) within the stated timeframe. The CAP must detail the steps the project sponsor will take to resolve the identified issues and avoid recapture. A CAP must be submitted to MHC by the subrecipient within 10 to 30 days of notification (MHC reserves the rights to request an immediate response based on the nature of the finding).
- Failure to respond to a monitoring report, failure to submit or implement an approved CAP, or failure to complete all of the identified corrective actions in the time allotted will result in the immediate grant suspension and recapture of funds. No RFCs will be paid on any of the subrecipient's contracts until all findings have been corrected. Waiver of the "no RFC" policy may be considered on a case-by-case basis.

## ESG Monitoring Risk Level Policy

In accordance with 24 CFR Part 576 (ESG Program Regulations) and 2 CFR 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards), Mississippi Home Corporation (MHC) implements a structured Monitoring Risk Level Policy post monitoring to ensure effective oversight of ESG project sponsors. This policy establishes five levels of risk, with increasing severity and required actions for each level.

### **Risk Level Criteria**

#### **Level 1: Documentation Infractions**

Documentation infractions are minor record-keeping deficiencies that do not directly impact client eligibility, service delivery, or financial accountability but require correction to maintain compliance. An example of minor record keeping deficiencies includes missing identification card or incomplete program application. In response, MHC issues a written notice with corrective action requirements, followed by a review within 90 days to confirm compliance.

#### **Level 2: Eligibility Infractions**

Eligibility infractions involve errors or omissions in determining applicant or service eligibility, which could affect HUD compliance under 24 CFR 576 and 2 CFR 200.303. Examples include incorrect income verification or providing services to ineligible clients. MHC's response involves findings and immediate correction, re-evaluation of program client files, mandatory staff training on eligibility requirements, and follow-up monitoring within 60 days to ensure corrective actions are in place.

#### **Level 3: Agency Capacity and Programmatic Capacity**

These infractions relate to an agency's overall ability to administer ESG programs, including staffing, infrastructure, and adherence to HUD requirements. Relevant regulations, such as 24 CFR 576 and 2 CFR 200.205, guide MHC in assessing an agency's capacity to manage ESG-funded activities effectively. Examples of infractions include inadequate staffing or failure to meet reporting requirements, failure to meet requirements of the program contract, failure to work towards MHC's identified goals. MHC's response involves findings and immediate correction. Agencies must submit a Corrective Action Plan (CAP) and provide regular progress reports until issues are resolved, with quarterly follow-up monitoring by MHC.

#### **Level 4: Financial Infractions**

Financial infractions indicate mismanagement or improper documentation of ESG funds, potentially jeopardizing the program's financial integrity. Guided by regulations 24 CFR 576 and 2 CFR 200.302-305, infractions might include improper spending on ineligible services or failing to submit timely financial reports. MHC's response includes identifying the findings and concerns, conducting a financial audit, requiring corrective action, and potentially suspending disbursements until the agency demonstrates full compliance with financial controls. MHC conducts a follow-up audit within 30 days to confirm corrective actions are in place.

**Level 5: Severe Infractions**

Severe infractions, including fraud, Fair Housing violations, or conflicts of interest, represent the highest level of risk, impacting the integrity and legality of the ESG program. These infractions, covered by regulations 24 CFR 576, and 2 CFR 200.317-326, include cases of fraud, discriminatory practices, or financial conflicts of interest. In such cases, MHC halts all program activities and may notify HUD's Office of Inspector General. Additional consequences include suspension, potential reallocation of funds, and referral to legal authorities if fraud is confirmed. Furthermore, grantees determined to be a Level 5 risk due to a monitoring review or investigation by MHC will be suspended from applying for grant funds for one grant cycle to ensure compliance and program integrity.

Mississippi Home Corporation (MHC) will suspend all grant reimbursements until identified findings and infractions are resolved. MHC may recapture funds previously awarded to an ESG recipient for reasons such as failure to satisfy timeliness of the implementation of the project, failure to comply with contractual conditions, or failure to complete project closeout.

No response or if the project sponsor fails to complete all corrective actions in the time allotted, a letter will be sent detailing areas of non-compliance along with sanctions that will be taken (including possible funding decrease/recapture) if the situation is not corrected. No RFCs will be paid on any of the project sponsor's contracts until all findings have been corrected. Waiver of the "no RFC" policy may be considered on a case-by-case basis.

**Single Audits Monitoring**

Single Audits must be submitted to Mississippi Home Corporation according to the policy. If the Single Audit is not submitted by the deadline or if it includes unresolved findings, funding will be suspended, and the funded agency will be classified as High Risk. Funding will be restored, and the High Risk designation will be lifted once the Single Audit is submitted and all findings are resolved.

## ESG Recaptured Funds

Mississippi Home Corporation (MHC) may recapture funds previously awarded to an ESG recipient. MHC may reallocate any recaptured funds in any eligible category and reallocate them to any eligible applicant. Requests for supplemental funds will be considered on a case-by-case basis with funds granted only in those instances

where the Corporation can readily determine that additional funding is justified. Grant award limits are not applicable when considering the allocation of these funds.

MHC may recapture funds previously awarded to an ESG recipient for reasons such as failure to satisfy timeliness of the implementation of the project, failure to comply with contractual conditions, unresolved monitoring, or failure to complete project closeout. If reimbursements are required, those funds may be mailed to MHC. Recaptured or de-obligated ESG funds may be used to supplement Administration, supplement existing projects which may require additional funds, fund other eligible applicants, or fund ESG eligible activities.

#### **Grounds for Recapture of Funds**

MHC may recapture funds previously awarded to a subrecipient under any of the following conditions:

- **Failure to meet performance standards:** If the project sponsor fails to achieve the program's intended outcomes, including housing stability, services delivery, expenditure of funds, or other measurable objectives, funds may be recaptured.
- **Non-compliance with program requirements:** Any violation of federal, state, or local ESG regulations, including 24 CFR Part 576, or MHC's contractual obligations and policies, may result in recapture.
- **Misuse or improper expenditure of funds:** If funds are used for ineligible activities or expenditures that are not allowable under ESG regulations, they may be subject to recapture.
- **Failure to maintain proper documentation:** Inadequate financial or programmatic record-keeping or failure to provide required documentation for monitoring, reimbursements, or audit purposes.
- **Failure to comply with audit requirements:** If a project sponsor fails to submit timely audit reports or fails to address findings from audits or monitoring visits.
- **Suspension or discontinuation of program operations:** If a project sponsor suspends or discontinues ESG-funded operations or activities without approval from MHC.
- **Untimely expenditure of funds:** If the project sponsor does not meet timeliness requirements for obligating and extending ESG funds.
- **Unresolved monitoring or audit findings:** Any unresolved findings from HUD, MHC, or other entities indicating that the project sponsor failed to comply with regulatory or contractual obligations may trigger recapture.
- **Breach of contract**

### De-Obligation or Termination of the Program Contract

Based on the grounds for recapture or findings from monitoring results, MHC may **de-obligate and/or terminate an existing program contract** instead of requiring repayment. If the identified infraction does not incur a financial cost but instead pertains to a breach of contract, failure to meet performance standards, or other non-financial issues, MHC reserves the right to de-obligate any remaining grant funds and terminate the program contract. This ensures that funds are only allocated to programs that demonstrate full compliance with ESG requirements and contractual obligations.

Based on the grounds for recapture or findings from monitoring results, **MHC may require a repayment of funds expended.**

### Recapture Process

MHC will follow a structured process for the recapture of funds, ensuring fairness and adherence to regulatory standards:

- **Monitoring and Review:** Subrecipient are subject to routine monitoring and auditing by MHC or HUD representatives. Please reference MHC's Monitoring System outlined in the program policy for more information.
- **Notification:** If MHC identifies deficiencies or grounds for recapture, the subrecipient will receive written notification outlining the specific issues, including:
  - The amount of funds subject to recapture.
  - The reason for the recapture, citing specific regulations, program goals, or contract terms violated.
- **Repayment Terms:** Subrecipient must return recaptured funds to MHC or HUD within **30 days** of the final determination, unless otherwise specified. Repayment may be made through a direct financial return of funds or by withholding future RFC disbursements from ESG until the recapture amount is satisfied.

### Appeals Process

Subrecipient have the right to appeal any recapture decision. The appeal must be submitted in writing within **15 calendar days** of the final determination of recapture. The appeal should include:

- A detailed explanation of why the project sponsor believes the recapture or de-obligation is unwarranted.
- Any supporting documentation or evidence that disputes the findings.

MHC will review the appeal and issue a written response within **30 to 60 calendar days**. The decision rendered after the appeal process is final.

#### **Reallocation of Recaptured Funds**

Funds recaptured by MHC will be reallocated to address urgent needs of existing ESG clients, support new or ongoing projects in alignment with ESG goals, or cover administrative costs associated with the recapture and reallocation process.

## Responsibilities of the Subrecipient

Subrecipients who receive ESG, assistance must understand it is their primary responsibility to enforce **ALL** obligations and regulations in complying with the intent of Congress as declared by the HEARTH Act Final Rule.

Subrecipients must ensure that activities undertaken meet the primary objectives of the Act, its regulations, and the State's ESG program objectives.

If the State determines that a subrecipient of ESG funds has failed to comply with any provision of this subpart, the State shall notify the non-profits' chief executive officer of the noncompliance and shall request the officer to ensure conformity in a timely manner.

Remedial actions and sanctions for failure to meet the ESG program requirements will be designed to prevent a continuation of the deficiency; mitigate, to the extent possible, its adverse effects or consequences; and prevent its recurrence.

Mississippi Home Corporation may instruct the subrecipient to submit and comply with proposals for actions to correct, mitigate, and prevent noncompliance with ESG requirements including but not limited to the following:

- Prepare and follow a schedule of actions for carrying out activities affected by the noncompliance, including schedules, timetables, and milestones necessary to implement the affected activities;
- Establish and follow a management plan that assigns responsibilities for carrying out the remedial actions;
- Cancel or revise activities likely to be affected by the noncompliance, before expending ESG funds for the activities;
- Reprogram ESG funds that have not yet been expended from affected activities to other eligible activities;
- Suspend disbursement of ESG funds for some or all activities;

- Reduce or terminate the remaining grant of sub-recipient and reallocate those funds to other subrecipients.

In addition, MHC may impose the following Remedial Plan of action for the noncompliance of subrecipients:

- The MHC may suspend payments to the extent HUD deems it necessary to preclude the further expenditure of funds for affected activities.
- The MHC may remove the sub-recipient from participation in reallocations of funds.
- The MHC may deny matching credit for all or part of the cost of the affected activities and require the sub-recipient to make further matching contributions to make up for the contribution determined ineligible.
- The MHC may require the subrecipient to reimburse its line of credit in an amount equal to the funds used for the affected areas.
- The MHC may reduce or terminate the remaining grant of a subrecipient and reallocate those funds to other recipients;
- The MHC may condition a future grant.
- The MHC may take other remedies that are legally available.

## Performance Standards and Outcomes

MHC consulted with each CoC to develop appropriate program outcomes and performance standards. ESG activities performance will be measured based on the CoC performance outcomes and the outcomes each **subrecipients** identified in their grant application.

Performance outcomes include:

### **Goal : ESG activity. Enhance Housing Stability & Homelessness Prevention Programs**

- Use the ESG to provide **wraparound support services**, including job training, transportation, case management, education, and other approved services to properties that prioritize identified special populations (homeless and 30% AMI).
- Require housing stability plans for all homeless prevention housing assistance programs recipients to ensure long-term sustainability.

- Work with the CoCs to end the experience of homelessness and improve health outcomes by providing housing assistance through HOPWA and ESG.

**Measurement:** Number of formerly homeless individuals housed. Expect to serve a cumulative of 800 individuals with ESG.

- Decrease in the number of chronic homeless individuals identified.
- Decrease in the number of homeless individuals and households identified.

(use CoC or PIT data)

**Measurement:** The percentage of formerly homeless individuals that maintain stable housing for 6+ months.

The State expects that 50% or more of formerly homeless individuals served by ESG will maintain housing.

**Measurement:** Number of individuals who increased income while in the ESG program.

The State expects that 25% of households will increase income while in the ESG program.

## Subrecipient Record-keeping/ Record Retention

The subrecipient must provide a Record Retention policy. The subrecipient's review will follow the guide provided for accuracy and completeness.

The subrecipient must maintain records for the ESG programs for the greater of five (5) years or for the period specified below. Copies made by microfilming, photocopying, or similar methods may be substituted for the original records. This includes documentation of each program participants' qualification as a homeless family or individual and other program participant which must be retained for five (5) years after the expenditure of all funds from the grant under which the program participant was served.

### MHC Record Retention

MHC shall retain records related to ESG, including supporting documentation, for a period of not less than five years after the fiscal year of the grant or three years after the closeout of the grant from HUD, whichever is greater.

MHC will maintain files and records that relate to the overall administration of ESG as follows:

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ESG

- Consolidated Plan submission to HUD
- Executed Grant Agreements
- Eligibility and national objective determinations for each activity under ESG
- Citizen participation compliance documentation
- Fair Housing and Equal Opportunity records

## File Organization and Maintenance

A subrecipient should structure its project/case files and other records to comply with the general requirements to facilitate preparation of progress and other reports, including all submissions necessary for input into the Integrated Disbursement and Information System (IDIS) and the Consolidated Annual Performance and Evaluation Report (CAPER).

In setting up (or reviewing the adequacy of) its record-keeping system, a subrecipient should use this handbook to develop a list of all the items for which it must maintain documentation on a case/project basis and/or an activity basis.

### Access to records

The HUD Office of the Inspector General, the Comptroller General of the United States, Mississippi Home Corporation, or any of their authorized representatives, must have the right of access to all books, documents, papers, or other records of the subrecipients that are pertinent to the ESG grants, to make audits, examinations, excerpts, and transcripts. These rights of access are not limited to the required retention period but last if the records are retained.

## GENERAL COMPLIANCE

Compliance with regulatory and programmatic requirements of the ESG sub-grant is generally determined through a monitoring review by MHC. Monitoring will be conducted based on the risk assessment determination. A risk assessment is conducted annual but may be conducted more frequently at the discretion of MHC. Monitoring will generally be conducted after advance notice and at a date and time convenient to both MHC and subrecipients but may be conducted without notice and at any normal hour of business operation at the discretion of MHC.

## Procurement Requirements & Disposition Requirements

Procurement policy for programs administered by MHC is governed by Federal Regulation **2 CFR 200** and the policies are set forth in MHC Policy Statements and/or Instructions. The following procurement standards are currently in effect.

These policies and procedures are modified periodically in response to changing state laws or program conditions.

### Small Purchases

Nonprofessional services or supplies which do not involve an expenditure of more than \$5,000 may be purchased without advertising. This method of procurement lends itself best to simple, informal purchases in which written price quotations (at least two) are obtained from an adequate number of qualified sources. If the purchase of one item is at least \$1,000 but not more than \$5,000, then certain documentation is necessary. Documentation of procurement would include a description of supplies or services needed, a list of vendors or suppliers called, and price quotes obtained. Selection would be based on the lowest and best supplier.

If the aggregate cost is more than \$5,000, but not more than \$50,000, supplies or nonprofessional services may be obtained from the lowest and best bidder without advertising for bids, provided at least two (2) competitive written bids have been obtained. Documentation of procurement would include description of supplies or service needed, list of vendors or suppliers called or notified, and written individual quotes from each contacted vendor or supplier. Selection would be based on the lowest and best supplier.

Written procurement policy should be available for review and all contracts should be in writing. A disposition checklist must be completed for purchases made through the grant.

## Procurement History Records

Procurement history records must include the rationale for the method of procurement used, selection of contract type, contractor selection/rejection, and basis for contract price.

## Conflict of Interest

Recipients will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. Conflict of interest provisions listed at 2 CFR 200 and 24 CFR 576 are to be incorporated. Also see conflict of interest standards in this manual.

## Fair Housing/ Equal Opportunity

The guarantee of civil rights has a constitutional as well as a statutory base. Several laws overlap in their coverage of certain actions and activities.

The authority for complaint investigation and compliance determination is retained within HUD.

## Affirmative Outreach

Sub-recipient must communicate and make known that use of ESG, and ESG-CV, funded facilities, assistance and services are available to all on a nondiscriminatory basis. All individuals, including transgender individuals and other individuals who do not identify with the sex they were assigned at birth, must receive equal access to program, benefits, services and accommodations in accordance with their gender identity without being subjected to intrusive questioning or being asked to provide documentation, in accordance with the HUD final rule entitled "Equal Access in Accordance with an Individual's Gender Identity in Community Planning and Development Programs." Subgrantee must develop and implement affirmative outreach written procedures and communication tools and materials to inform persons without regard to race, color, ethnicity, religion, sex, gender, sexual orientation, age, national origin, familial status, or disability, how to obtain access to facilities and services. If it appears the procedures subgrantee intends to use to accomplish this will not reach persons of any particular race, color, religion, sex, gender, sexual orientation, age, national origin, familial status, or disability who may qualify for those activities and services, subgrantee must establish additional procedures to ensure those persons are made aware of assistance opportunities. Reasonable accommodations for persons with disabilities must be available in order to ensure disabled participants have an equal opportunity to utilize housing, including shelters, and receive essential services. Greater levels of accessibility may be required for some shelters in compliance with The Americans with Disabilities Act.

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## Nondiscrimination

Subgrantee is required to comply with all state and federal statutes relating to nondiscrimination, including the Fair Housing Act, Section 504 of the Rehabilitation Act, Title VI of the Civil Rights Act, Title II of the Americans with Disabilities Act, and Title III of the American with Disabilities Act. Subgrantee may not take any of the following actions based on race, color, national origin, religion, gender, familial status, disability, marital status, source of income, sexual orientation, including gender identity, honorably discharged veterans/military status, and survivors of domestic violence:

- Refuse to rent housing or provide services
- Make housing or services unavailable
- Deny a dwelling or service
- Set different terms, conditions or privileges for rental of a dwelling or obtaining services
- Provide different housing services or facilities or different services
- Falsely deny that housing is available for inspection or rental or that services are available
- Deny anyone access to a facility or service.

## Civil Rights Requirements

All recipients of Mississippi ESG and ESG-CV funds are required to comply with the Civil Rights requirements of Title I of the Housing and Community Development Act and the Fair Housing Laws including the following:

- Title VI, Civil Rights Act of 1964
- Housing and Community Development Act of 1974, as amended
- Title VIII, Civil Rights Act of 1968, as amended--or, the Fair Housing Act
- Housing and Urban Development Act of 1968
- Section 504, Rehabilitation Act of 1973, as amended
- Age Discrimination Act or 1975, as amended
- Executive Order 11063, as amended
- Executive Order 11246 as amended

<i>Applicable Regulations</i>
<i>24 CFR Part I</i>
<i>24 CFR Part 8 issued 6/2/88</i>
<i>24 CFR Parts 105, 107, 108, 109, 110, 115, 135</i>
<i>41 CFR Chapter 60</i>
<i>28 CFR Part 42</i>

- Executive Order 13279 as amended
- Section (3) Three, Housing and Urban Development Act of 1969, as amended

The Fair Housing and Equal Opportunity requirements affect every aspect of the Emergency Solutions Grant Program including the CARES component. Civil rights laws are designed to protect individuals from discrimination based on the following:

- Race
- Color-ethnicity
- Sex
- National Origin
- Age
- Handicap
- Families with children

As Civil Rights apply to all MHC funded programs, they protect individuals from discrimination in the following categories:

- Housing
- Benefits and services created by ESG projects
- Employment
- Business opportunities
- Relocation resulting from ESG funded activities

The following are individuals protected:

- Minorities
- Women
- Groups Distinguished by Age
- Handicapped Persons

The State, by certifying their compliance with applicable civil rights laws, assure that methods of administration at the state and local level will be adequate to meet the requirements of the civil rights laws.

Sub-recipient records for fair housing requirements compliance must adhere to 24 CFR Parts 1 and 107.

To document compliance with fair housing requirements, sub-recipient's records must include the following:

- Documentation of any sub-recipient actions to affirmatively further fair housing (including providing funds, if applicable, for each action).
- For direct benefit activities, data must be maintained on the extent of participation and benefit by individuals involved in a program or activity funded totally or partially with ESG funds. Such records must be kept by race, ethnicity, and gender of head of household, children, and handicap status. For area wide activities, documentation must include the following:
  - A description of geographic boundaries of the service area,
  - A description of the service being provided to the area, and
  - The race and ethnicity of the area
- Data on employment in each of the local government's operating units funded totally or partially with ESG funds. Data must be maintained for the categories prescribed in the Equal Employment Opportunity Commission's EEO-4 form.
- Data on persons in households displaced because of ESG activities, including the following:
  - The race and ethnicity of the households,
  - The handicap status of any displaced persons, and
  - The address to which each displaced household is relocated
- Where ESG activities cause a significant level of displacement of businesses, records must include data indicating the impact on businesses owned by minorities and women.

By signing the Certification of Assurance, the applicant is required to follow the bidding and negotiation requirements under Section 135.25 of the Section 3 Regulations (Title 24 CFR Part 135) and shall develop an affirmative action plan as specified in Section 135.70 for the use of businesses located in or owned in substantial part by persons residing in the area. Subrecipients must document all efforts to meet these required actions and must report the progress made toward achieving these goals in the Contract and Subcontract Activity Report which is due every 6 months.

- Data must be submitted on each business entity that receives a contract or subcontract to be paid, with ESG funds, including data on the following:
  - The amount of the contract or subcontract
  - The racial/ethnic character
  - Any women's business enterprise as defined in Executive Order 12138.
- Documentation of the recipient's affirmative actions taken to overcome the effects of prior discrimination as determined through a formal compliance review or court proceeding, where the recipient has previously discriminated against persons on the ground of race, color, national origin, religion, sex, or handicap in administering a program or activity funded in whole or in part with ESG funds.
- Documentation indicating that the recipient has taken steps to affirmatively further fair housing.

## Action to Affirmatively Further Fair Housing

Under the ESG grant agreement, the sub-recipient is required to provide assurance that the program will be conducted and administered in conformity with Title VIII of the Civil Rights Act of 1968. Therefore, all projects must be administered in a manner to affirmatively further fair housing. Subrecipients must act to affirmatively further fair housing.

Examples of actions available to subrecipients to fulfill this requirement include:

- Counseling Services
- Passage of a fair housing ordinance Creation of Human Rights Commission Education program
- Assistance to fair housing groups
- Assistance to minorities in locating in non-minority area Voluntary affirmative lending plans
- Voluntary affirmative realtor plans Voluntary affirmative home builder plans Local compliance and monitoring process
- Advertising the benefits of an open community
- Operation of a "New Horizons" program for providing fair housing Fair Housing Proclamation

The sub-recipient must indicate the type of action taken and the results of the efforts. For example, if a sub-recipient provides a counseling service to low and moderate-income persons, the sub-recipient must specify the type of counseling services provided and the number of beneficiaries by race and sex.

## Fair Housing and Equal Opportunity (FHEO) Posters and Displays

FHEO posters, English, and Spanish versions, must be posted in all grant subrecipients administration buildings and shelter locations. These posters should be in a **public** place and located in **plain view** to those entering and/or exiting the building in or near the common thoroughfare.

## Participation of Businesses owned by Minorities or Women

The sub-recipient must also have a procedure to encourage and use minority/female businesses as a source of supplies, equipment, construction, and services.

## Fair Housing Amendments Act of 1988

(P.L. 100-430)

The Fair Housing Amendments Act of 1988 provides stronger federal enforcement measures against discrimination in housing. It gives the Department of Housing and Urban Development authority to initiate enforcement actions and to penalize those who discriminate in the sale, rental, or financing of housing. In addition, the act adds persons with handicaps and families with children to those protected under Title VIII of the Civil Rights Act of 1968.

## CIVIL RIGHTS REGULATIONS AND REQUIREMENTS APPLICABLE TO MISSISSIPPI'S EMERGENCY SOLUTIONS GRANT PROGRAM

Communities funded under the ESG Program should familiarize themselves with the following civil rights regulations and/or requirements concerning Fair Housing and Equal Employment Opportunity. These issues include the handbook, "Mississippi Minority Business Directory." The purpose of the directory is to "enable program participants to assure that small and minority businesses are utilized, when possible, as sources of supplies, equipment, construction and services."

Included in the packet of civil rights regulations are the Fair Housing and Equal Employment Opportunity posters. Subrecipients are to display these posters where they will be visible around their offices and on or near job sites. Also included are the following regulations and requirements which communities are urged to familiarize themselves with:

1. Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352) and the regulations issued pursuant thereto (24 CFR Part 1) provide that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant receives federal financial assistance and will immediately take any measures necessary to effectuate this assurance. If any real property or structure thereon is provided or improved with the aid of federal financial assistance extended to the applicant, this assurance shall obligate the applicant, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits.
2. Title VIII of the Civil Rights Act of 1968 (Pub. L. 90-284), as amended, administering all programs and activities relating to housing and community development in a manner to affirmatively further fair housing; and will act to affirmatively further fair housing in the sale or rental of housing, the financing of housing, and the provision of brokerage services.
3. Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u) requiring that to the greatest extent feasible opportunities for training and employment be given to lower-income residents of the project area and contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part by, persons residing in the area of the project.
4. Section 109 of the Housing and Community Development Act of 1974, as amended, which requires that no person in the United States shall on the ground of race, color, national origin or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activities funded in whole or in part with federal funds made available pursuant to the Act. Section 109 further provides that any prohibition against discrimination based on age under the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq) or with respect to an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) shall also apply to any such program or activity.

5. Executive Order 11063, as amended by Executive Order 12259, on equal opportunity in housing and nondiscrimination in the sale or rental of housing built with federal assistance.
6. Executive Order 11246, and the regulations issued pursuant thereto (24 CFR Part 130 and 41 CFR Chapter 60), which provides that no person shall be discriminated against based on race, color, religion, sex or national origin in all phases of employment during the performance of federal or federally assisted construction contracts. Contractors and subcontractors on federal and federally assisted construction contracts shall take affirmative action to ensure fair treatment in the following categories:
  - employment
  - upgrading
  - demotion
  - transfer
  - recruitment or recruitment advertising
  - layoff or termination
  - rates of pay or other forms of compensation and
  - selection for training and apprenticeship

## Violence Against Women Act (VAWA) protections

### § 5.2005 VAWA protections.

Subrecipients must provide **ALL** program participants with a notification of their VAWA rights. (See Appendix)

#### **(a) Notification of occupancy rights under VAWA, and certification form.**

(1) Subrecipients must provide to each of its applicants and to each of its tenants the notice of occupancy rights and the certification form as described in this section:

(i) A "Notice of Occupancy Rights under the Violence Against Women Act," as prescribed and in accordance with directions provided by HUD, that explains the VAWA protections under this subpart, including the right to confidentiality, and any limitations on those protections; and

(ii) A certification form, in a form approved by HUD, to be completed by the victim to document an incident of domestic violence, dating violence, sexual assault or stalking, and that:

(A) States that the applicant or tenant is a victim of domestic violence, dating violence, sexual assault, or stalking;

(B) States that the incident of domestic violence, dating violence, sexual assault, or stalking that is the ground for protection under this subpart meets the applicable definition for such incident under § 5.2003; and

(C) Includes the name of the individual who committed the domestic violence, dating violence, sexual assault, or stalking, if the name is known and safe to provide.

(2) The notice required by paragraph (a)(1)(i) of this section and certification form required by paragraph (a)(1)(ii) of this section must be provided to an applicant or tenant no later than at each of the following times:

(i) At the time the applicant is denied assistance or admission under a covered housing program;

(ii) At the time the individual is provided assistance or admission under the covered housing program;

(iii) With any notification of eviction or notification of termination of assistance; and

(iv) During the 12-month period following December 16, 2016, either during the annual recertification or lease renewal process, whichever is applicable, or, if there will be no recertification or lease renewal for a tenant during the first year after the rule takes effect, through other means.

(3) The notice required by paragraph (a)(1)(i) of this section and the certification form required by paragraph (a)(1)(ii) of this section must be made available in multiple languages, consistent with guidance issued by HUD in accordance with Executive Order 13166 (Improving Access to Services for Persons with Limited English Proficiency, signed August 11, 2000, and published in the Federal Register on August 16, 2000 (at 65 FR 50121).

**(b) Prohibited basis for denial or termination of assistance or eviction -**

(1) General. An applicant for assistance or tenant assisted under ESG programs may not be denied admission to, denied assistance under, terminated from participation in, or evicted from the housing on the basis or as a direct result of the fact that the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, if the applicant or tenant otherwise qualifies for admission, assistance, participation, or occupancy.

(2) Termination on the basis of criminal activity. An applicant in ESG housing programs must not be denied tenancy or occupancy rights solely on the basis of criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking if:

(i) The criminal activity is engaged in by a member of the household of the tenant or any guest or other person under the control of the tenant, and

(ii) The tenant or an affiliated individual of the tenant is the victim or threatened victim of such domestic violence, dating violence, sexual assault or stalking.

**(c) Construction of lease terms and terms of assistance. An incident of actual or threatened domestic violence, dating violence, sexual assault, or stalking shall not be construed as:**

- (1) A serious or repeated violation of a lease executed under a covered housing program by the victim or threatened victim of such incident; or
- (2) Good cause for terminating the assistance, tenancy, or occupancy rights under a covered housing program of the victim or threatened victim of such incident.

**(d) Limitations of VAWA protections.**

- (1) Nothing in this section limits the authority of an ESG subrecipient, when notified of a court order, to comply with a court order with respect to:
  - (i) The rights of access or control of property, including civil protection orders issued to protect a victim of domestic violence, dating violence, sexual assault, or stalking; or
  - (ii) The distribution or possession of property among members of a household.
- (2) Nothing in this section limits any available authority of a covered housing provider to evict or terminate assistance to a tenant for any violation not premised on an act of domestic violence, dating violence, sexual assault, or stalking that is in question against the tenant or an affiliated individual of the tenant. However, the covered housing provider must not subject the tenant, who is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, or is affiliated with an individual who is or has been a victim of domestic violence, dating violence, sexual assault or stalking, to a more demanding standard than other tenants in determining whether to evict or terminate assistance.
- (3) Nothing in this section limits the authority of a covered housing provider to terminate assistance to or evict a tenant under a covered housing program if the covered housing provider can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to property of the covered housing provider would be present if that tenant or lawful occupant is not evicted or terminated from assistance. In this context, words, gestures, actions, or other indicators will be considered an "actual and imminent threat" if they meet the standards provided in the definition of "actual and imminent threat" in § 5.2003.
- (4) Any eviction or termination of assistance, as provided in paragraph (d)(3) of this section should be utilized by a covered housing provider only when there are no other actions that could be taken to reduce or eliminate the threat, including, but not limited to, transferring the victim to a different unit, barring the perpetrator from the property, contacting law enforcement to increase police presence or develop other plans to keep the property safe, or seeking other legal remedies to prevent the perpetrator from acting on a threat. Restrictions predicated on public safety cannot be based on stereotypes, but must be tailored to particularized concerns about individual residents.

**(e) Emergency transfer plan.** Each subrecipient, as identified in the program-specific regulations for the covered housing program, shall adopt an emergency transfer plan, no later than June 14, 2017 based on HUD's model emergency transfer plan, in accordance with the following:

(1) For purposes of this section, the following definitions apply:

(i) Internal emergency transfer refers to an emergency relocation of a tenant to another unit where the tenant would not be categorized as a new applicant; that is, the tenant may reside in the new unit without having to undergo an application process.

(ii) External emergency transfer refers to an emergency relocation of a tenant to another unit where the tenant would be categorized as a new applicant; that is the tenant must undergo an application process in order to reside in the new unit.

(iii) Safe unit refers to a unit that the victim of domestic violence, dating violence, sexual assault, or stalking believes is safe.

(2) The emergency transfer plan must provide that a tenant receiving rental assistance through, or residing in a unit subsidized under, a covered housing program who is a victim of domestic violence, dating violence, sexual assault, or stalking qualifies for an emergency transfer if:

(i) The tenant expressly requests the transfer; and

(ii)

(A) The tenant reasonably believes there is a threat of imminent harm from further violence if the tenant remains within the same dwelling unit that the tenant is currently occupying; or

(B) In the case of a tenant who is a victim of sexual assault, either the tenant reasonably believes there is a threat of imminent harm from further violence if the tenant remains within the same dwelling unit that the tenant is currently occupying, or the sexual assault occurred on the premises during the 90-calendar-day period preceding the date of the request for transfer.

(3) The emergency transfer plan must detail the measure of any priority given to tenants who qualify for an emergency transfer under VAWA in relation to other categories of tenants seeking transfers and individuals seeking placement on waiting lists.

(4) The emergency transfer plan must incorporate strict confidentiality measures to ensure that the covered housing provider does not disclose the location of the dwelling unit of the tenant to a person who committed or threatened to commit an act of domestic violence, dating violence, sexual assault, or stalking against the tenant.

(5) The emergency transfer plan must allow a tenant to make an internal emergency transfer under VAWA when a safe unit is immediately available.

(6) The emergency transfer plan must describe policies for assisting a tenant in making an internal emergency transfer under VAWA when a safe unit is not immediately available, and these policies must ensure that requests for internal emergency transfers under VAWA receive, at a minimum, any

applicable additional priority that housing providers may already provide to other types of emergency transfer requests.

(7) The emergency transfer plan must describe reasonable efforts the covered housing provider will take to assist a tenant who wishes to make an external emergency transfer when a safe unit is not immediately available. The plan must include policies for assisting a tenant who is seeking an external emergency transfer under VAWA out of the covered housing provider's program or project, and a tenant who is seeking an external emergency transfer under VAWA into the covered housing provider's program or project. These policies may include:

(i) Arrangements, including memoranda of understanding, with other covered housing providers to facilitate moves; and

(ii) Outreach activities to organizations that assist or provide resources to victims of domestic violence, dating violence, sexual assault, or stalking.

(8) Nothing may preclude a tenant from seeking an internal emergency transfer and an external emergency transfer concurrently if a safe unit is not immediately available.

(9) Where applicable, the emergency transfer plan must describe policies for a tenant who has tenant-based rental assistance and who meets the requirements of paragraph (e)(2) of this section to move quickly with that assistance.

(10) The emergency transfer plan may require documentation from a tenant seeking an emergency transfer, provided that:

(i) The tenant's submission of a written request to the covered housing provider, where the tenant certifies that they meet the criteria in paragraph (e)(2)(ii) of this section, shall be sufficient documentation of the requirements in paragraph (e)(2) of this section;

(ii) The covered housing provider may, at its discretion, ask an individual seeking an emergency transfer to document the occurrence of domestic violence, dating violence, sexual assault, or stalking, in accordance with § 5.2007, for which the individual is seeking the emergency transfer, if the individual has not already provided documentation of that occurrence; and

(iii) No other documentation is required to qualify the tenant for an emergency transfer.

(11) The covered housing provider must make its emergency transfer plan available upon request and, when feasible, must make its plan publicly available.

(12) The covered housing provider must keep a record of all emergency transfers requested under its emergency transfer plan, and the outcomes of such requests, and retain these records for a period of three years, or for a period of time as specified in program regulations. Requests and outcomes of such requests must be reported to HUD annually.

(13) Nothing in this paragraph (e) may be construed to supersede any eligibility or other occupancy requirements that may apply under a covered housing program.

## HUD Section 3

The U.S. Department of Housing and Urban Development (HUD) invests billions of federal dollars into distressed communities for urban planning, community development and projects that build and rehabilitate housing to help families achieve the American Dream. Section 3 of the Housing and Urban Development Act of 1968 recognizes that federal financial assistance can also become a tool to expand economic opportunities for low- and very low-income families and businesses of the neighborhoods and communities where HUD invests public resources.

As a recipient of federal funds, MHC shall comply with Section 3 requirements set forth at 24 CFR Part 135 of the federal regulation which states that, to the greatest extent possible, businesses and employers working on HUD-funded projects must make a good faith effort to train and employ low-income individuals (Section 3 residents) living in the local area and also to contract with businesses owned by or that employ Section 3 residents. The regulatory threshold of Section 3 applicability to HUD-assisted projects is \$200,000 for Subrecipients and \$100,000 for Contractors and Sub-Contractors.

MHC has determined that all projects, regardless of the dollar amount, will be subject to compliance with Section 3 Requirements. This means that all subrecipients, contractors, and/or subcontractors of MHC funded HUD projects will be obligated to comply with Section 3 requirements as set forth at 24 CFR 135 and MHC Section 3 Policy and Procedures. MHC believes that eliminating the regulatory threshold for Section 3 compliance will allow more residents of low-income communities generally – and more people who live in assisted housing in particular – to build work histories and obtain the work experience and skills they need to succeed in the labor market.

Therefore, strengthening Section 3 will make job training available to those who need it most and create a path of economic opportunity for Mississippians struggling with unemployment and low incomes.

## Audits

The Federal Office of Management and Budget (OMB) Circular No. 2 CFR 200 requires that a state, local government or non-profit organization expending \$1,000,000 or more a year in total cumulative Federal funds must have a Single Audit made in accordance with the Single Audit Act. This audit report must be submitted and received by the Federal clearinghouse designated by OMB and MHC, **no later than nine months following the end of the grant recipient's fiscal year in which the Federal funds were expended, and one week after the receipt of the audit reports and other financial statements.**

If a Single Audit is required, and any of the funds expended were received through MHC requires that a copy of the Single Audit report must be submitted and received by the ESG staff **no later than nine months following the end of the grant recipient's fiscal year in which the Federal funds were expended.**

If a Single Audit **is not** required, (and any of the funds expended were received through MHC), MHC requires that an acceptable Funding Certification Form (for that year only) be submitted and received by the ESG staff. It must be received **no later than nine months following the end of the grant recipient's fiscal year in which the Federal funds were expended**, but no sooner than the end of the same fiscal year.

While a qualified Funding Certification Form will exempt the grant recipient from submitting a Single Audit to the ESG staff for the specified fiscal year, it does not exclude the grant recipient from any other requirements of audits or financial statements as requested by MHC or any other Agency or Authority.

If the Single Audit is not submitted by the deadline or if it includes unresolved findings, funding will be suspended, and the funded agency will be classified as High-Risk. Funding will be restored, and the High-Risk designation will be lifted once the Single Audit is submitted, and all findings are resolved.

Within six months after receipt of the grant recipient's Single Audit report or Funding Certification Form, the ESG staff will send a written management decision regarding the review of the submitted reports.

Audits should be mailed to:

Mississippi Home Corporation

ESG Department

735 Riverside Drive

Jackson, MS 39202

ESG

## DEFINITIONS

### Homeless means:

1. An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
  - (i) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
  - (ii) An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or
  - (iii) An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;
2. An individual or family who will imminently lose their primary nighttime residence, provided that:
  - i. The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
  - ii. No subsequent residence has been identified; and
  - iii. The individual or family lacks the resources or support networks, *e.g.*, family, friends, faith-based or other social networks, needed to obtain other permanent housing;
3. Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:
  - i. Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)) or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);
  - ii. Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;
  - iii. Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and

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ESG

- iv. Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; or
4. Any individual or family who:
- i. Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
  - ii. Has no other residence; and
  - iii. Lacks the resources or support networks, *e.g.*, family, friends, faith-based or other social networks, to obtain other permanent housing.

**Local government and unit of general purpose local government** mean a "unit of general purpose local government," as defined in 24 CFR 576.2 (i.e., any city, county, town, township, parish, village, or other general purpose political subdivision of a State) and, as established by section 100261(1) of the Moving Ahead for Progress in the 21st Century Act (MAP-21 Act), Public Law 112–141, includes:

- an instrumentality of a unit of general purpose local government, provided that the instrumentality is not a public housing agency, is established pursuant to legislation, and is designated by the chief executive of the general purpose local government to act on that government's behalf with regard to activities funded under title IV of the McKinney-Vento Homeless Assistance Act; and
- a combination of general-purpose local governments, such as an association of governments that is recognized by HUD.

**State** means a "State" as defined in 24 CFR 576.2 (i.e., each of the several States and the Commonwealth of Puerto Rico); and, as provided by section 100261(2) of the MAP-21 Act, includes any instrumentality of any of the several States designated by the Governor to act on behalf of the State and does not include the District of Columbia;

Definitions not in 24 CFR 576.2.

**The McKinney-Vento Act** means the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11371 et seq.).

**Annual ESG** means, unless otherwise specified, the Emergency Solutions Grants Program whether funded through annual fiscal year (FY) appropriations or CARES Act funding. For example, a program participant assisted using only FY2021 ESG funding and a program participant assisted using only ESG-CV funding are both ESG program participants.

**Emergency Shelter** means any facility, the primary purpose of which is to provide a temporary shelter for the homeless in general or for specific populations of the homeless and which does not require occupants to sign leases or occupancy agreements. Any project funded as an emergency shelter under a Fiscal Year 2010 Emergency Solutions grant may continue to be funded under ESG. An example is:

- an overnight, daytime, or 24-hour shelter in which program participants are only provided a safe place to sleep, rest, bathe, and eat;
- a shelter where one or more services are made available on-site, whether by shelter staff or contractors or through a memorandum of understanding with another subrecipient or service provider; and
- a shelter designed to facilitate the movement of homeless individuals and families into permanent housing within a fixed period of time (e.g., within 12 months) and employs or contracts with one or more case managers or service providers to provide services as specified under sections III.E.3.a.(i)(e) and III.E.3.a.(ii)(e) through (h).

APPENDIX

ESG



# Homeless Definition

<b>ELIGIBILITY BY COMPONENT</b> (Emergency Solutions Grants Program)	<b>Street Outreach</b>	<p>Individuals defined as Homeless under the following categories are eligible for assistance in SO:</p> <ul style="list-style-type: none"> <li>• Category 1 – Literally Homeless</li> <li>• Category 4 – Fleeing/Attempting to Flee DV (where the individual or family also meets the criteria for Category 1)</li> </ul> <p>SO projects have the following additional limitations on eligibility within Category 1:</p> <ul style="list-style-type: none"> <li>• Individuals and families must be living on the streets (or other places not meant for human habitation) and be unwilling or unable to access services in emergency shelter</li> </ul>
	<b>Emergency Shelter</b>	<p>Individuals and Families defined as Homeless under the following categories are eligible for assistance in ES projects:</p> <ul style="list-style-type: none"> <li>• Category 1 – Literally Homeless</li> <li>• Category 2 – Imminent Risk of Homeless</li> <li>• Category 3 – Homeless Under Other Federal Statutes</li> <li>• Category 4 – Fleeing/Attempting to Flee DV</li> </ul>
	<b>Rapid Re-housing</b>	<p>Individuals defined as Homeless under the following categories are eligible for assistance in RRH projects:</p> <ul style="list-style-type: none"> <li>• Category 1 – Literally Homeless</li> <li>• Category 4 – Fleeing/Attempting to Flee DV (where the individual or family also meets the criteria for Category 1)</li> </ul>
	<b>Homelessness Prevention</b>	<p>Individuals and Families defined as Homeless under the following categories are eligible for assistance in HP projects:</p> <ul style="list-style-type: none"> <li>• Category 2 – Imminent Risk of Homeless</li> <li>• Category 3 – Homeless Under Other Federal Statutes</li> <li>• Category 4 – Fleeing/Attempting to Flee DV</li> </ul> <p>Individuals and Families who are defined as At Risk of Homelessness are eligible for assistance in HP projects.</p> <p>HP projects have the following additional limitations on eligibility with homeless and at risk of homeless:</p> <ul style="list-style-type: none"> <li>• Must only serve individuals and families that have an annual income <u>below</u> 30% of AMI</li> </ul>

# Request for Cash Form

<b>Program: Emergency Solutions Grant Program</b>							
<b>Section A: General Information</b>			<b>Section B: Project Information</b>				
Recipient	MNA		Grant No.	Contract No.	Project No.		
Mailing Address	MNA		MNA	MNA			
Street Address	MNA		Services Rendered		Request No.		
City, State Zip	MNA		From	To			
Telephone No.	MNA			Thru	MHC Grant Initials		
<b>Section C: Request Per Activity</b>							
	Activity Description	Budget Amount	Total Prior Request to Date	This Request	Remaining Balance	Units of Service	Activity Numbers
1	Shelter	\$0.00	\$0.00	\$0.00	\$ -		
2	Street Outreach	\$0.00	\$0.00	\$0.00	\$ -		
3	Rapid Rehousing	\$0.00	\$0.00	\$0.00	\$ -		
4	Homeless Prevention	\$0.00	\$0.00	\$0.00	\$ -		
5	HWS	\$0.00	\$0.00	\$0.00	\$0.00		
	Total:	\$ -	\$ -	\$ -	\$ -	0	
<b>Required Accomplishment Narrative</b>							
<p>I hereby certify that (a) the services covered by this request have not been received from the Federal Government/State Government or expended for such services under any other contract agreement or grant; (b) the amount requested will be expended for allowable costs / expenditures under the terms of the contract agreement or grant; (c) the amount requested herein does not exceed the total funds obligated by contract; and (d) the funds are requested for only immediate disbursements.</p> <p>By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).</p> <p>I hereby certify that the goods sold and/or services rendered have been delivered and/or performed in good order within the time listed above and are in compliance with all statutory requirements and regulations. I certify that this request does not include any advances or funds for future obligations.</p>							
<p>Is this your final request for cash on this contract?</p> <p style="text-align: center;">YES <input type="checkbox"/> NO <input type="checkbox"/></p>							
Signature of Authorized Official			Date Signed		Prepared By		
Typed Name and Title of Authorized Official			Preparer's Telephone No.				
<b>To be completed by MHC Authorized Official</b>							
APPROVED BY: _____			DATE: _____				
Signature, Authorized MHC Representative							
AUTHORIZED BY: _____			DATE: _____				
Signature, Authorized MHC Representative							
IDB APPROVED BY: _____			DATE: _____				
Signature, Authorized MHC Representative							
IDB Voucher Number	Vendor Number	Issue/Series	Fund/Sub-Fund	Service#			

Consolidated Support Sheet

6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888	889	890	891	892	893	894	895	896	897	898	899	900	901	902	903	904	905	906	907	908	909	910	911	912	913	914	915	916	917	918	919	920	921	922	923	924	925	926	927	928	929	930	931	932	933	934	935	936	937	938	939	940	941	942	943	944	945	946	947	948	949	950	951	952	953	954	955	956	957	958	959	960	961	962	963	964	965	966	967	968	969	970	971	972	973	974	975	976	977	978	979	980	981	982	983	984	985	986	987	988	989	990	991	992	993	994	995	996	997	998	999	1000

## ESG Allowable Program Activities Chart

Shelter	Rapid Rehousing and Prevention	Street Outreach
Shelter and Office Rent	Rental Arrears	Engagement
Shelter Food	Utility Arrears	Case Management
Supplies	Security Deposits	Emergency Health Services
Postage	Utility Deposits	Emergency Mental Health Services
Buildings/Grounds Maintenance and Repair	Rent Payments	Transportation
Pest Control	Moving Costs	Indirect Cost
Vehicle Maintenance	Case Management	
Utilities (Electricity, Telephone, Gas [Fuel], Water/Sewer, and Internet Service)	Indirect Cost	
Equipment (Purchase and Maintenance/Repair)		
Furnishings		
Travel to support operations		
Insurance (Liability, Fiduciary, Building, and Vehicle)		
Storage Cost		
Security Workers - (Not counted as "Staff Cost")		
Janitorial Workers - (Not counted as "Staff Cost")		
Maintenance Workers - (Not counted as "Staff Cost")		
Professional Services such as Accounting		
Case Management		
Transportation/Mileage		
Hotel Voucher		
Indirect Cost		

## CAPER Summary Report

Sub recipient	<u>Mountain of Faith Ministries</u>	
Contract Number	<u>1726-ESG-MOFM-16</u>	
Request for Cash Number	<u>0</u>	
Reporting Period From	<u>January 0, 1900</u>	
To	<u>January 0, 1900</u>	
		<b>Emergency Solutions Grant Expenditures by Categories July 1, 2016 thru June 30, 2017</b>
<b>ESG Expenditures for Emergency Shelter</b>		
Essential Services		
Operations		
Subtotal		\$0.00
<b>ESG Expenditures for Rapid Rehousing</b>		
Expenditures for Rental Assistance		
Expenditures for Housing Relocation and Stabilization Services - Financial Assistance		
Expenditures for Housing Relocation and Stabilization Services - Services		
Subtotal Rapid Rehousing		\$0.00
<b>ESG Expenditures for Homelessness Prevention</b>		
Expenditures for Rental Assistance		
Expenditures for Housing Relocation and Stabilization Services - Financial Assistance		
Expenditures for Housing Relocation and Stabilization Services - Services		
Subtotal Homelessness Prevention		\$0.00
<b>Other Grant Expenditures</b>		
Street Outreach		
HMIS		
Administration		

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Total ESG Grant Funds		\$0.00
<b>Match Source</b>		
Other Non-ESG HUD funds		
Other Federal Funds		
State Government		
Local Government		
Private Funds		
Other		
Total Match Amount		\$0.00
Total ESG Funds Expended		\$0.00

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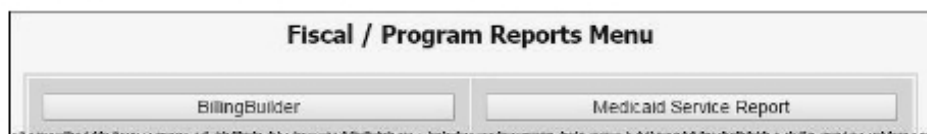
## Caper Instructions

The purpose of CAPER is to generate the Emergency Solutions Grant Consolidated Annual Performance and Evaluation Report. The CAPER needs to be COMPLETED ANNUALLY BY SUBRECIPIENTS of projects receiving Emergency Solution Grant (ESG) funding and is designed to provide an unduplicated count of persons served in ESG projects, as well as demographic breakdowns of those clients.

The CAPER generated in AWARDS includes only data-related questions. Please follow the steps below in submitting your CAPER report:

Please follow the steps below in submitting your CAPER report:

1. From the AWARDS Home screen, click Administration from the left-hand menu, and then click Fiscal/Program. The Fiscal/Program Reports Menu page is displayed.



2. Click ESG CAPER. The Emergency Solutions Grant Consolidated Annual Performance and Evaluation Report (ESG CAPER) page is displayed.



The screenshot shows a web form titled "Emergency Solutions Grant Consolidated Annual Performance and Evaluation Report (ESG CAPER)". The form has two main sections: "Project" and "Date Range".

Project	Date Range	
Emergency Shelter One ▼	From: 07/01/2015 [calendar icon]	To: 06/30/2016 [calendar icon]

Below the form, there is a checkbox labeled "Show Individual Detail?" which is currently unchecked. There is also a button labeled "Send in AWARDS Message" with a checkmark icon. At the bottom of the form, there is a "CONTINUE" button.

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3. Click the Project drop-down arrow and select your organization for which the report is to be viewed.
4. By default, the report's Date Range is July 1st of the previous year, through June 30th of the current year. If necessary, make changes to this default date range using mm/dd/yyyy format, or by selecting the correct dates using the available date picker icons.
5. If necessary, click the Show Individual Detail? box to include a table of individual client-level detail at the bottom of the report page.
  - a. When individual detail is included, each client in the report (for any question) is listed on a separate row in the detail table, and each data element needed for the report is shown in a separate column. The table also includes which project (program) each client was active in, and the HMIS Project Type associated with that project. Inclusion of these client details can be particularly useful if it's necessary to troubleshoot report content; however, keep in mind that not every client listed there is counted in every question, as some questions only apply to certain project types.
6. The Send in AWARDS Messages check box is selected by default and cannot be un-checked. As a result, you need not wait for the report to generate, and can navigate away from the ESG CAPER feature after finishing the configuration process. Once the report is ready for viewing, it is sent to you in the body of a message accessed via your Messages module inbox.
  - a. The report will remain in your messages for one month, after which time it will be deleted. (The exact date of deletion will be displayed in red at the top of the report message for your reference.) If you know you will need the report content after that time, be sure to download the Excel file (Excel File.zip) or HTML content (Report Content.html) attached to the report message. If you don't download one of these attachments before the message is deleted, you will need to manually re-generate the report if you need access to it in the future.
7. Clicks CONTINUE. The report is displayed on the Emergency Solutions Grant Consolidated Annual Performance and Evaluation Report (ESG CAPER) page.

- a. Because the Send in AWARDS Messages option is automatically used by this report, a notice is first displayed on the page to let you know that report generation is in process and that the report will be sent to your Messages module upon completion. You can then navigate away from the page or wait for the report to complete and display.

Download the CSV file versions of the report content for the purposes of submission to HUD; click the CSV Export Files link at the bottom of the report. A zip file containing a CSV for each report question is downloaded to your computer and can then be used by providers to submit data into eCART.

#### 8. Shelter Utilization

- Number of Beds- Rehabbed
- Number of Beds- Conversion
- Total Number of bed- nights available
- Total Number of bed- nights provided
- Capacity Utilization

## Staff Activity Report Sample

### EXAMPLE: MONTHLY TIME ACTIVITY REPORT FOR PROJECT STAFF

Agency: \_\_\_\_\_

Month: May				Name
DATE	TIME IN	TIME OUT	TOTAL HOURS	PRINCIPAL ACTIVITIES
5/1/18	7:00am	3:30pm	8	Assist with Crisis Calls, case management, grant reimbursements, payables
5/2/18	7:00am	3:30pm	8	Assist with Crisis Calls, case management, grant reimbursements, review resumes
5/3/18	7:00am	3:30pm	8	Assist with Crisis Calls, case management, grant reimbursements, match documentation
5/4/18	7:00am	3:30pm	8	Assist with Crisis Calls, case management, grant reimbursements
5/7/18	7:00am	3:30pm	8	Payroll Assist with Crisis Calls, case management, Grant reimbursement
5/8/18	7:00am	3:30pm	8	Assist with Crisis Calls, case management, review resumes
5/9/18	7:00am	3:30pm	8	Answer calls during Treatment Team Meeting, case management, work with Accountant
5/10/18	7:00am	3:30pm	8	Assist with Crisis Calls, case management, payables
5/11/18	7:00am	3:30pm	8	Assist with Crisis Calls, case management, donation documentation
5/14/18	7:00am	3:30pm	8	case management, financials, DAIP & 2nd Chance Reconciliation
5/15/18	7:00am	3:30pm	8	Assist with Crisis Calls, Board Meeting Prep
5/16/18	7:00am	3:30pm	8	Assist with Crisis Calls, case management, match documents
5/17/18	7:00am	3:30pm	8	Assist with Crisis Calls, case management, donations
5/18/18	7:00am	3:30pm	8	Assist with Crisis Calls, case management, payables

5/21/18	7:00am	3:30pm	8	Payroll Assist with Crisis Calls, case management, interviews
5/22/18	7:00am	3:30pm	8	Assist with Crisis Calls, case management, grant reimbursements
5/23/18	7:00am	3:30pm	8	Answer calls during Treatment Team Meeting, case management, grant reimbursements
5/24/18	7:00am	3:30pm	8	Assist with Crisis Calls, case management, financial reconciliation
5/25/18	7:00am	3:30pm	8	Assist with Crisis Calls, case management, budgets
5/28/18	7:00am	3:30pm	8	Holiday
5/29/18	7:00am	3:30pm	8	Assist with Crisis Calls, case management, purchasing
5/30/18	7:00am	3:30pm	8	Assist with Crisis Calls, case management, review resumes
5/31/18	7:00am	3:30pm	8	Assist with Crisis Calls, case management, grant reimbursements, payables

EMPLOYEE SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

EXECUTIVE DIRECTOR SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

## Recordkeeping Checklist

The State requires that a recordkeeping system be maintained by all ESG sub- recipients receiving funds administered by MHC. The system must be at least the equivalent of the files as listed below. **Failure to maintain an adequate system as determined by MHC staff could result in a finding. Records must be maintained for a period of five (5) years after the project closes out.**

The following file system checklist has been established to help maintain your records:

Project Name

Project Number

### APPLICATION FILE

\_\_\_\_\_ Full application as submitted to State

\_\_\_\_\_ Additional information submitted

### CONTRACT FILE

\_\_\_\_\_ Award letter

\_\_\_\_\_ Executed contract

\_\_\_\_\_ Correspondence concerning contract conditions

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\_\_\_\_\_ Contract modifications and letters of approval

**GENERAL CORRESPONDENCE**

\_\_\_\_\_ General correspondence

\_\_\_\_\_ State general correspondence/memorandums

**ESG REPORT**

\_\_\_\_\_ Certification of Match

\_\_\_\_\_ Confidentiality Procedures

\_\_\_\_\_ Monthly and Quarterly Reports

**STATE MONITORING FILE**

\_\_\_\_\_ State reports of results of monitoring reviews/ recommendations

\_\_\_\_\_ Sub-recipient's response to State monitoring reports

\_\_\_\_\_ Other correspondence related to State monitoring visits

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**ENVIRONMENTAL REVIEW RECORD FILE**

- \_\_\_\_\_ Copy of "Environmental Review Record" as submitted to MHC
- \_\_\_\_\_ Notice of "Removal of Contract Conditions and Release of Funds"
- \_\_\_\_\_ Letter of Clearance from the Department of Archives and History (only for renovations)
- \_\_\_\_\_ Finding of Exemption

**FINANCIAL MANAGEMENT FILE**

- \_\_\_\_\_ "Authorized Signature Letter"
- \_\_\_\_\_ "Requests for Cash" and Support Sheets
- \_\_\_\_\_ General ledger and disbursements journal (Example included in Exhibits)
- \_\_\_\_\_ Invoices, pay estimates, receipts of payments of program costs
- \_\_\_\_\_ Documentation of "In-Kind" expenditures (if applicable)
- \_\_\_\_\_ Documentation to support cash contributions or any match funds (if applicable)

**PROCUREMENT FILE (if applicable)**

- \_\_\_\_\_ Proof of Publication of Requests for proposals/bids

- \_\_\_\_\_ Written Selection Procedures
- \_\_\_\_\_ Proof of Solicitations for proposals/bids
- \_\_\_\_\_ Proposals/bids received
- \_\_\_\_\_ Evaluations of proposals/bids received
- \_\_\_\_\_ Written statements of acceptance of proposals/bids
- \_\_\_\_\_ Executed contracts for each service required; NOTE: All contracts must contain the provisions listed in 24 CFR Part 85 or 24 CFR Part 84, whichever applies.
- \_\_\_\_\_ Copies of written notification of procurement Requests for Proposals to the Mississippi Contract Procurement Center

**EQUAL OPPORTUNITY/FAIR HOUSING FILE/VAWA REQUIREMENTS**

- \_\_\_\_\_ Documentation of total number of female heads of households, minorities, handicapped, elderly and children who are beneficiaries
- \_\_\_\_\_ Documentation of affirmatively promoting fair housing or of making known availability of services
- \_\_\_\_\_ Employment information of the administrative agency
- \_\_\_\_\_ Community population (if applicable)
- \_\_\_\_\_ Contractor/Subcontractor Activity Reports (if applicable)

\_\_\_\_\_ Documentation of attempts to solicit minority/female businesses

\_\_\_\_\_ Documentation of compliance with VAWA regulations

**AUDITS**

\_\_\_\_\_ Audit for each year included in grant period

\_\_\_\_\_ Evidence clearing all audit exceptions

**SECTION 3**

\_\_\_\_\_ HUD Form 60002



**Part II: Contracts Awarded**

1. Construction Contracts

A. Total dollar amount of all contracts awarded on the project	\$
B. Total dollar amount of contracts awarded to Section 3 businesses	\$
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	%
D. Total number of Section 3 businesses receiving contracts	

2. Non-Construction Contracts

A. Total dollar amount all non-construction contracts awarded on the project/activity	\$
B. Total dollar amount of non-construction contracts awarded to Section 3 businesses	\$
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	%
D. Total number of Section 3 businesses receiving non-construction contracts	

**Part III: Summary**

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. (Check all that apply.)

- Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site, contracts with community organizations and public or private agencies operating within the metropolitan area (or nonmetropolitan county) in which the Section 3 covered program or project is located, or similar methods.
- Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.
- Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.
- Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located.
- Other; describe below.

I hereby certify that the above information is correct, accurate and in compliance with Section 3 regulations and statutes.

Signature of Authorized Official

Date Signed

Prepared By

Date Prepared

Typed the Name and Title of Authorized Official

Preparer's Telephone No.

Section 3 of the Housing and Urban Development Act of 1988, as amended, 12 U.S.C. 1701u, mandates that the Department ensure that employment and other economic opportunities generated by its housing and community development assistance programs are directed toward low- and very-low income persons, particularly those who are recipients of government assistance housing. The regulations are found at 24 CFR Part 135. The information will be used by the Department to monitor program recipients' compliance with Section 3, to assess the results of the Department's efforts to meet the statutory objectives of Section 3, to prepare reports to Congress, and by recipients as self-monitoring tool. The data is entered into a database and will be analyzed and distributed. The collection of information involves recipients receiving Federal financial assistance for housing and community development programs covered by Section 3. The information will be collected annually to assist HUD in meeting its reporting requirements under Section 808(e)(8) of the Fair Housing Act and Section 916 of the HCDA of 1982. An assurance of confidentiality is not applicable to this form. The Privacy Act of 1974 and OMB Circular A-108 are not applicable. The reporting requirements do not contain sensitive questions. Data is cumulative; personal identifying information is not included.

Form HUD-80002, Section 3 Summary Report, Economic Opportunities for Low- and Very Low-Income Persons.

**Instructions:** This form is to be used to report annual accomplishments regarding employment and other economic opportunities provided to low- and very low-income persons under Section 3 of the Housing and Urban Development Act of 1968. The Section 3 regulations apply to any Public and Indian Housing programs that receive: (1) development assistance pursuant to Section 5 of the U.S. Housing Act of 1937; (2) operating assistance pursuant to Section 9 of the U.S. Housing Act of 1937; or (3) modernization grants pursuant to Section 14 of the U.S. Housing Act of 1937 and to recipients of housing and community development assistance in excess of \$200,000 expended for: (1) housing rehabilitation (including reduction and abatement of lead-based paint hazards); (2) housing construction; or (3) other public construction projects; and to contracts and subcontracts in excess of \$100,000 awarded in connection with the Section 3-covered activity.

Form HUD-80002 has three parts which are to be completed for all programs covered by Section 3. Part I relates to employment and training. The recipient has the option to determine numerical employment/training goals either on the basis of the number of hours worked by new hires (columns B, D, E and F). Part II of the form relates to contracting, and Part III summarizes recipient efforts to comply with Section 3.

Recipients or contractors subject to Section 3 requirements must maintain appropriate documentation to establish that HUD financial assistance for housing and community development programs were directed toward low- and very low-income persons.\* A recipient of Section 3 covered assistance shall submit two copies of this report to the local HUD Field Office. Where the program providing assistance requires an annual performance report, the Section 3 report is to be submitted at the same time the program performance report is submitted. Where an annual performance report is not required, the Section 3 report is to be submitted by January 10 and, if the project ends before December 31, within 10 days of project completion. Only Prime Recipients are required to report to HUD. The report must include accomplishments of all recipients and their Section 3 covered contractors and subcontractors.

HUD Field Office: Enter the Field Office name forwarding the Section 3 report.

1. Recipient: Enter the name and address of the recipient submitting this report.
2. Federal Identification: Enter the number that appears on the award form (with dashes). The award may be a grant, cooperative agreement or contract.
3. Dollar Amount of Award: Enter the dollar amount, rounded to the nearest dollar, received by the recipient.
- 4 & 5. Contact Person/Phone: Enter the name and telephone number of the person with knowledge of the award and the recipient's implementation of Section 3.
6. Reporting Period: Indicate the time period (months and year) this report covers.
7. Date Report Submitted: Enter the appropriate date.

Submit one (1) copy of this report to the HUD Headquarters Office of Fair Housing and Equal Opportunity, at the same time the performance report is submitted to the program office. The Section 3 report is submitted by January 10. Include only contracts executed during the period specified in item 6. PHAs/PIAs are to report all contracts/subcontracts.

\* The terms "low-income persons" and "very low-income persons" have the same meanings given the terms in section 3 (b) (2) of the United States Housing Act of 1937. Low-income persons mean families (including single persons) whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that

8. Program Code: Enter the appropriate program code as listed at the bottom of the page.
9. Program Name: Enter the name of HUD Program corresponding with the "Program Code" in number 8.

**Part I: Employment and Training Opportunities**

**Column A:** Contains various job categories. Professionals are defined as people who have special knowledge of an occupation (i.e. supervisors, architects, surveyors, planners, and computer programmers). For construction positions, list each trade and provide data in columns B through F for each trade where persons were employed. The category of "Other" includes occupations such as service workers.

**Column B:** Enter the number of new hires for each category of workers identified in Column A in connection with this award. New Hire refers to a person who is not on the contractor's or recipient's payroll for employment at the time of selection for the Section 3 covered award or at the time of receipt of Section 3 covered assistance.

**Column C:** Enter the number of Section 3 new hires for each category of workers identified in Column A in connection with this award. Section 3 new hire refers to a Section 3 resident who is not on the contractor's or recipient's payroll for employment at the time of selection for the Section 3 covered award or at the time of receipt of Section 3 covered assistance.

**Column D:** Enter the percentage of all the staff hours of new hires (Section 3 residents) in connection with this award.

**Column E:** Enter the percentage of the total staff hours worked for Section 3 employees and trainees (including new hires) connected with this award. Include staff hours for part-time and full-time positions.

**Column F:** Enter the numbers of Section 3 residents that were employed and trained in connection with this award.

**Part II: Contract Opportunities**

**Block 1: Construction Contracts**

**Item A:** Enter the total dollar amount of all contracts awarded on the project/program.

**Item B:** Enter the total dollar amount of contracts connected with this project/program that were awarded to Section 3 businesses.

**Item C:** Enter the percentage of the total dollar amount of contracts connected with this project/program awarded to Section 3 businesses.

**Item D:** Enter the number of Section 3 businesses receiving awards.

**Block 2: Non-Construction Contracts**

**Item A:** Enter the total dollar amount of all contracts awarded on the project/program.

**Item B:** Enter the total dollar amount of contracts connected with this project awarded to Section 3 businesses.

**Item C:** Enter the percentage of the total dollar amount of contracts connected with this project/program awarded to Section 3 businesses.

**Item D:** Enter the number of Section 3 businesses receiving awards.

**Part III: Summary of Efforts - Self-Explanatory**

The Secretary may establish income ceiling higher or lower than 80 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or unusually high- or low-income families. Very low-income persons mean low-income families (including single persons) whose incomes do not exceed 50 per centum of the median family income, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

**AUDIT REQUIREMENTS OF MISSISSIPPI HOME CORPORATION**

Funding Certification Form

Organization: \_\_\_\_\_ Fiscal Year End: \_\_\_\_\_ / \_\_\_\_ / \_\_\_\_  
Month Day Year

We **have exceeded** the federal expenditure threshold of \$750,000. We will have our Single Audit or Program Specific Audit completed and will submit by \_\_\_\_\_, which is no later than nine (9) months after the end of the audited fiscal year.

We **have exceeded** the federal expenditure threshold of \$750,000 but **did not receive** any of these funds from Mississippi Home Corporation.

We **did not exceed** the \$750,000 federal expenditure threshold required for a Single Audit or a Program Specific Audit to be performed this fiscal year. *(Fill out schedule below)*

*Must be filled out if Single Audit or Program Audit is not required:*

Federal Funds				
<u>Federal Grantor</u>	<u>Pass-through Grantor</u>	<u>Program Name &amp; CFDA Number</u>	<u>Contract Number</u>	<u>Expenditures</u>
<i>Total Federal Expenditures for this Fiscal Year</i>				\$ _____

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Authorized Signature ( <i>Executive Director, Mayor, Board President</i> )	Printed Name	Title
Mailing Address:	City, State	Zip Code
Email Address:	Phone Number	Fax Number
Chief Financial Officer / Comptroller	Phone Number	Fax Number

Failure to submit this completed form or a completed Single Audit package as described in the audit requirements by the required due date will affect eligibility for future funding.

**Submit this form to:** Mississippi  
Home Corporation ESG  
Department  
735 Riverside Drive  
Jackson, Mississippi 39202

## Homelessness Prevention and Rapid Re-Housing Program Application

### Emergency Solutions Grant (ESG) Homelessness Prevention and Rapid Re-Housing Program Application

*To be completed by case manager only:*

Organization:	
Case Manager:	Phone Number:

Name:		
Address:		
Phone Number:	County:	
SSN:	DOB:	Race:
Age:	Sex:	Marital:

Why is participant requesting housing assistance? What incident/circumstances caused the participant to become homeless or to be "at risk of homelessness", are their other resources accessible? **Be specific and provide documentation:**

Is participant a legal resident of the United States?  Yes  No  
 If no, participant is ineligible for ESG assistance.

Household Size: \_\_\_\_\_ Number of Bedrooms: \_\_\_\_\_

List all household members:

Name	SS (last 4 digits)	Age	Relationship
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

\*Copy of the full social security number should be maintained in participants' file.

ESG

Is participant currently employed?  Yes  No  
*If no, please provide unemployment documentation.*

Does participant report any other source of income?  Yes  No  
 If yes, list all sources and amount of income (SS, SSI, unemployment, child support, etc.):

Are there other household members with income?  Yes  No  
*If yes, provide source of income and documentation.*

Does participant have any of the following assets?  Yes  No  
 Checking  Savings  IRAs  CDs  Interest/Dividends from checking/savings  
 If yes to any resources listed above, verification must be provided.  
 Provide estimated value of each asset. \$ \_\_\_\_\_  
 Provide participant's average household monthly income amount. \$ \_\_\_\_\_  
 Provide participant's average household monthly expenses (rent & utilities). \$ \_\_\_\_\_

Has participant attempted to identify other resources to secure housing assistance?  Yes  No  
 If yes, provide names of agency(s):  
  
 Type of assistance:  
 Amount of assistance received: \$ \_\_\_\_\_  
*If assistance is from another ESG Funded Agency, participant is not eligible.*

Is a signed lease agreement in participants' name provided?  Yes  No  
 Is participants' rent subsidized?  Yes  No  
*If yes, then participant is not eligible for ESG rental assistance.*  
 If participant is responsible for utilities, are they in the participants' name?  Yes  No  
*If no, participant is not eligible for utility assistance.*  
 Was participant evicted from previous housing?  Yes  No  
 If yes, date of eviction.  
 Was participant previously residing in a shelter, car, tent, woods, etc.?  Yes  No  
*If participant resided in a shelter, documentation is needed.*

I understand that any assistance received is temporary and I will continue to be responsible for maintaining my living expenses. Also, I agree not to sublease the rental unit as long as ESG assistance is received.  
  
 I certify that the information I have provided is true and correct to the best of my knowledge. Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.  
  
 Participant Signature: \_\_\_\_\_ Date: \_\_\_\_\_

To be completed by ESG Case Manager Only:

"But For" Does participant qualify for ESG Assistance Yes \_\_\_ No \_\_\_  
If yes, short term rental assistance may be provided for up to three (3) months.

Type of Assistance: RRH \_\_\_ HP \_\_\_ Date Approved: \_\_\_\_\_

Does participant's file adequately document household income at or below 30% of the Area Median Income (AMI)? Yes \_\_\_ No \_\_\_

To be completed by ESG Case Manager Only if participant is approved.

Has rent reasonableness requirement been met? Yes \_\_\_ No \_\_\_

Have habitability standards been met? Yes \_\_\_ No \_\_\_

Has a lead-based paint inspection been conducted? Yes \_\_\_ No \_\_\_ N/A \_\_\_

Has all information been entered in HMIS/Comparable Database? Yes \_\_\_ No \_\_\_

I certify that the information I have provided is true and correct to the best of my knowledge. Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.

Case Manager: \_\_\_\_\_ Date: \_\_\_\_\_  
Signature

ESG

## HOMELESS CERTIFICATION

ESG Applicant Name: \_\_\_\_\_

- Household without dependent children (complete one form for each adult in the household)  
 Household with dependent children (complete one form for household)  
Number of persons in the household: \_\_\_\_\_

**This is to certify that the above named individual or household is currently homeless based on the check mark, other indicated information, and signature indicating their current living situation.**

**Check only one box and complete only that section**

---

### Living Situation: place not meant for human habitation (e.g., cars, parks, abandoned buildings, streets/sidewalks)

- The person(s) named above is/are currently living in (or, if currently in hospital or other institution, was living in immediately prior to hospital/institution admission) a public or private place not designed for, or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus station, airport, or camp ground.  
Description of current living situation: \_\_\_\_\_  
\_\_\_\_\_

Homeless Street Outreach Program Name: \_\_\_\_\_

*This certifying agency must be recognized by the local Continuum of Care (CoC) as an agency that has a program designed to serve persons living on the street or other places not meant for human habitation. Examples may be street outreach workers, day shelters, soup kitchens, Health Care for the Homeless sites, etc.*

Authorized Agency Representative Signature: \_\_\_\_\_ Date: \_\_\_\_\_

---

### Living Situation: Emergency Shelter

- The person(s) named above is/are currently living in (or, if currently in hospital or other institution, was living in immediately prior to hospital/institution admission) a supervised publicly or privately operated shelter as follows:

Emergency Shelter Program Name: \_\_\_\_\_

*This emergency shelter must appear on the CoC's Housing Inventory Chart submitted as part of the most recent CoC Homeless Assistance application to HUD or otherwise be recognized by the CoC as part of the CoC inventory (e.g. newly established Emergency Shelter).*

Authorized Agency Representative Signature: \_\_\_\_\_ Date: \_\_\_\_\_

---

### Living Situation: Transitional Housing

- The person(s) named above is/are currently living in a transitional housing program for persons who are homeless. The person(s) named above is/are graduating from or timing out of the transitional housing program:

Transitional Housing Program Name: \_\_\_\_\_

*This transitional housing program must appear on the CoC's Housing Inventory Chart submitted as part of the most recent CoC Homeless Assistance application to HUD or otherwise be recognized by the CoC as part of the CoC inventory (e.g. newly established Transitional Housing program).*

Immediately prior to entering transitional housing the person(s) named above was/were residing in:

- emergency shelter OR  a place unfit for human habitation

Authorized Agency Representative Signature: \_\_\_\_\_ Date: \_\_\_\_\_

ESG

## AT RISK OF HOMELESSNESS CERTIFICATION

This is to certify that the individual or household below is currently at risk of homelessness based on the category checked and required documentation.

ESG Household Name: \_\_\_\_\_ Date: \_\_\_\_\_

**Check only one category and complete only that section**

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**CATEGORY 1: An individual or family:** (must have income 30% below AMI, lack sufficient resources & meet one of the following risk factors)

- Has an annual income below 30% of AMI (must have documentation of income eligibility; **AND**
- Lacks sufficient resources or support networks immediately available to prevent homelessness (must complete Self-Certification Form No. 5) supported by other documentation when practical such as termination notice, unemployment compensation statement, bank statement, healthcare/utility bill showing arrears.

**AND meets one of the following risk factors with acceptable documentation:**

- Risk 1:** Persistent housing instability - has moved because of economic reasons two or more times during the 60 days immediately preceding the application for assistance (**must document the following two criteria**):
    - Housing history must demonstrate two or more moves within 60 days: documentation may include HMIS records, referral from housing/service provider, letter from tenant/owner (*intake observation not appropriate*); **and**
    - Economic reasons may include termination from employment, unexpected medical costs, inability to maintain housing including utilities, etc.: documentation may include notice of termination, healthcare bills indicating arrears, utility bills indicating arrears (*intake observation not appropriate*).
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**Risk 2:** Living in the home of another person/individual because of economic hardship (**must document the following two criteria**):

- Housing must be in the home of another (i.e., doubled up): documentation may include letter from tenant/homeowner (*intake observation may be appropriate*); **and**

- Economic reasons may include termination from employment, unexpected medical costs, inability to maintain housing including utilities, etc: documentation may include notice of termination, healthcare bills indicating arrears, utility bills indicating arrears (*intake observation not appropriate*).
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- Risk 3:** Housing loss within 21 days – has been notified of their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance: notification to leave within 21 days must be written and only third party source/written is appropriate (**must document one of the following criteria**):

- If tenant/homeowner: eviction notice, court order to leave within 21 days; **or**
- If living with another (doubled up): eviction letter from tenant/homeowner.
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- Risk 4:** Living in a rented hotel or motel and cost is not paid for by charitable organization or by Federal, State, or local government programs for low-income individuals (**must document the following two criteria**):

- Housing must be in a hotel/motel: documentation may include either letter from hotel/motel manager or intake observation; **and**
- Costs have not been covered by charitable organization or government program: documentation – cancelled check.
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- Risk 5:** Living in a severely over-crowded unit as defined by US Census Bureau: lives in an SRO or efficiency apartment unit in which there reside more than 2 persons or lives in a larger housing unit in which there reside more than 1½ persons per room (**must document the following**):

- Number of rooms in unit **AND** number of individuals living in unit: documentation may include lease, unit details from Tax Assessor's Office, intake observation.
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- Risk 6:** Exiting publicly funded institution or system of care (**must document the following**):

- Discharge from healthcare facility, mental health facility, foster care or other youth facility or correction program: documentation – discharge paperwork or referral letter.
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**Risk 7:** Living in housing associated with instability and an increased risk of homelessness.

**Documentation must include:**

Self-certification or other written documentation describing the circumstances and that the individual or family lacks financial resources and support networks to obtain other permanent housing may be considered.

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Intake Staff Signature: \_\_\_\_\_ Date: \_\_\_\_\_



MISSISSIPPI HOME CORPORATION

VERIFICATION OF IMMINENT RISK OF HOMELESSNESS		
Participant Name:	Participant HMIS #:	ESG Project Entry Date:

**Instructions:** Identify the housing status applicable to the participant household below and indicate the attached documentation for that housing status. If the participant is being verified as "at-risk of homelessness," and does not meet the housing status qualifications below, use the MHC At-Risk of Homelessness Certification form instead.

Unless otherwise noted, the general order of priority for obtaining evidence is third-party documentation first, intake worker observations second, and certification by the person seeking assistance third.

CATEGORY 2: IMMINENT RISK OF HOMELESSNESS	
Housing Status	Documentation Attached
<input type="checkbox"/> Will imminently lose primary nighttime residence within 14 days <b>AND</b> No appropriate subsequent housing options have been identified <b>AND</b> Household lacks the financial resources and support networks necessary to obtain immediate housing or remain in existing housing	<input type="checkbox"/> Court order resulting from eviction action notifying the individual or family that they must leave <b>AND</b> <input type="checkbox"/> Self Certification, or other written documentation stating that no subsequent residence has been identified and the applicant lacks the financial resources and support necessary to obtain permanent housing  <b>For applicants living in a hotel/motel paid by applicant</b> <input type="checkbox"/> A letter from the hotel/motel manager, or third party oral statement documented and showing that costs are paid by the applicant <b>AND</b> <input type="checkbox"/> Self Certification, or other written documentation stating that no subsequent residence has been identified and the applicant lacks the financial resources and support necessary to obtain permanent housing  <b>Include written documentation showing lack of financial resources if available (e.g. financial documents, bank statements, etc.).</b>

CATEGORY 4: FLEEING/ATTEMPTING TO FLEE DOMESTIC VIOLENCE	
Housing Status	Documentation Attached
<input type="checkbox"/> Fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions related to violence <b>AND</b> Has no other residence <b>AND</b> Lacks the resources or support networks to obtain other permanent housing	<input type="checkbox"/> Staff Certification stating that the applicant is fleeing, has no subsequent residence, and lacks resources <b>OR</b> <input type="checkbox"/> Staff Certification stating that the applicant is fleeing, has no subsequent residence, and lacks resources  <i>For non-victim service providers, where the safety of the applicant is not jeopardized, oral statements must be verified. Whenever possible, include further written documentation showing lack of financial resources (e.g. financial documents).</i>

INCOME VERIFICATION
<p>In addition to meeting the housing status requirements above, applicants for prevention must also have an income level that is at or below 30% of the Area Median Income (AMI) at the time of program application. This must be re-certified every 90 days.</p> <p>Attached documentation showing income at or below 30% of AMI includes:</p> <input type="checkbox"/> Verification of Income form <b>AND</b> <i>Choose one below</i> <input type="checkbox"/> Source documentation <b>OR</b> <input type="checkbox"/> Self Declaration of Income (should ONLY be used rarely)

Intake Staff Name: \_\_\_\_\_

Date: \_\_\_\_\_

Intake Staff Signature: \_\_\_\_\_

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ESG IMMINENT RISK OF HOMELESSNESS FORM

## ESG HOUSEHOLD RE-CERTIFICATION FORM

Households receiving ESG Homeless Prevention assistance must be re-certified every 90 days. Households receiving ESG Rapid Rehousing assistance must be re-certified every year. At the end of each recertification the case manager must attach the new evidence to this form demonstrating the household is still eligible for the program. **It is not acceptable to reattach the evidence from previous eligibility decisions.**

*\*NOTE: Recertification criteria for rapid re-housing and prevention projects are different. See the MHC ESG Guidebook for further details.*

<b>ESG Client Name:</b>	
Client is enrolled in:	
<input type="checkbox"/> Prevention Program and must have household income below 30% AMI	
Date of entry into program:	Case Manager:
Number of months (including arrears) household has received assistance:	
Date of this Re-Certification:	
<u>List the member(s) of this household:</u>	
Adult(s):	Children (under 18):
1. _____	1. _____
2. _____	2. _____
3. _____	3. _____
<b>Status</b>	
Please update the household's current housing status AND attach the appropriate documentation:	
<input type="checkbox"/> Literally homeless	Documentation list:
<input type="checkbox"/> Imminently losing housing	1. _____
<input type="checkbox"/> Unstably housed and at risk of losing housing	2. _____
<b>Income</b>	

Please update the household's current income status AND attach the appropriate documentation:

Household Income meets AMI requirements for program

Household Income does not meet AMI requirements for program

Documentation list:

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

Households that do not meet the AMI requirements are no longer eligible to receive ANY ESG SERVICES. They must be discharged from the program.

**Resources**

For clients who are receiving ongoing ESG financial assistance, staff must document their inability to pay housing/ utilities BUT FOR the ESG assistance (i.e. bank/saving statements, medical bills, etc).

Household HAS NO other housing options, financial resources, or support networks identified. Documentation list:

1. \_\_\_\_\_

2. \_\_\_\_\_

Household HAS other housing options, financial 3. \_\_\_\_\_

**Housing Stability Goals**

Household agrees to work on the following goals to ensure a stable housing outcome:

1. \_\_\_\_\_

2. \_\_\_\_\_

**Staff Certification**

Household is eligible for additional services

Household is ineligible

If ineligible, list other community based agencies that household can access for further support:

1. \_\_\_\_\_

2. \_\_\_\_\_

ESG Staff Printed Name:	ESG Staff Signature:
Date:	ESG Staff Title:

## Affidavit of Rental Arrears

I, \_\_\_\_\_, herein referred to as the "landlord" or "property manager", acknowledge that the lessee whose name and address listed below is currently in arrears:

_____
Lessee Name
_____
Physical Address
_____
Mailing Address
_____
City, State, Zip

The lessee has not paid rent on the property since \_\_\_\_\_ and therefore, is delinquent in the amount of \$ \_\_\_\_\_. The lessee is obligated to pay \_\_\_\_\_/month by the 1<sup>st</sup> or no later than the \_\_\_\_\_ of each month and late fees of \$\_\_\_\_\_/month. As of this date, lessee has failed to pay rent and/or late fees (**court costs are not eligible for payment**) for the following months:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I understand if the lessee has applied for and been approved for Section 8 housing assistance, at any time during this lease period, as landlord, I am responsible for returning funds received. Rental assistance cannot be made on behalf of eligible individuals or families for the same period of time and for the same cost types that are being provided through another federal, state or local subsidy program. Return funds to:

\_\_\_\_\_

**I further understand that the information I have provided is true and correct to the best of my knowledge. Title 18, Section 1001 of the U. S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.**

\_\_\_\_\_  
Lessor Signature and date

\_\_\_\_\_  
Title

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Telephone Number

**A copy of the lease agreement must be attached.**

## Employment Verification

The individual named below is an applicant of a housing program that requires verification of income. The information provided will remain confidential and will be used for housing purposes only. Your prompt response is crucial and greatly appreciated.

### THIS SECTION TO BE COMPLETED BY APPLICANT

TO: (Name & address of employer)

Name: \_\_\_\_\_

Street: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

RE: \_\_\_\_\_

Applicant Name /Social Security Number (last 4 digits only)

I hereby authorize release of my employment information:

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

Return to:

Name: \_\_\_\_\_

Street: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

### THIS SECTION TO BE COMPLETED BY EMPLOYER

Employee Name:

Job Title:

Presently Employed: Please select one Date first employed:

If no, last date of employment:

Employee paid (circle one): hourly wages or salaried

a) If hourly wage, what is rate of pay \$ \_\_\_\_\_ per hour? Average # of hours per week?

b) If salaried employee, what is monthly or yearly pay? \$ \_\_\_\_\_ (indicate per month or year)

What is the frequency of pay (circle one): Please select one

Year-to-date earnings: \$ \_\_\_\_\_ through \_\_\_\_\_

List any anticipated change in the employee's rate of pay within the next 12 months: \_\_\_\_\_ Effective date:

If the employee's work is seasonal or sporadic, please indicate the layoff period(s): \_\_\_\_\_

Additional remarks: \_\_\_\_\_

Employee's Signature

Employee's Printed Name/Title

Date

\_\_\_\_\_  
Employer's Signature/Title

\_\_\_\_\_  
Employer (Company) Name and Address

\_\_\_\_\_  
Phone #: \_\_\_\_\_

\_\_\_\_\_  
Fax #: \_\_\_\_\_

\_\_\_\_\_  
E-Mail \_\_\_\_\_

Note: Section 1001 of Title 18 of the U.S. Code makes it a criminal offense to make willful false statements or misrepresentations to any department or Agency of the United States as to any matter within its jurisdiction.



Emergency Solutions Grant (ESG)

## Rental Assistance Agreement

Mississippi Home Corporation has received funding from the U. S. Department of Housing and Urban Development (HUD) for the specific purpose of providing rapid rehousing and homelessness prevention rental assistance to program participant(s). MHC has sub- awarded ESG funds to the following non-profit service agency to disburse the assistance.

This rental assistance agreement is being provided on behalf of the following individual or head of household:

Program Participant: _____
Address: _____ _____
Unit number: _____
Name of apartment complex: _____ Name of landlord: _____

Monthly rent for this unit is: \_\_\_. Payment is due on the \_\_\_ day of the month every month. Payments received after the \_\_\_\_\_ day of the month will be assessed a late fee in the amount of \_\_\_. **\*Agency receiving ESG funds is solely responsible for paying late fees incurred with non-ESG funds.**

Term of Agreement (dates): From \_\_\_\_\_ To \_\_\_\_\_, during this initial term the landlord/owner may not raise tenant rent.

*During the term of the agreement, the owner/landlord must provide the agency a copy of any notice to the program participant (tenant) to vacate the housing unit, or any complaint used under state or local law to commence an eviction action against the program participant. 24 CFR 576.106(e).*

Typed/Printed Name of landlord/owner: \_\_\_\_\_

Landlord/owner signature: \_\_\_\_\_

Typed/Printed Name of agency representative: \_\_\_\_\_

Representative signature: \_\_\_\_\_

***This rental assistance agreement does not take the place***

## Rent Reasonableness



	Proposed Unit	UNIT #1	UNIT #2	UNIT #3
ADDRESS				
NUMBER OF BEDROOMS				
SQUARE FEET				
TYPE OF UNIT/CONSTRUCTION				
HOUSING CONDITION				
LOCATION/ACCESSIBILITY				
AMENITIES UNIT: SITE: NEIGHBORHOOD:				
AGE IN YEARS				
UTILITIES (TYPE)				
UNIT RENT UTILITY ALLOWANCE GROSS RENT				
HANDICAP ACCESSIBLE?				

CERTIFICATION:

**A. COMPLIANCE WITH PAYMENT STANDARD**

\_\_\_\_\_  
PROPOSED CONTRACT RENT + UTILITY ALLOWANCE = PROPOSED GROSS RENT

APPROVED RENT DOES NOT EXCEED APPLICABLE PAYMENT STANDARD OF FMR

\$ \_\_\_\_\_

**B. RENT REASONABLENESS**

Based upon a comparison with rents for comparable units, I have determined that the proposed rent for the unit [ ] is [ ] is not reasonable.

NAME:	SIGNATURE:	DATE:
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# NSPIRE Inspection Checklist

## NSPIRE HCV/PBV INSPECTION CHECKLIST

PHA:		Address of Unit:			
Family Identifier:		Owner:			
Any children under 6 reside or expected to reside in the unit? (Y/N):		Owner Contact Information:			
Inspector:		Housing Type:			
Date of Inspection:		Year Constructed:			
Type of Inspection:		Number of Bedrooms:			
<b>Summary Decision on Unit (Pass/Fail):</b>					
*Affirmative habitability requirement per 24 CFR 5.103(d) and NSPIRE Final Rule		Health & Safety Designation			
Mark all that apply:		LT	Life-Threatening - 24 Hours (Fail)		
		S	Severe - 30 Days (Fail)		
		M	Moderate - 30 Days (Fail)		
		L	Low - N/A (Pass)		
Area	Deficiency Description	Unit	Inside	Outside	Inspector Comments
Address and Signage	Address, signage, or building identification codes are broken, illegible, or not visible. Only 1 bathrdb or shower is present and it is inoperable or does not drain.	S <input type="checkbox"/>	L <input type="checkbox"/>	M <input type="checkbox"/>	
Bathrdb and Shower	A bathrdb or shower is inoperable or does not drain and at least 1 bathrdb or shower is present elsewhere that is operational. Bathrdb component or shower component is damaged, inoperable, or missing such that it may limit the resident's ability to maintain personal hygiene. Bathrdb component or shower component is damaged, inoperable, or missing and it does not limit the resident's ability to maintain personal hygiene. Bathrdb or shower cannot be used in private.*	M <input type="checkbox"/>	L <input type="checkbox"/>		
Cabinet and Storage	Food storage space is not present.*	*N/A <input type="checkbox"/>	M <input type="checkbox"/>		
Call For Aid System	Storage component is damaged, inoperable, or missing. System is blocked, or pull cord is higher than 6 inches off the floor. System does not function properly.	M <input type="checkbox"/>	L <input type="checkbox"/>		
Carbon Monoxide	Carbon monoxide alarm is missing, not installed, or not installed in a proper location.* Carbon monoxide alarm is obstructed. Carbon monoxide alarm does not produce an audio or visual alarm when tested.	LT <input type="checkbox"/>	LT <input type="checkbox"/>		
Ceiling	Ceiling has an unstable surface.	M <input type="checkbox"/>	M <input type="checkbox"/>		
Chimney	Ceiling has an unstable surface. A visibly accessible chimney, flue, or firebox connected to a fireplace or wood burning appliance is incomplete or damaged such that it may not safely contain fire and convey smoke and combustion gases to the exterior. Chimney exhibits signs of structural failure.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	

# NSPIRE Inspection Checklist

Area	Deficiency Description	Unit	Inside	Outside	Inspector Comments
Clothes Dryer Exhaust Ventilation	Electric dryer transition duct is detached or missing.	LT <input type="checkbox"/>	LT <input type="checkbox"/>		
	Gas dryer transition duct is detached or missing.	LT <input type="checkbox"/>	LT <input type="checkbox"/>		
	Electric dryer exhaust ventilation system has restricted airflow.	LT <input type="checkbox"/>	LT <input type="checkbox"/>		
	Dryer transition duct is constructed of unsuitable material.	LT <input type="checkbox"/>	LT <input type="checkbox"/>		
	Gas dryer exhaust ventilation system has restricted airflow.	LT <input type="checkbox"/>	LT <input type="checkbox"/>		
Cooking Appliance	Exterior dryer vent cover, cap, or a component thereof is missing.	\$ <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
	Cooking range, cooktop, or oven does not ignite or produce heat.	\$ <input type="checkbox"/>	L <input type="checkbox"/>	L <input type="checkbox"/>	
	Cooking range, cooktop, or oven component is damaged or missing such that the device is unsafe for use.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
	Primary cooking appliance is missing.*	*N/A <input type="checkbox"/>			
	A microwave is the primary cooking appliance and it is damaged.	S <input type="checkbox"/>			
Door - Entry	A burner does not produce heat, but at least 1 other burner is present on the cooking range or cooktop and does produce heat.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Entry door will not open.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Entry door will not close.	S <input type="checkbox"/>	M <input type="checkbox"/>		
	Entry door self-closing mechanism is damaged, inoperable, or missing.	S <input type="checkbox"/>	M <input type="checkbox"/>		
	Handle, pull, or crank that operates completely through entry door.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Entry door is missing.	LT <input type="checkbox"/>	S <input type="checkbox"/>		
	Entry door surface is contaminated or separated.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Entry door frame, threshold, or trim is damaged or missing.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Entry door seal, gasket, or stripping is damaged, inoperable, or missing.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Entry door component is damaged, inoperable, or missing and it does not limit the door's ability to provide privacy or protection from weather or infiltration.	L <input type="checkbox"/>	L <input type="checkbox"/>		
Door - Fire	Entry door cannot be secured.	S <input type="checkbox"/>	M <input type="checkbox"/>		
	Fire labeled door does not open.	\$ <input type="checkbox"/>	\$ <input type="checkbox"/>		
	Fire labeled door does not close and latch or the self-closing hardware is damaged or missing such that the door does not self-close and latch.	S <input type="checkbox"/>	S <input type="checkbox"/>		
	Fire labeled door assembly has a hole of any size or is damaged such that its integrity may be compromised.	S <input type="checkbox"/>	S <input type="checkbox"/>		
	Fire labeled door seal or gasket is damaged or missing.	\$ <input type="checkbox"/>	\$ <input type="checkbox"/>		
	An object is present that may prevent the fire labeled door from closing and latching or self-closing and latching.	S <input type="checkbox"/>	S <input type="checkbox"/>		
	Fire labeled door cannot be secured.	\$ <input type="checkbox"/>	M <input type="checkbox"/>		
	Fire labeled door is missing.	LT <input type="checkbox"/>	LT <input type="checkbox"/>		
	A passage door does not open.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	A passage door component is damaged, inoperable, or missing and the door is not functionally adequate.	L <input type="checkbox"/>	L <input type="checkbox"/>		
Door - General	A door that is not intended to permit access between rooms has a damaged, inoperable, or missing fire-rated door component.	L <input type="checkbox"/>			
	An exterior door component is damaged, inoperable, or missing.	M <input type="checkbox"/>			

ESG

# NSPIRE Inspection Checklist

Area	Deficiency Description	Unit	Inside	Outside	Inspector Comments
Drain	Drain is fully blocked.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
	Obstructed means of egress.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
Egress	Sleeping room is located on the 3rd floor or below and has an obstructed rescue opening.	LT <input type="checkbox"/>			
	Fire escape access is obstructed.	LT <input type="checkbox"/>			
Electrical - Conductor, Outlet, and Switch	Outlet or switch is damaged.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
	Testing indicates a three pronged outlet is not properly wired or grounded.	S <input type="checkbox"/>	S <input type="checkbox"/>	S <input type="checkbox"/>	
Electrical - GFCI/AFCI	Outlet does not have visible damage and testing indicates it is not energized.	S <input type="checkbox"/>	S <input type="checkbox"/>	S <input type="checkbox"/>	
	Exposed electrical conductor.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
Electrical - Service Panel	Water is currently in contact with an electrical conductor.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
	GFCI outlet or GFCI breaker is not visibly damaged and the test or reset button is inoperable.	S <input type="checkbox"/>	S <input type="checkbox"/>	S <input type="checkbox"/>	
Elevator	AFCI outlet or AFCI breaker is not visibly damaged and the test or reset button is inoperable.	S <input type="checkbox"/>	S <input type="checkbox"/>	S <input type="checkbox"/>	
	An unprotected outlet is present within six feet of a water source.*	*S <input type="checkbox"/>	*S <input type="checkbox"/>	*S <input type="checkbox"/>	
Elevator	Electrical service panel is not readily accessible.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
	The overcurrent protection device is contaminated.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
Exit Signs	Elevator is inoperable.	S <input type="checkbox"/>	S <input type="checkbox"/>	S <input type="checkbox"/>	
	Elevator door does not fully open and close.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
Fence and Gate	Elevator cab is not level with the floor.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
	Safety escape device has malfunctioned or is inoperable.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
Fire Escapes	Exit sign is damaged, missing, obstructed, or not adequately illuminated.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
	Fence component is missing.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
Fire Extinguisher	Gate does not open, close, latch, or lock.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
	Fence demonstrates signs of collapse.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
Flammable and Combustible Item	Fire escape component is damaged or missing.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
	Fire extinguisher pressure gauge reads over or under-charged.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
Floor	Fire extinguisher service tag is missing, illegible, or expired.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
	Fire extinguisher is damaged or missing.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
Food Preparation	Flammable or combustible item is on or within 3 feet of an appliance that provides heat for thermal comfort or a fuel-burning water heater.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
	Improperly stored chemicals.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
Food Preparation area is not present.*	Floor substrate is exposed.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
	Floor component(s) is not functionally adequate.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
Food preparation area is damaged or is not functionally adequate.	Food preparation area is not present.*	*M <input type="checkbox"/>			
	Food preparation area is damaged or is not functionally adequate.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	

# NSPIRE Inspection Checklist

Area	Deficiency Description	Unit	Inside	Outside	Inspector Comments
Foundation	Foundation is cracked.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
	Foundation has exposed rebar or foundation is spalling, flaking, or chipping.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
	Foundation is infiltrated by water.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
	Foundation support post, column, beam, or girder is damaged.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
	Foundation vent cover is missing or damaged.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
Garage Door	Garage door has a hole.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
	Garage door does not open, close, or remain open or closed.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
Guardrail	Grab bar is not secure.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
	Guardrail is missing or not installed.*	*M <input type="checkbox"/>	*M <input type="checkbox"/>	*M <input type="checkbox"/>	
Handrail	Guardrail is not functionally adequate.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
	Handrail is missing.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
	Handrail is not secure.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
	Handrail is not installed where required.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
HVAC	Handrail is not installed where required.	L <input type="checkbox"/>	L <input type="checkbox"/>	L <input type="checkbox"/>	
	The inspection date is on or between October 1 and March 31 and the permanently installed heating source is not working or the permanently installed heating source is working and the interior temperature is below 64 degrees Fahrenheit.*	*LT <input type="checkbox"/>			
	The inspection date is on or between October 1 and March 31 and the permanently installed heating source is working and the interior temperature is 64 to 67.9 degrees Fahrenheit.*	*S <input type="checkbox"/>			
	The inspection date is on or between October 1 and September 30 and the permanently installed heating source is working and the interior temperature is 64 to 67.9 degrees Fahrenheit.*	*S <input type="checkbox"/>			
	Air conditioning system or device is not operational.	M <input type="checkbox"/>	L <input type="checkbox"/>		
	Unvented space heater that burns gas, oil, or kerosene is present.*	*LT <input type="checkbox"/>	*LT <input type="checkbox"/>		
	Combustion chamber cover or gas shutoff valve is missing from a fuel burning heating appliance.	LT <input type="checkbox"/>	LT <input type="checkbox"/>		
	Heating system or device safety shield is damaged or missing.	S <input type="checkbox"/>	S <input type="checkbox"/>		
	The inspection date is on or between April 1 and September 30 and a permanently installed heating source is damaged, inoperable, missing, or not installed.*	*M <input type="checkbox"/>	*M <input type="checkbox"/>		
	Fuel burning heating system or device exhaust vent is malleformed, blocked, disconnected, improperly connected, damaged, or missing.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
The inspection date is on or between October 1 and March 31 and the permanently installed heating source is inoperable.		M <input type="checkbox"/>			
Infiltration	Evidence of cockroaches.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Evidence of bedbugs.	S <input type="checkbox"/>	M <input type="checkbox"/>		
	Evidence of mice.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Evidence of rats.	S <input type="checkbox"/>	M <input type="checkbox"/>		
	Evidence of other pests.	S <input type="checkbox"/>	S <input type="checkbox"/>		
	Evidence of mold.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Evidence of water damage.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Evidence of insect infestation.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Evidence of pest infestation.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Evidence of other pests.	M <input type="checkbox"/>	M <input type="checkbox"/>		

ESG

# NSPIRE Inspection Checklist

Area	Deficiency Description	Unit	Inside	Outside	Inspector Comments
Leak - Gas/Oil	Natural gas, propane, or oil leak.	LT <input type="checkbox"/>	LT <input type="checkbox"/>	LT <input type="checkbox"/>	
	Blocked sewage system. Leak in sewage system.	S <input type="checkbox"/>	S <input type="checkbox"/>	S <input type="checkbox"/>	
Leak - Sewage	Cap to the cleanout or gump cover is detached or missing. Cleanout cap or riser is damaged.	S <input type="checkbox"/>	S <input type="checkbox"/>	S <input type="checkbox"/>	
	Environmental water intrusion. Pounding leak.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
Leak - Water	Fluid is leaking from the sprinkler assembly. Auxiliary lighting is damaged, missing, or fails to illuminate when tested.	M <input type="checkbox"/>	M <input type="checkbox"/>	L <input type="checkbox"/>	
	A permanently installed light fixture is damaged, inoperable, missing, or not secure.	M <input type="checkbox"/>	S <input type="checkbox"/>	S <input type="checkbox"/>	
Lighting - Auxiliary	A permanently installed light fixture is inoperable.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
	A permanently installed light fixture is not secure.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
Lighting - Exterior	A permanently installed light fixture is not present in the kitchen and bathroom.*	*M <input type="checkbox"/>	*M <input type="checkbox"/>	L <input type="checkbox"/>	
	At least one (1) permanently installed light fixture is not present in the kitchen and bathroom.*	*M <input type="checkbox"/>	*M <input type="checkbox"/>	L <input type="checkbox"/>	
Lighting - Interior	At least two (2) working outlets are not present within each habitable room. OR At least one (1) working outlet and one (1) permanently installed light fixture is not present within each habitable room.*	*M <input type="checkbox"/>	M <input type="checkbox"/>	L <input type="checkbox"/>	
	At least one (1) permanently installed light fixture is not present in the kitchen and bathroom.*	*M <input type="checkbox"/>	*M <input type="checkbox"/>	L <input type="checkbox"/>	
Utter	Utter is accumulated in an undesignated area.	M <input type="checkbox"/>	M <input type="checkbox"/>	L <input type="checkbox"/>	
	At least two (2) working outlets are not present within each habitable room. OR At least one (1) working outlet and one (1) permanently installed light fixture is not present within each habitable room.*	*M <input type="checkbox"/>	M <input type="checkbox"/>	L <input type="checkbox"/>	
Minimum Electrical and Lighting	Presence of mold-like substance at moderate levels is observed visually.	M <input type="checkbox"/>	L <input type="checkbox"/>		
	Presence of mold-like substance at high levels is observed visually.	S <input type="checkbox"/>	M <input type="checkbox"/>		
Mold-Like Substance	Presence of mold-like substance at extremely high levels is observed visually.	LT <input type="checkbox"/>	S <input type="checkbox"/>		
	Elevated moisture level.	M <input type="checkbox"/>	L <input type="checkbox"/>		
Parking Lot	Parking lot has any one pothole that is 4 inches deep and 3 square foot or greater.			M <input type="checkbox"/>	
	Parking lot has ponding.			M <input type="checkbox"/>	
Potential Lead-Based Paint Hazards - Visual Assessment	Paint in a Unit or inside the target property is deteriorated – below the level required for lead safe work practices by a lead certified firm or for passing clearance.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Paint in a Unit or inside the target property is deteriorated – above the level required for lead-safe work practices by a lead-certified firm and passing clearance.	S <input type="checkbox"/>	S <input type="checkbox"/>		
Private Roads and Driveways	Paint Outside on a target property is deteriorated – below the level required for lead-safe work practices by a lead-certified firm and passing clearance.			M <input type="checkbox"/>	
	Paint Outside on a target property is deteriorated – above the level required for lead safe work practices by a lead-certified firm and passing clearance.			S <input type="checkbox"/>	
Refrigerator	Road or driveway access to the property is blocked or impassable for vehicles.			S <input type="checkbox"/>	
	Road or driveway has any one pothole that is 4 inches deep and 3 square foot or greater.			M <input type="checkbox"/>	
Refrigerator	Refrigerator is inoperable such that it may be unable to safely and adequately store food.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Refrigerator component is damaged such that it impairs functionality.	M <input type="checkbox"/>	M <input type="checkbox"/>		
	Refrigerator is missing.*	*M <input type="checkbox"/>			

# NSPIRE Inspection Checklist

Area	Deficiency Description	Unit	Inside	Outside	Inspector Comments
Retaining Wall	Retaining wall is leaning away from the fill side.			M <input type="checkbox"/>	
	Retaining wall is partially or completely collapsed.			M <input type="checkbox"/>	
Roof Assembly	Restricted flow of water from a roof drain, gutter, or downspout.			M <input type="checkbox"/>	
	Gutter component is damaged, missing, or unfixed.			M <input type="checkbox"/>	
	Roof surface has standing water.			M <input type="checkbox"/>	
	Substrate is exposed.			M <input type="checkbox"/>	
	Roof assembly has a hole.			M <input type="checkbox"/>	
	Roof assembly is damaged.			M <input type="checkbox"/>	
Sharp Edges	A sharp edge that can result in a cut or puncture hazard is present.	S <input type="checkbox"/>	S <input type="checkbox"/>	S <input type="checkbox"/>	
Sidewalk, Walkway, Ramp	Sidewalk, walkway, or ramp is blocked or impassible.			M <input type="checkbox"/>	
	Sidewalk, walkway, or ramp is not functionally adequate.			M <input type="checkbox"/>	
	Sink or sink component is damaged or missing and the sink is not functionally adequate.	M <input type="checkbox"/>	L <input type="checkbox"/>		
	Water is directed outside of the basin.	L <input type="checkbox"/>	L <input type="checkbox"/>		
	Water is not draining.	M <input type="checkbox"/>	M <input type="checkbox"/>		
Sink	Sink is improperly installed, pulling away from the wall, leaning, or there are gaps between the sink and wall.	L <input type="checkbox"/>	L <input type="checkbox"/>		
	Sink component is damaged or missing and the sink is functionally adequate.	L <input type="checkbox"/>	L <input type="checkbox"/>		
	Cannot activate or deactivate hot and cold water.*	*M <input type="checkbox"/>	*M <input type="checkbox"/>		
	Sink is missing or not installed within the primary kitchen.*	*N <input type="checkbox"/>			
Site Drainage	Water runoff is unable to flow through the site drainage system.			L <input type="checkbox"/>	
	Erosion is present.			L <input type="checkbox"/>	
	Grates is not secure or does not cover the site drainage system's collection point.			M <input type="checkbox"/>	
Smoke Alarm	Smoke alarm is not installed where required.*	*L <input type="checkbox"/>	*L <input type="checkbox"/>		
	Smoke alarm is obstructed.	L <input type="checkbox"/>	L <input type="checkbox"/>		
	Smoke alarm does not produce an audio or visual alarm when tested.	L <input type="checkbox"/>	L <input type="checkbox"/>		
	Sprinkler head assembly is encased or obstructed by an item or object that is within 18 inches of the sprinkler head.	L <input type="checkbox"/>	L <input type="checkbox"/>		
Sprinkler Assembly	Sprinkler assembly component is damaged, inoperable, or missing and it is detrimental to performance.	L <input type="checkbox"/>	L <input type="checkbox"/>		
	Sprinkler assembly has evidence of corrosion.	L <input type="checkbox"/>	L <input type="checkbox"/>		
	Sprinkler assembly has evidence of foreign material that is detrimental to performance.	L <input type="checkbox"/>	L <input type="checkbox"/>		
Stairs	Tread is missing or damaged.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
	Stringer is damaged.	M <input type="checkbox"/>	M <input type="checkbox"/>	M <input type="checkbox"/>	
Steps and Stairs	Step or stair is not functionally adequate.			M <input type="checkbox"/>	
Structure	Structural system exhibits signs of serious failure.	L <input type="checkbox"/>	L <input type="checkbox"/>	L <input type="checkbox"/>	

ESG

# NSPIRE Inspection Checklist

Area	Deficiency Description	Unit	Inside	Outside	Inspector Comments
Toilet	<b>Only 1 toilet was installed, and it is missing.</b>	LT <input type="checkbox"/> M <input type="checkbox"/>	M <input type="checkbox"/>		
	A toilet is missing and at least 1 toilet is installed elsewhere that is operational.	M <input type="checkbox"/> S <input type="checkbox"/>	M <input type="checkbox"/>		
	Only 1 toilet was installed, and it is damaged or inoperable.	S <input type="checkbox"/> M <input type="checkbox"/>	M <input type="checkbox"/>		
Toilet	A toilet is damaged or inoperable and at least 1 toilet is installed elsewhere that is operational.	M <input type="checkbox"/> M <input type="checkbox"/>	M <input type="checkbox"/>		
	Toilet component is damaged, inoperable, or missing such that it may limit the resident's ability to safely discharge human waste.	M <input type="checkbox"/> M <input type="checkbox"/>	M <input type="checkbox"/>		
	Toilet is not secured at the base.	M <input type="checkbox"/> M <input type="checkbox"/>	M <input type="checkbox"/>		
Trash Chute	Toilet component is damaged, inoperable, or missing and it does not limit the resident's ability to discharge human waste.	L <input type="checkbox"/> M <input type="checkbox"/>	L <input type="checkbox"/>		
	Toilet cannot be used in private.*	*M <input type="checkbox"/> M <input type="checkbox"/>	M <input type="checkbox"/>		
Trip Hazard	Chute door does not open or self-close and latch.	M <input type="checkbox"/> M <input type="checkbox"/>	M <input type="checkbox"/>		
	Chute is clogged.	M <input type="checkbox"/> M <input type="checkbox"/>	M <input type="checkbox"/>		
Ventilation	Trip hazard on walking surface.	M <input type="checkbox"/> M <input type="checkbox"/>	M <input type="checkbox"/>		
	Exhaust system does not respond to the control switch.	M <input type="checkbox"/> M <input type="checkbox"/>	M <input type="checkbox"/>		
	Exhaust system has restricted airflow.	M <input type="checkbox"/> M <input type="checkbox"/>	M <input type="checkbox"/>		
Wall - Exterior	Exhaust system component is damaged or missing.	M <input type="checkbox"/> M <input type="checkbox"/>	M <input type="checkbox"/>		
	Bathroom does not have proper ventilation or dehumidification.	M <input type="checkbox"/> M <input type="checkbox"/>	M <input type="checkbox"/>		
	Exterior wall covering has missing sections of at least 1 square foot per wall.	M <input type="checkbox"/> M <input type="checkbox"/>	M <input type="checkbox"/>		
Wall - Interior	Exterior wall has peeling paint of 10 square feet or more.	M <input type="checkbox"/> M <input type="checkbox"/>	M <input type="checkbox"/>		
	Interior wall component(s) is not functionally adequate.	M <input type="checkbox"/> M <input type="checkbox"/>	M <input type="checkbox"/>		
	Interior wall has a loose or detached surface covering.	M <input type="checkbox"/> M <input type="checkbox"/>	M <input type="checkbox"/>		
Water Heater	Interior wall component(s) is not functionally adequate.	M <input type="checkbox"/> M <input type="checkbox"/>	M <input type="checkbox"/>		
	Interior wall has a hole that is greater than 2 inches in diameter or there is an accumulation of holes that are cumulatively greater than 6 inches by 6 inches.	M <input type="checkbox"/> M <input type="checkbox"/>	M <input type="checkbox"/>		
	Temperature pressure relief (TPR) valve has an active leak or is obstructed or relief valve discharge piping is damaged, clogged, has an upward slope, or is constructed of unsuitable material.	S <input type="checkbox"/> S <input type="checkbox"/>	S <input type="checkbox"/> S <input type="checkbox"/>		
Window	No hot water.	S <input type="checkbox"/> L <input type="checkbox"/>	L <input type="checkbox"/>		
	The relief valve discharge piping is missing or terminates greater than 6 inches or less than 2 inches from waste receptor flood-level.	M <input type="checkbox"/> M <input type="checkbox"/>	M <input type="checkbox"/>		
	Chimney or flue piping is blocked, misaligned, or missing.	LT <input type="checkbox"/> LT <input type="checkbox"/>	LT <input type="checkbox"/>		
Window	Gas shutoff valve is damaged, missing, or not installed.	M <input type="checkbox"/> L <input type="checkbox"/>	L <input type="checkbox"/>		
	Window will not open or stay open.	M <input type="checkbox"/> L <input type="checkbox"/>	L <input type="checkbox"/>		
	Window cannot be secured.	S <input type="checkbox"/> M <input type="checkbox"/>	M <input type="checkbox"/>		
Window	Window will not close.	S <input type="checkbox"/> M <input type="checkbox"/>	M <input type="checkbox"/>		
	Window component is damaged or missing and the window is not functionally adequate.	M <input type="checkbox"/> M <input type="checkbox"/>	M <input type="checkbox"/>		

Note: This checklist is not a standards form and is not required for use. The form or its data should not be submitted to HUD, and will not be collected or maintained by HUD. No PI data should be submitted, nor will it be collected. The housing authority or owner is responsible for compliance with the HUD NSPIRE Standards per the NSPIRE Final Rule (88 FR 30442) and accompanying Federal Register Notices (88 FR 40832, 88 FR 66832).

# ESG Lead Screening Worksheet

## About this Tool

The *ESG Lead Screening Worksheet* is intended to guide grantees through the lead-based paint inspection process to ensure compliance with the rule. ESG staff can use this worksheet to document any exemptions that may apply, whether any potential hazards have been identified, and if safe work practices and clearance are required and used. A copy of the completed worksheet along with any additional

## INSTRUCTIONS

To prevent lead-poisoning in young children, ESG grantees must comply with the Lead-Based Paint Poisoning Prevention Act of 1973 and its applicable regulations found at 24 CFR 35, Parts A, B, M, and R. Under certain circumstances, a visual assessment of the unit is not required. This screening worksheet will help program staff determine whether a unit is subject to a visual assessment, and if so, how to proceed. A copy of the completed worksheet along with any related documentation should be kept in each grantee or program participant's file.

Note: ALL pre-1978 properties are subject to the disclosure requirements outlined in 24 CFR 35, Part A, regardless of whether they are exempt from the visual assessment requirements.

## PART 1: DETERMINE WHETHER THE UNIT IS SUBJECT TO A VISUAL ASSESSMENT

If the answer to one or both of the following questions is 'no,' a visual assessment is not triggered for this unit and no further action is required at this time. Place this screening worksheet and related documentation in the program participant's file.

If the answer to both of these questions is 'yes,' then a visual assessment is triggered for this unit and program staff should continue to Part 2.

1. Was the leased property constructed before 1978?

Yes

No

2. Will a child under the age of six be living in the unit occupied by the household receiving ESG assistance?

Yes

No

**PART 2: DOCUMENT ADDITIONAL EXEMPTIONS**

If the answer to any of the following questions is 'yes,' the property is exempt from the visual assessment requirement and no further action is needed at this point. Place this screening sheet and supporting documentation for each exemption in the program participant's file.

If the answer to all of these questions is 'no,' then continue to Part 3 to determine whether deteriorated paint is present.

1. Is it a zero-bedroom or SRO-sized unit?

Yes

No

2. Has X-ray or laboratory testing of all painted surfaces by certified personnel been conducted in accordance with HUD regulations and the unit is officially certified to not contain lead-based paint?

Yes

No

3. Has this property had all lead-based paint identified and removed in accordance with HUD regulations?

Yes

No

4. Is the client receiving Federal assistance from another program, where the unit has already undergone (and passed) a visual assessment within the past 12 months (e.g., if the client has a Section 8 voucher and is receiving ESG assistance for a security deposit or arrears)?

Yes (Obtain documentation for the case file.) No

5. Does the property meet any of the other exemptions described in 24 CFR Part 35.115(a). Yes

No

No

Please describe the exemption and provide appropriate documentation of the exemption.

**PART 3: DETERMINE THE PRESENCE OF DETERIORATED PAINT**

To determine whether there are any identified problems with paint surfaces, program staff should conduct a visual assessment prior to providing HPRP financial assistance to the unit as outlined in the

following training on HUD's website at:  
<http://www.hud.gov/offices/lead/training/visualassessment/h00101.htm>.

If no problems with paint surfaces are identified during the visual assessment, then no further action is required at this time. Place this screening sheet and certification form (Attachment A) in the program participant's file.

If any problems with paint surfaces are identified during the visual assessment, then continue to Part 4 to determine whether safe work practices and clearance are required.

1. Has a visual assessment of the unit been conducted?

Yes

No

2. Were any problems with paint surfaces identified in the unit during the visual assessment?

Yes

No (Complete Attachment A – Lead-Based Paint Visual Assessment Certification Form)

#### **PART 4: DOCUMENT THE LEVEL OF IDENTIFIED PROBLEMS**

All deteriorated paint identified during the visual assessment must be repaired prior to clearing the unit for assistance. However, if the area of paint to be stabilized exceeds the de minimus levels (defined below), the use of lead safe work practices and clearance is required.

If deteriorating paint exists but the area of paint to be stabilized does not exceed these levels, then the paint must be repaired prior to clearing the unit for assistance, but safe work practices and clearance are not required.

1. Does the area of paint to be stabilized exceed any of the de minimus levels below?

• 20 square feet on exterior surfaces  Yes  No

• 2 square feet in any one interior room or space  Yes  No

• 10 percent of the total surface area on an interior or exterior component with a small surface area, like windowsills, baseboards, and trim  Yes  No

If *any* of the above are 'yes,' then safe work practices and clearance are required prior to clearing the unit for assistance.

#### **PART 5: CONFIRM ALL IDENTIFIED DETERIORATED PAINT HAS BEEN STABILIZED**

Program staff should work with property owners/managers to ensure that all deteriorated paint identified during the visual assessment has been stabilized. If the area of paint to be stabilized does not exceed the de minimus

level, safe work practices and a clearance exam are not required (though safe work practices are always recommended). In these cases, the ESG program staff should confirm that the identified deteriorated paint has been repaired by conducting a follow-up assessment.

If the area of paint to be stabilized exceeds the de minimus level, program staff should ensure that the clearance inspection is conducted by an independent certified lead professional. A certified lead professional may go by various titles, including a certified paint inspector, risk assessor, or sampling/clearance technician. Note, the clearance inspection cannot be conducted by the same firm that is repairing the deteriorated paint.

1. Has a follow-up visual assessment of the unit been conducted?  
 Yes  
 No
2. Have all identified problems with the paint surfaces been repaired?  
 Yes  
 No
3. Were all identified problems with paint surfaces repaired using safe work practices?  
 Yes  
 No  
 Not Applicable – The area of paint to be stabilized did not exceed the de minimus levels.
4. Was a clearance exam conducted by an independent, certified lead professional?  
 Yes  
 No  
 Not Applicable – The area of paint to be stabilized did not exceed the de minimus levels.
5. Did the unit pass the clearance exam?  
 Yes  
 No  
 Not Applicable – The area of paint to be stabilized did not exceed the de minimus levels.

Note: A copy of the clearance report should be placed in the program participant's file.

**ATTACHMENT 1: LEAD-BASED PAINT VISUAL ASSESSMENT CERTIFICATION TEMPLATE**

I, \_\_\_\_\_, certify the following:

(Print name)

- I have completed HUD's online visual assessment training and am a HUD-certified visual assessor.
- I conducted a visual assessment at \_\_\_\_\_ on \_\_\_\_\_.  
(Property address and unit number) (Date of Assessment)
- No problems with paint surfaces were identified in the unit or in the building's common areas.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

Client Name: \_\_\_\_\_

Case Number: \_\_\_\_\_

# Termination of Assistance Notice

1. Your application for financial assistance for the Emergency Solutions Grant Program (ESG) has been denied. Eligibility to participate in this program cannot be determined because of your failure to provide the following document(s): \_\_\_\_\_
2. Your participation in ESG has been terminated, because the following reason(s):

State Reason for Termination

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Your assistance is terminated as of \_\_\_\_\_.

### Program Applicant/Participant Responsibility

You have the right to an appeal if you feel this decision was made in error. To appeal you must follow the process as indicated below:

1. Present the reason(s) why you feel the decision was in error, either verbally or in writing, to the assigned case manager within three (3) business days of the notice of termination. If the case manager cannot or will not reassess the decision, then
2. Present the reason why you feel the decision was in error, either verbally or in writing, to the manager in charge within five (5) business days. The decision of the manager in charge will be the final decision.

### ESG Agency Responsibility

1. Document the specific reason that the program applicant/participant has been denied or terminated from participation in ESG.
2. Notify Mississippi Home Corporation (MHC), in writing, of the termination and program applicant/participant's request for an appeal and the eventual outcome of the appeal process.

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Applicant/Participant

Date

---

Case Manager

Date

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ESG

Emergency Solutions Grant

## Assistance Checklist

Participant Name: \_\_\_\_\_

Contract Number: \_\_\_\_\_

**To be completed for each Program Participant**

	YES	NO	N/A
1. Is Rapid Rehousing Assistance provided?			
2. Is Homeless Prevention Assistance provided?			
3. Has "But For" documentation been obtained?			
4. Provide an explanation of "But For":			
5. Has ESG application been completed and signed by applicant and case manager?			
6. Does the client have documented source of income?			
7. For Homeless Prevention Assistance is the income at or below 30% AMI?			
8. Does the client have a valid lease agreement signed between landlord and tenant?			
9. Is the rent current? If not, how many months in arrears? _____ How much?			
10. Is there an eviction notice signed by the landlord provided?			
11. Has the Affidavit of Arrears signed by the landlord been provided?			
12. Has the case manager completed the entrance interview?			
13. Have Habitability Standards been determined?			
14. Has Rent Reasonableness been documented appropriately?			
15. Has Lead Based Paint been documented?			
16. Has the Rental Assistance Agreement been signed by the landlord and provider?			

Signatures: Case Manager/Executive Director	Date
Case Manager:   Contact Number:	

**\*If assistance has been provided and all documentation not obtained, then your agency may be responsible for repayment of funds.**

NOTICE OF OCCUPANCY RIGHTS UNDER  
THE VIOLENCE AGAINST WOMEN ACT

**[Insert Name of Housing Provider<sup>1</sup>]**

**Notice of Occupancy Rights under the Violence Against Women Act<sup>2</sup>**

**To all Tenants and Applicants**

The Violence Against Women Act (VAWA) provides protections for victims of domestic violence, dating violence, sexual assault, or stalking. VAWA protections are not only available to women, but are available equally to all individuals regardless of sex, gender identity, or sexual orientation.<sup>3</sup> The U.S. Department of Housing and Urban Development (HUD) is the Federal agency that oversees that **[insert name of program or rental assistance]** is in compliance with VAWA. This notice explains your rights under VAWA. A HUD-approved certification form is attached to this notice. You can fill out this form to show that you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking, and that you wish to use your rights under VAWA.”

**Protections for Applicants**

If you otherwise qualify for assistance under **[insert name of program or rental assistance]**, you cannot be denied admission or denied assistance because you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking.

**Protections for Tenants**

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<sup>1</sup> The notice uses HP for housing provider but the housing provider should insert its name where HP is used. HUD’s program-specific regulations identify the individual or entity responsible for providing the notice of occupancy rights.

<sup>2</sup> Despite the name of this law, VAWA protection is available regardless of sex, gender identity, or sexual orientation.

<sup>3</sup> Housing providers cannot discriminate on the basis of any protected characteristic, including race, color, national origin, religion, sex, familial status, disability, or age. HUD-assisted and HUD-insured housing must be made available to all otherwise eligible individuals regardless of actual or perceived sexual orientation, gender identity, or marital status.

## RFC PROGRAM BULLETIN #24-001

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TO: Federal Grants Subrecipients

FROM: Tamara Stewart, MHC

SUBJECT: Request For Cash NEW process

EFFECTIVE DATE: December 22, 2023

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Mississippi Home Corporation (MHC) is the state of Mississippi receipt of the Emergency Solutions Grant (ESG) funds and Housing Opportunity for Person with AIDS (HOPWA) funds and is responsible for the distribution and management of these funds ensuring that funds are used in accordance with the State Plan, Federal Regulations, and are reasonable and appropriate.

This bulletin will outline the new requirements for successfully completing a Request for Cash (RFC) form and receiving reimbursement.

### **Request for Cash Type**

- Agencies providing Rapid Rehousing and/or Homeless Prevention services must submit separate RFCs for staff and admin, and clients and services.
- For example:
  - All client related requests for RRH/ HP including Rent and Financial Assistance Cost must be submitted on an RFC separately from staff related request which includes Serve cost under RRH/HP.

### Cover Page/Memo

- Agencies must provide a cover page on agencies letterhead summarizing the Request For Cash (RFC) being submitted.
  - See sample memo.

### Request for Cash Form

#### **Tab #1 Request For Cash**

- Section A: General Information
- Section B: Project Information
- Section C: Request per Activity
  - NEW – Units of Services
    - The total number of clients receiving services for “This Request”.
    - If the request is admin and staff only, no units of services should be provided.
- Required Accomplishment Narrative must be completed.
  - Example: accomplishments during the RFC service time.
  - Example: total number of clients served during the reported period.

#### **Tab #2 Consolidated Support**

- IDIS # & HMIS #
  - The activity number assigned based on the Request for Cash form.
  - **For participants receiving assistance, please submit only the HMIS ID number associated with the participant not the name.**
- Vendor: Who is receiving payment?
- CAPER Category (dropdown box): Select the CAPER category that matches the expense.
  - How to categorize charges will be defined below.
- Invoice Date: date on invoice
- Invoice or Check Number
- NEW Date Expense Started, and Date Expense Ended is the date service range.
- Total Invoice: The total amount on the bill
- Amount requested: The total amount to be reimbursed by the grant.
- NEW Appendix: must be labeled A-Z, AA-AZ..
  - Supporting documentation for all request must be provided.
  - Each requested line must be including appropriate appendix and supporting documents

- If you are using multiple grants and your requested amount is different than the invoice amount, a typed explanation and breakdown must be included in the appendix.
    - Handwritten breakdown and explanations on the invoice **will not** be accepted.
- Amount Budgeted: The total amount on last approved budget.
- Amount Requested to date: The top line **ONLY MUST BE UPDATED** on EACH RFC.

**MATCH 24 CFR 576.201**

- ESG requires a dollar-for-dollar MATCH.
- Eligible types of MATCH:
  - Cash contributions
  - Noncash contributions
  - Program Income

**Tab #3 Financial Summary Report (CAPER)**

- CAPER breakdown based on the RFC being requested.

**Tab #4 Cumulative Financial Report (CAPER)**

- Runs a cumulative tab of all the RFCs requester for a final CAPER.
- Must be updated at the end of each RFC request.
- Once updated, corrections cannot be made. Save a copy before updating and rename the new Cum Caper.
- CAPERs must be submitted with each RFC.

**CAPER Categories/ESG Components 24 CFR 576**

**1) Street Outreach:**

- a. Essential Services: Engagement, Case Management, Transportation, Emergency Outpatient Healthcare Services

**2) Emergency Shelter :**

- a. Essential Services : Case Management (including case management overhead), Education Services, Employment & Job Training, Outpatient Health Services, Legal Services, Live Skills, Mental Health Outpatient Services, Outpatient Substance Abuse Services, Transportation.
- b. Shelter Operations : Cost of maintenance, rent, security, fuel, equipment, insurance, utilities, food, furnishings, supplies, hotel motel vouchers.

**3) Homeless Prevention:** *Can provide short- and/or medium-term rental assistance and housing relocation and stabilization services (financial assistance and service costs) designed to prevent an at-risk individual or family from moving into an emergency shelter or living in a place not meant for human habitation.*

- a. **Financial Assistance Cost:** Cost incurred by providing direct services to applicants. Rent application fee, Security deposits, Last months rent, Utility deposits, Utility payments, Moving cost,
- b. **Rental Assistance:** May be short-term rental assistance, medium-term rental assistance, payment of rental arrears, or any combination of this assistance.
  - i. Types of rental assistance: Tenant-Based or Project Based.
- c. **Service Cost:**
  - i. Housing search and placement: housing assessment,, development of housing location plan, housing search, landlord negotiation, assistance with understanding a lease and rental application, assistance with housing compliance including inspections (habitability and lead), and rent reasonableness, assistance with utility connection, tenant counseling
  - ii. Housing stability case management: Eligibility documentation, Using CES, Counseling, Coordinating services and obtaining Federal/State/Local benefits, Developing a service Plan, monitoring participants progress, re-evaluations
  - iii. Mediation
  - iv. Legal Services
  - v. Credit Counseling

**4) Rapid Rehousing:** *Can provide short- and/or medium-term rental assistance and housing relocation and stabilization services (financial assistance and service costs) designed to quickly move homeless individuals and families from emergency shelter or places not meant for human habitation into permanent housing.*

- a. **Financial Assistance Cost:** Cost incurred by providing direct services to applicants. Rent application fee, Deposits, Last months rent, Utility payments, Moving cost,
- b. **Rental Assistance:** May be short-term rental assistance, medium-term rental assistance, payment of rental arrears, or any combination of this assistance.
  - i. Types of rental assistance: Tenant-Based or Project Based.
- c. **Service Cost:**

- i. Housing search and placement: housing assessment, development of housing location plan, housing search, landlord negotiation, assistance with understanding a lease and rental application, assistance with housing compliance including inspections (habitability and lead), and rent reasonableness, assistance with utility connection, tenant counseling
- ii. Housing stability case management: Eligibility documentation, Using CES, Counseling, Coordinating services and obtaining Federal/State/Local benefits, Developing a service Plan, monitoring participants progress, re-evaluations
- iii. Mediation
- iv. Legal Services
- v. Credit Counseling

**5) HMIS:** Can pay the costs of contributing data to the HMIS designated by the Continuum of Care for the area, including the costs of:

- a. Purchasing or leasing computer hardware;
- b. Purchasing software or software licenses;
- c. Purchasing or leasing equipment, including telephones, fax machines, and furniture;
- d. Obtaining technical support;
- e. Leasing office space for HMIS;
- f. Paying charges for electricity, gas, water, phone service, and high-speed data transmission necessary to operate or contribute data to the HMIS;
- g. Paying salaries for operating HMIS, including:
  - i. Completing data entry;
  - ii. Monitoring and reviewing data quality;
  - iii. Completing data analysis;
  - iv. Reporting to the HMIS Lead;
  - v. Training staff on using the HMIS or comparable database; and
  - vi. Implementing and complying with HMIS requirements
- h. If the subrecipient is a victim services provider or a legal services provider, it may use ESG funds to establish and operate a comparable database that collects client-level data over time (*i.e.*, longitudinal data) and generates unduplicated aggregate reports based on the data. Information entered into a comparable database must not be entered directly into or provided to an HMIS.
- i. *General restrictions.* Activities funded under this section must comply with HUD's standards on participation, data collection, and reporting under a local HMIS.

### **Employee Compensation and Staff Expenses (FAQ 1838)**

Employee compensation (including fringe benefits such as holiday, vacation, sick leave) and other overhead costs directly related to carrying out activities eligible under an ESG component are eligible costs under that component (see 24 CFR § 576.100(d)). Determining how these staff costs should be allocated will depend on the type of assistance being provided to the program participant.

- To allocate these costs, first determine the program component under which these costs fall; then allocate the costs to an activity within the component. For example, staff time expended on processing checks for utility payments for program participants could be eligible under the rapid re-housing component or the homelessness prevention component; the activity would be housing relocation and stabilization services.
- For the salaries and related costs of staff that are not fully dedicated to a particular component, costs should be reimbursed in proportion to the actual hours worked on each ESG component. A staff position that is not fully dedicated to ESG cannot be paid solely through.
  - For example, if an accountant spends 100 percent of his/her time tracking rental assistance or security deposits for homelessness prevention activities, then paying for this time is allowable under the homelessness prevention component because the accountant's time is only spent working on a single component. Alternatively, the cost for an accountant to process checks for both the homelessness prevention and rapid re-housing components must be pro-rated by each component.
- Other overhead costs, such as rent for office space, photocopier costs, and lighting and utilities for an office, could be eligible either as a direct cost charged to one or more components, depending on the activities delivered by that office, or could be charged as an indirect cost if part of an indirect cost allocation plan.
- Staff time can be tracked directly to the program component or by other reasonable methodologies that can realistically estimate the actual time spent across ESG components. For example, a percentage.
- **All** staff receiving reimbursement must submit appropriate timesheets (signed and approved) and pay stubs.

### **Indirect Cost Billing**

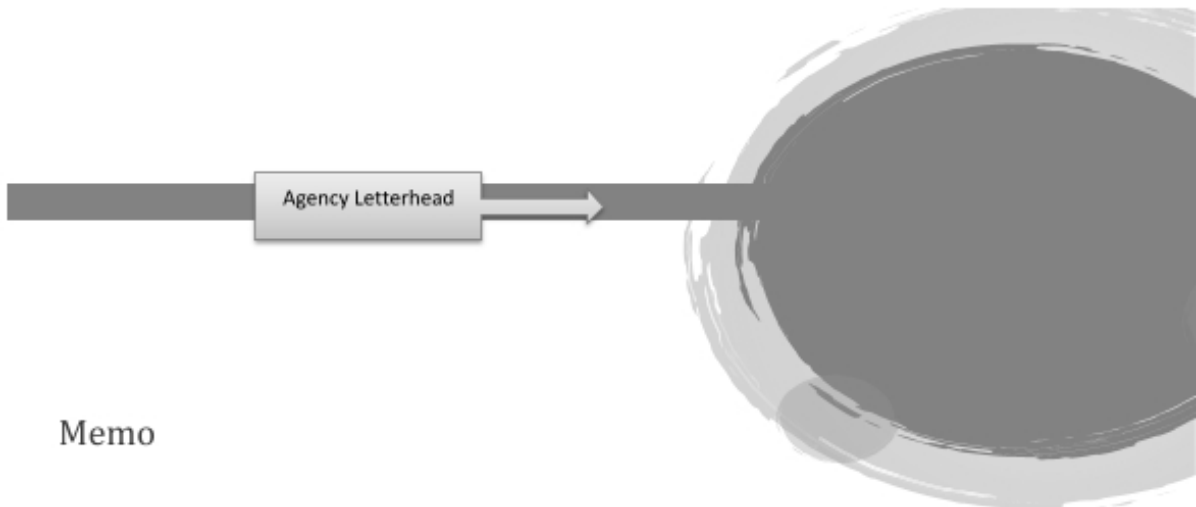
The indirect cost rate must reflect the Federal Negotiated Rate or the de minimis rate. Agencies approved indirect rate must be submitted with their contract at the beginning of the grant year.

It is recommended to bill the indirect costs under each approved activity type (e.g., Emergency Shelter Essential Services, Rapid Re-Housing (RRH) Housing Relocation and Stabilization Services, etc.). Indirect costs should be included **each time** the subrecipient bills for direct costs. Please see the [CoC and ESG Indirect Cost Toolkit](#) for more information.

**Will not be accepted:**

RFCs will not be accepted:

- 1) If the RFC is not completed
- 2) If RFC is not in chronological order
- 3) If supporting documentation is not labeled in the appendix
- 4) A handwritten breakdown of cost will not be accepted.
- 5) If ESG required match is not provided.
- 6) If supporting documentation is missing.
- 7) If documentation needing signature is not signed appropriately.
- 8) If RRH/HP service cost are on the same RFC as client cost (rent and financial assistance)
- 9) If expenses are charged to the wrong ESG activity
- 10) If ineligible costs are included in the RFC
- 11) If the RFC approval date is before the RFC service date.
- 12) If the RFC includes expenditures over 60 days old.
- 13) If the dates on the RFC do not reflect the service dates
- 14) If the RFC is for an advance payment (IDIS cannot process advances)



# Memo

To: Mississippi Home Corporation  
From: Agency's Name  
Date: Submission Date  
Grant: \_\_\_\_\_

Ref: RFC#

The attached RFC # \_\_\_\_ is for reimbursement of services provided from Date to Date. Services provided includes Staff cost/Services related to the carrying out of Shelter, RRH, HP, Street Outreach, and/or HMIS activities. During the RFC period, # clients were served.

Type of RFC:  
Financial Assistance, Rent.

Identify ESG category.

Sincerely,

Name  
Title





MISSISSIPPI HOME CORPORATION

## Client Services Documentation Checklist

1. ESG Assistance Checklist
2. Application
3. "But-For" Criteria (Narrative)
4. Income Verification
5. Asset Verification
6. Lease Agreement
7. Eviction Notice (Homeless Prevention Only)
8. Affidavit of Arrears (Homeless Prevention Only)
9. Rental Payment Ledger (Homeless Prevention Only)
10. Rental Assistance Agreement
11. Rent Reasonableness Checklist
12. NSPIRE Inspection Checklist
13. Lead-Based Paint Checklist
14. Termination of Assistance Agreement
15. Homeless Verification (category 1 or 4)
16. Documentation to support "Imminent Risk of Homelessness"
17. Cancelled Checks (front and back)
18. Continued Assistance form (with Housing Service Plan)

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ESG



MISSISSIPPI HOME CORPORATION

## Staff and Overhead Cost Documentation Checklist

Employee compensation and overhead cost directly related to carrying out activities eligible under an ESG component are eligible cost under that component. 24 CFR 576.100(d)

1. Job Description for staff charged to the grant (submit once)
2. Timesheets (signed and charged to appropriate component)
3. Staff Activity Logs (activities lineup with ESG component)
4. Staff Time breakdown across multiple grants (if appropriate)
5. Pay stubs
6. Fringe benefits documentation
7. Invoices for work related staff supplies
8. Lease Agreement for office and/or shelter space (submit once)
9. Approved Indirect Costs Rate (submit once)
10. Milage form (signed) and verification of payment
11. HMIS or comparable database invoice and verification of payment

**Continued Assistance Request Form**

Date:

Grantee (Legal Name):

Applicant ID # (waiting list # & HMIS#):

Applicant (Head of Household Name):

Program(s):  
(Select all that apply.)

ESG  
 HOPWA  
 HOME-ARP SS  
 HOME-ARP TBRA  
 CHOICE

Supportive Service Activity:

Applicant's Program Start Date:       Applicant's Expected Program End Date:

**Purpose of Request**

Briefly explain the reason for continued assistance.

**Program Eligibility Requirements**

Does the applicant qualify for HOME-ARP assistance?

QP 1       QP 3  
 QP 2       QP 4

Does the applicant qualify for HOPWA assistance?

Yes       No

Does the applicant qualify for ESG assistance?

RRH (Homeless at intake)       (HP (At Risk of homelessness))

Does the applicant qualify for CHOICE assistance?

Yes       No

**Housing Eligibility Requirements**

Verify that the housing unit meets federal regulations. (every 12 months or at relocation)

HQS Inspection       FMR Requirements       Lead Paint Certification       Carbon Monoxide  
 Rent Reasonableness       VAWA       Signed Lease       Smoke Detector(s)

**Continuing Assistance**

Identify the month assistance is being requested:       Not including this request, how many months of assistance were provided?       Total Months: 1

**Reevaluation Requirements**

Is recertification required for continued assistance?       Yes       No

Reevaluation Time:  
 TBRA & RRH: Every 12 months       Supportive Services & HP: Every 3 months

**Housing Stability Plan**

The household agrees to work on the following goals to ensure a stable housing outcome

	Goals	Action Steps	Start Date	Expected End Date
Goal #1				
Goal #2				
Goal #3				
Goal #4				

**Payee Information**

COMPLIANCE



**HOPWA Policy and Procedures**  
**Compliance and Monitoring Section of the**  
**Implementation Manual**

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**Section 4. Program Administration and Monitoring**

Mississippi Home Corporation (MHC) is responsible for ensuring that grants are administered in accordance with the requirements of applicable laws. MHC is further responsible for ensuring that their respective project sponsors carry out activities in compliance with all applicable requirements at 24 CFR, Part 574.

Mississippi Home Corporation (MHC) monitors the Project Sponsor's participation in the Program to ensure compliance with program regulations promulgated by HUD at 24 CFR, Part 574 for HOPWA programs designed to benefit persons with HIV related needs. Effective oversight and monitoring recipients are important functions of MHC.

Mississippi Home Corporation (MHC) staff reserves the right to conduct monitoring visits with project sponsors. Visits may be scheduled as a matter of routine or based on project sponsor performance, fiscal reporting, program reporting or other areas of concern. Project Sponsors receiving HOPWA funding will receive an on-site monitoring or desk monitoring visit based on the Risk Analysis or as courtesy during the project grant year(s). After each monitoring is complete, MHC will send correspondence documenting findings and/or concerns, project accomplishments, areas of deficiencies and technical assistance needs. These areas will be highlighted in the report and serve to confirm issues discussed during the monitoring review process and to give project sponsors notice of deficient areas requiring attention.

Mississippi Home Corporation (MHC) relies upon thorough application review and reimbursement of funds expended in lieu of advancing funds. Desk audits are often performed at MHC to test financial compliance. Monitoring, therefore, is limited in scope concentrating on eligibility of beneficiaries and a comparison of program records with the programmatic claims of the applicant.

**Authorized Activities**

MS Home Corporation authorizes the following program activities:

- A.** Short-Term Rent, Mortgage, and Utility (STRMU)
- B.** Tenant-Based Rental Assistance (TBRA)
- C.** Facility-Based Housing Assistance (FBHA) (all available activities under FBHA)
- D.** Permanent Housing Placement (PHP)
- E.** Supportive Services
- F.** Housing Information Services
- G.** Resource Identification

**HOPWA MONITORING SYSTEM****I. Introduction**

HOPWA's monitoring process is a procedure for ensuring that the project sponsors are adhering to the federal and state regulations. The objectives of the monitoring processing are:

- to assist the project sponsor in carrying out its project in a timely method;
- to identify probable problem areas and to assist the project sponsor in complying with applicable laws and regulations;
- to assist project sponsor in resolving compliance problems through discussion, negotiation, or provision of technical assistance;
- to determine if each project sponsor complies with activity costs which are eligible under appropriate laws and regulations;
- to ensure the project sponsor is carrying out activities as described in the application submitted for funding;
- to offer adequate follow-up measures to ensure that performance and compliance deficiencies or problems are corrected by the project sponsor
- to determine if the project sponsor is leading the project with adequate control over program and financial performance, and in a way, which minimizes the chance for mismanagement;

- II. Selection/Risk Analysis-** A "risk analysis" shall be conducted. This technique will establish the priorities for monitoring and to determine where resources can be best applied. The risk analysis can determine which project sponsor should be monitored, the program areas to be covered. The selection process would ensure that the HOPWA project sponsors are conducting the project with adequate control over the program and financial performance which eliminates the chance for mismanagement, fraud or waste.

Project sponsors should be selected for monitoring within each program and technical area using general risk factors of program complexity, project sponsor capacity, recent problems, and past performance.

**A. Program Complexity**

- Projects undertaken by sub-recipients

**B. Project Sponsor Capacity**

- Inexperienced staff
- No progress
- Low productivity
- Difficulty in carrying out the program

**C. Recent Problems**

- Incorrect or incomplete performance reports
- Audit findings or no audit at all
- Program participants complaints
- Issues remaining from previous grant cycle year
- Issues identified on the RFC

**D. Past Performance**

- Frequent audit findings or RFC concerns.

## Section 4. Program Administration and Monitoring Cont'd

**III. Scheduling**

The project sponsor will be notified, in writing prior to the monitoring visit. The notification includes the following:

- the date and time of the on-site review
- name(s) and number(s) of the person(s) conducting the review
- purpose of the review
- a list of documents to be reviewed (these documents should be readily available)
- a request that the project sponsor's representatives and other appropriate staff be available during the review (i.e., financial staff, etc.)

**IV. On-Site/Desk Monitoring**

The MHC's HOPWA representative will monitor the terms and conditions of its contract with the project sponsor. This includes: rate of expenditures, eligibility of expenses, and implementation of eligible activities under the HOPWA Program.

**A. Monitoring Preparation**

The monitoring review involves the completion of a standardized monitoring desk review form, which requires the following:

- A review of the program files
- A review of the program policies and procedures
- A spot review of the requests for cash

**B. Monitoring Review****On-site Visit**

- An initial and exit interview will be held with the Project Sponsor Representatives. A series of questions will be asked relating to the capacity of the organization, program effectiveness, contractual compliance and any recent changes that the organization has endured.
- MHC representative will review a sample of client files thoroughly to ensure eligibility compliance with all federal regulations. Incomplete files will be noted.
- Documents will be reviewed to verify that the organization is keeping appropriate and sufficient records. MHC reserves the right to have access to any financial back-up documentation to determine whether unnecessary or unreasonable expenditures occurred.
- MHC HOPWA representative will review proper documentation on client's eligibility, rent restrictions, and disbursements.
- MHC HOPWA representative will review the environmental clearance will be verified to certify that the project sponsor is following federal and state regulations relative to environmental activities in federally assisted grants.

## Section 4. Program Administration and Monitoring Cont'd

- The procurement process will be reviewed to check for compliance with federal and state guidelines relative to the procurement of supplies, equipment, construction, and services for federally assisted grants.
- On-site visits of a large project may continue to a desk monitoring.

**Desk Monitoring**

- MHC representative will review a sample of client files thoroughly to ensure eligibility compliance with all federal regulations. Incomplete files will be notated.
- Documents will be reviewed to verify that the organization is keeping appropriate and sufficient records. MHC reserves the right to have access to any financial back-up documentation to determine whether unnecessary or unreasonable expenditures occurred.
- MHC HOPWA representative will review proper documentation on client's eligibility, rent restrictions, and disbursements.
- MHC HOPWA representative will review the environmental clearance will be verified to certify that the project sponsor is following federal and state regulations relative to environmental activities in federally assisted grants.
- The procurement process will be reviewed to check for compliance with federal and state guidelines relative to the procurement of supplies, equipment, construction, and services for federally assisted grants.

**C. Monitoring Report**

- MHC will email or mail a Monitoring Review Results letter to the project sponsor after monitoring visit. The letter will include the strengths and weaknesses of the organization. Also, if there are any deficiencies that needs corrective action, it will be included in the letter. A deadline will be given to the project sponsor to clarify all deficiencies for compliance (i.e. a follow-up visit, written response, etc.). If there are no findings (deficiencies), a compliance letter will be emailed or mailed to the project sponsor.

No response or if the project sponsor fails to complete all corrective actions in the time allotted, a letter will be sent detailing areas of non-compliance along with sanctions that will be taken (including possible funding decrease/recapture) if the situation is not corrected. No RFCs will be paid on any of the project sponsor's contracts until all findings have been corrected. Waiver of the "no RFC" policy may be considered on a case-by-case bases.

**Section 5. HOPWA Recaptured Funds****HOPWA Recaptured Funds**

The Corporation may recapture funds previously awarded to a HOPWA project sponsor. Reasons for recapture of funds may include, but are not limited to monitoring results, suspect of waste, misuse, and abuse of funds, suspect of fraud, unfavorable audit report, unable to comply with policies or terms of the contract. The Corporation may reallocate any recaptured funds in any eligible category and reallocate them to any eligible project sponsor. Requests for supplemental funds will be considered on a case- by-case basis with funds granted only in those instances where the Corporation can readily determine that additional funding is justified. Grant award limits are not applicable when considering the allocation of these funds.

MHC may recapture funds previously awarded to a HOPWA project sponsor for reasons such as failure to satisfy timeliness of the implementation of the project, failure to comply with contractual conditions, unresolved monitoring, waste, misuse, or abuse of funds, fraud, unfavorable audit report that is not resolved, inability to comply with policies, or failure to complete project closeout. Recaptured or de-obligated HOPWA funds may be used to supplement Administration, supplement existing projects which may require additional funds, fund other eligible applicants, or fund HOPWA eligible activities.

## Section 6. Audits

## AUDITS

The Federal Office of Management and Budget (OMB) Circular 2 CFR 200.501 requires that a state, local government or non-profit organization expending \$750,000 or more a year in total cumulative Federal funds must have a Single Audit made in accordance with the Single Audit Act. This audit report must be submitted and received by the Federal clearinghouse designated by OMB and the Federal awarding agency or pass-through entity, within 30 days of its completion, but **no later than nine months following the end of the grant recipient's fiscal year in which the Federal funds were expended. If the financial audit was started but not completed within nine months of the subrecipient fiscal year, MHC may extend their audit submission time on a case-by-case basis.**

If a Single Audit is required, and any of the funds expended were received through MHC requires that a copy of the Single Audit report must be submitted and received by the HOPWA staff **no later than nine months to one year following the end of the grant recipient's fiscal year in which the Federal funds were expended.**

If a Single Audit is **not** required, (and any of the funds expended were received through MHC), MHC requires that an acceptable IRS Form 990 (for that year) be submitted and received by the HOPWA staff. It must be received in 30 days, or **no later than nine months following the end of the grant recipient's fiscal year/calendar year which the Federal funds were expended**, but no sooner than the end of the same fiscal year/calendar year. Single Audit exempt agencies may submit a IRS Form 8868 to verify extension for 990.

The Single Audit, or IRS Form 990 does not exclude the grant recipient from any other requirements of audits or financial statements as requested by MHC or any other Agency or Authority.

Audits should be mailed or emailed to:

[Tmara.stewart@mshc.com](mailto:Tmara.stewart@mshc.com)  
[Fredrick.davis@mshc.com](mailto:Fredrick.davis@mshc.com)

Mississippi Home Corporation  
735 Riverside Drive  
Jackson, MS 39202

Project sponsors with an unfavorable accounting audit may be given an opportunity to resolve the findings in the report. Additionally, MHC may suspend, or recapture project funds based on the type of audit findings and whether the identified issues can be resolved.

COMPLIANCE



**HOPWA Policy, Procedures,  
and Implementation Manual**

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Document Version

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1.0	2021	2021
1.1	2022	2022
1.2	2023	2023
1.3	2024	2024
1.4	2025	2025

**Purpose and Use of this Manual**

This manual contains a basic overview of the MS Home Corporation Housing Opportunities for Persons with AIDS (HOPWA) Program and its eligible activities and requirements. It is not intended to replace existing guidance produced by the U.S. Department of Housing and Urban Development (HUD) 24 CFR 574. Additional program information can be found on the HUD Exchange HOPWA Page. This manual provides guidance to MS Home Corporation and Project Sponsors for program administration.

The purpose of this document is to provide uniform, consistent guidance on the State of Mississippi's HOPWA Program to assist local HOPWA project sponsors (subrecipients), and any other parties responsible for the implementation of the day-to-day activities of the HOPWA program. These policies and procedures provide more detailed clarification for current activities. Standardization of these HOPWA policies and procedures improves service delivery, provides for fair and equitable access to services, and alleviates problems of inconsistency.

This Program Policies and Procedure is written in accordance with the federal regulations as authorized by the AIDS Housing Opportunity Act (AHOA) of 1990, and amended by the Housing and Community Development Act of 1992 (Public Law 102-550, approved October 28, 1992). The regulations of the program are governed by 24 CFR Part 574, as amended, Housing Opportunities for Persons With AIDS Final Rule, published in the Federal Register on April 11, 1994; 24 CFR Part 91, as amended, Consolidated Submissions for Community Planning and Development Programs; and CPD 06- 07, issued August 3, 2006.

This document includes requirements for client determination; allowable services and activities; and other requirements necessary to maintain compliance and continued funding from the U.S. Department of Housing and Urban Development (HUD) for the HOPWA Program. While this publication is intended to provide thorough and comprehensive documentation of program policies and procedures, some unique situations may not be adequately addressed here. For this reason, Mississippi Home Corporation, the overseer of the State's HOPWA dollars, reserves the rights to amend, alter, or grant incidental exceptions to all policies outlined when allowable. This document is based on federal and state regulations, and any modifications must be approved by MHC.

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**AIDS HOUSING OPPORTUNITY ACT**

HOPWA was created through the National Affordable Housing Act of 1990, and authorized by the AIDS Housing Opportunity Act of 1992. It provides state and local governments with the resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with AIDS and their families. HOPWA Regulations 24 CFR, Part 574 were written based on the Act, and provide the requirements and framework for the HOPWA Program. The Act can be found at

<https://www.hudexchange.info/resource/2934/aids-housing-opportunity-act/>.

**HOPWA REGULATIONS** The HOPWA program rules in 24 Code of Federal Regulation (CFR), Part 574, provide the requirements and general standards for the HOPWA Program including information such as eligible activities, client qualifications, housing quality standards, standards regarding resident rent payments, administrative, and record keeping requirements as provided under the United States Housing Act of 1937.

**OTHER APPLICABLE REGULATIONS** Further information regarding the below regulations can be found on HUD Exchange.

- 24CFR Part 5.609 are the HUD regulations defining the elements of a household's annual income that must be counted in determining income eligibility for HOPWA, Section 8, public housing, and other HUD-assisted housing programs serving persons with disabilities.
- 24CFR Part 5.611 are the HUD regulations requiring certain deductions be made to a household's gross annual income in order to arrive at a reasonable tenant rent payment in the HOPWA, Section 8, public housing, and other HUD-assisted housing programs serving persons with disabilities.
- 24CFR Part 5.617 are the HUD regulations requiring a disallowance of earned income by persons with disabilities residing in housing funded by HOPWA, Section 8, HOME and the Supportive Housing Program (SHP) upon returning to work after certain conditions have been met.
- 24CFR Part 58 are the HUD regulations requiring environmental reviews for a particular projects or activities funded by several HUD programs and for acquisition, rehabilitation, conversion, lease, repair, disposal, demolishing, or construct or property.
- 24 CFR Part 84 are the regulations for grants and agreements with institutions of

higher, Hospitals, and other non-profits relating primarily to requirements for acquiring and disposing of goods and services purchased with federal funding, and the methods of documenting and accounting for those items.

- 24 CFR Part 85 are the regulations for grants and cooperative agreements to state, local and federally recognized Indian tribal governments for acquiring and disposing of goods and services purchased with federal funding, and the methods of documenting and accounting for those items.
- 24 CFR Part 35 and Part 574.635 are regulations for Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846) and lead-based paint poisoning notification requirements.
- 24 CFR Part 574.625 relates to Conflict of Interest. Non-profit agencies should have policies in place that identify and handle real or potential conflicts of interest on the part of board members, staff persons, and other representatives of the organization, such as volunteers. HUD requires such a policy, which are often part of an organization's "code of conduct" for board, staff, and volunteers. It is **advisable** to have a copy signed by all members listed above on an annual basis.
- 24 CFR Part 570.611 also relates to conflict of interest. Project sponsors must assure that no person who is an employee, agent, consultant, officer, or elected or appointed official and who exercises or has exercised any functions or responsibilities with respect to the HOPWA program will be qualified for HOPWA assistance. Additionally, no person who may obtain a financial interest or benefit or have an interest in any contract, subcontract or agreement with the HOPWA program, either for himself or herself or for those with whom they have family or business ties will be qualified for HOPWA assistance during their tenure or for one year thereafter. The conflict of interest policy under the HOPWA regulations further stipulates that a conflict of interest exists for anyone in a position to participate in a decision making process or gain inside information about the HOPWA program, such individuals will not be qualified for HOPWA assistance.
- Section 31 of the Federal Fire Prevention and Control Act of 1974 relates to Smoke alarm requirements and carbon monoxide alarm and inspection

requirements.

- NSPIRE requirements will be effective 10/1/2024

#### OMB CIRCULARS

- A-87, Cost Principles for State, Local and Indian Tribal Governments (05/10/2004)  
Relocated to 2CFR, Part 225 - This Circular establishes principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and local governments and federally-recognized Indian tribal governments (governmental units).
- A-102, Grants and Cooperative Agreements with State and Local Governments (08/29/1997) - This Circular establishes consistency and uniformity among Federal agencies in the management of grants and cooperative agreements with State, local, and federally- recognized Indian tribal governments.
- A-110, Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations (9/30/99) - This Circular applies to sub-awards made by State and local governments to organizations covered by this Circular. Federal agencies may apply the provisions of this Circular to commercial organizations, foreign governments, organizations under the jurisdiction of foreign governments, and international organizations.
- A-122, Cost Principles for Non-Profit Organizations (05/10/2004), Relocated to 2 CFR, Part 230 - This Circular establishes principles for determining costs of grants, contracts and other agreements with non-profit organizations. The principles are designed to provide that the Federal Government bear its fair share of costs except where restricted or prohibited by law. The principles do not attempt to prescribe the extent of cost sharing or matching on grants, contracts, or other agreements.
- A-133, Audits of States, Local Governments, and Non-Profit Organizations (6/26/07) - This Circular is issued pursuant to the Single Audit Act of 1984, P.L. 98-502, and the Single Audit Act Amendments of 1996, P.L. 104-156. It sets forth standards for obtaining consistency and uniformity among Federal agencies for the audit of States, local governments, and non-profit organizations expending Federal awards.

**OTHER HOPWA GUIDANCE**

## Federal Funding Accountability and Transparency Act (FFATA):

- Subgrantees/ project sponsors are required to submit information about their project sponsors (sub-grantees) in the Federal Funding Accountability and Transparency Act Sub-award Reporting System (FSRS). Project sponsors may consult a frequently asked questions list that has been posted on this website as well as registering for HUD Exchange. HUD is also responsible for submitting their HOPWA grantees' and other vendors' financial information to the FSRS system as "Prime Awardees", and grantees are responsible for submitting data on their project sponsors (sub-grantees).

## CPD Memorandum Restricted Use of HOPWA Funds for AIDS Drug Assistance and Other Healthcare Costs:

- This memorandum provides guidance regarding the eligibility of AIDS drug assistance and other health-care costs under the Housing Opportunities for Persons with AIDS (HOPWA) Program. This guidance is provided to help ensure that activities under the HOPWA program are carried out in a manner that addresses the program's statutory purpose at 42 U.S.C. 12901 "to provide States and localities with the resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with acquired immunodeficiency syndrome and families of such persons." The guidance can be found at <http://archives.hud.gov/offices/cpd/aidshousing/library/adap.cfm>.

## HUD Notice CPD 03-05 for Manufactured Homes:

- This notice provides guidance for the use of Housing Opportunities for Persons with AIDS (HOPWA) funds for tenant-based rental assistance (TBRA), short-term rent, mortgage, and/or utility assistance (STRMU) payments, or for move-in costs under permanent housing placement activities for qualified persons living in manufactured housing/mobile homes. Because HOPWA allows flexibility in its application, HUD has determined that HOME Investment Partnerships Program (HOME) guidelines may be referenced to support the use of HOPWA funds for this purpose. The notice can be found at <http://www.hud.gov/offices/cpd/lawsregs/notices/2003/03-05.pdf>.

### MHC Goals

Every five (5) years, Mississippi Home Corporation (MHC) creates a plan to address identified housing needs in the State. The goals and priorities are:

Goal 1: HOME Rental Development. Expand and Preserve Affordable Rental Housing

- Increase the affordable housing stock to targeted populations.
- Prioritize developments that reserve units for households earning at or below 30% AMI or households that are homeless.
- Require developers to partner with approved nonprofits through a letter of commitment.
  - Letters of commitment must specify services that will be provided to the target population. For example, the partnering agency will provide transportation, case management, job training, employment readiness programs, and other approved supportive services activities.

Measurement: Number of affordable housing units developed, and the number of affordable housing units reserved for prioritized households.

Goal 2 HOME, ESG & HOPWA. Link Housing Development with Employment & Supportive Services that promotes Self-Sufficiency

- Aligning new affordable housing projects with job hubs through mapping and strategic partnerships with employers, MDA, and transportation agencies.

Measurement: Number of affordable housing units developed within 10-15 miles of major employment hubs.

Goal 3: HOME Homeowner Activity. Increase Homeownership Opportunities for households

- Provide direct financial assistance to homebuyers at or below 80% AMI to bridge affordability gaps.
- Promote homebuyer education and counseling to improve long-term housing stability.

Measurement: Number of first-time homebuyers assisted and the percentage of successful mortgage sustainment over time.

Goal 4: ESG and HOPWA activity. Enhance Housing Stability & Homelessness Prevention Programs

- Use the ESG, HOME-ARP, and HOPWA programs to provide wraparound support services, including job training, transportation, case management, education, and other approved services to properties that prioritize identified special populations (homeless and 30% AMI).
- Require housing stability plans for all homeless prevention housing assistance programs (ESG, HOPWA) recipients to ensure long-term sustainability.
- Work with the CoCs to end the experience of homelessness and improving health outcomes by providing housing assistance through HOPWA and ESG.

Measurement: Number of formerly homeless individuals housed and percentage maintaining stable housing for 12+ months.

Measurement: Number of individuals who increased income while in the program.

Goal 5: HOME Rental Development and Homeownership programs. Increase Manufacture Housing Stock for households.

- Use manufacturer housing to address affordable housing needs.

Measurement: The number of manufactured units placed in communities with low housing stock.

Goal 6: HOME Homeowner Activity. Increasing Outreach for Housing Preservation through Homeowner Rehabilitation Assistance

- Promote education, outreach, and services
  - Provide community-based training to nonprofits and local governments to increase program awareness.

Measurement: Number of outreach and training events provided throughout the state.

Number of new agencies and communities that apply for homeowner rehabilitation assistance.

Goal 7: Increase Community Knowledge about CHDOs

- Operating support to foster, maintain and increase our Community Housing Development Organizations.

Measurement: Number of workshops, trainings, and Technical Assistance provided throughout the state.

Goal 8: CDBG Economic Development. Create, expand, and retain jobs for lower-income persons.

Goal 9: CDBG Economic Development. Create or expand employment at for-profit businesses.

Goal 10: CDBG Economic Development. Invest in eligible infrastructures.

### HOPWA Expected Outcomes

#### Goal 4: ESG and HOPWA activity. Enhance Housing Stability & Homelessness Prevention Programs

- Use the **ESG, HOME-ARP, and HOPWA programs** to provide **wraparound support services**, including job training, transportation, case management, education, and other approved services to properties that prioritize identified special populations (homeless and 30% AMI).
- Require housing stability plans for all homeless prevention housing assistance programs (ESG, HOPWA) recipients to ensure long-term sustainability.
- Work with the CoCs to end the experience of homelessness and improving health outcomes by providing housing assistance through HOPWA and ESG.

#### Goal: Provide HOPWA Services

HOPWA funds will be used to reach the goal of improving housing stability and health of individuals with HIV.

**Measurement:** Improved health outcomes.

**Measurement:** Serve 800 qualified households annually.

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**Program Definitions & Acronyms**

- **Acquired Immunodeficiency Syndrome (AIDS):** a medical diagnosis requiring a positive HIV test (Western Blot confirmed), and a CD4+ cell count below 200 cells per microliter OR CD4+ cells account for fewer than 14 percent of all lymphocytes OR a diagnosis of one or more of the AIDS-defining illnesses.
- **Administrative Costs:** Nonservice-related operating costs of administering the HOPWA program (may include salary, fringe, benefits, etc.) Project sponsor administrative costs are limited to 7% of the total project sponsor grant award.
- **Beneficiary(ies):** The HOPWA Client and family members (see definition for Family) receiving HOPWA assistance. Any individual(s) residing with the HOPWA Client whose income is not considered in the HOPWA Client's income eligibility criteria is not considered a beneficiary, i.e. roommates, paid caregivers, and live-in aides.
- **Chronically Homeless Person:** "An unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more OR has had at least four episodes of homelessness in the past three years." For this purpose, the term "homeless" means "a person sleeping in a place not meant for human habitation (e.g., living on the streets) or in an emergency homeless shelter." This does not include persons temporarily staying or living in someone else's residence.
- **Carbon Monoxide Detector:** A carbon monoxide detector or CO detector is a device that detects the presence of carbon monoxide gas to prevent carbon monoxide poisoning. Under the new statutory requirement, which takes effect on December 27, 2022, grantees are responsible for ensuring each dwelling unit assisted under the HOPWA program contains installed carbon monoxide alarms or detectors that meet or exceed the standards.
- **Disabling Condition:** "A diagnosable substance use disorder, serious mental illness, developmental disability, or chronic physical illness or disability, including the co-occurrence of two or more of these conditions." In addition, a disabling condition may limit an individual's ability to work or perform one or more activities of daily living. *An HIV/AIDS diagnosis is considered a disabling condition.*
- **Domestic Violence Survivor:** A self-reported current or past victim of domestic violence.
- **Duplicated Count:** A household/client that received more than one HOPWA service in the same project year, e.g. a client received both STRMU and TBRA or a client received both STRMU and Supportive Services.

- **Eligible Individual:** A person with HIV or AIDS who meets the income eligibility criteria as defined by the Income-eligible definition.
- **Emergency:** A situation that is short-term in nature and one that the case manager has reason to believe will put the client at risk of becoming homeless.
- **Family:** Per 24 CFR §574.3, the program defines family as it is defined in 24 CFR §5.403. Family, as defined in 24 CFR §5.403 includes, but is not limited to, the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:
  - o A single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person; or
  - o A group of persons residing together, and such group includes, but is not limited to:
    - l A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family);
    - l An elderly family;
    - l A near-elderly family;
    - l A disabled family;
    - l A displaced family; and
    - l The remaining member of a tenant family.

Under 24 CFR §574.3, family includes one or more eligible persons living with another person or persons, regardless of actual or perceived sexual orientation, gender identity, or marital status, who are determined to be important to the eligible person or person's care or welfare, and the surviving member or members of any family described in this definition who were living in a unit assisted under the program with the PLWH at the time of their death. The language of these regulations, as amended by the "Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity Final Rule," ensures that HUD's core programs are open to all eligible individuals and families regardless of actual or perceived sexual orientation, gender identity, or marital status. This means that any group of people that present together for assistance and identify themselves as a family – regardless of relationship, age, disability, or other factors – are considered to be a family and must be served together as such. Further, Project Sponsors cannot discriminate against a group of people presenting as a family based on the composition of the

family, the age or disability of any family members, or the actual or perceived sexual orientation, gender identity, or marital status of any family members. The definition of “family” is flexible and, as such, HUD has broadly implemented the term “household” in place of “family.”

**NOTE:** The old definition of “family,” (persons related by blood or marriage) is not used. See “Household.”

- **Family Unit:** A household composed of a HOPWA Client and 1 or more other beneficiaries.
- **Gross Rent:** The sum of combined rent and utilities costs. For rental assistance services, the gross rent of the proposed unit, including appropriate utility allowances must be at or below the lower of the rent standard or the reasonable rent.
- **HOPWA Client:** A person with HIV/AIDS who qualifies for and receives HOPWA assistance.
- **HOPWA Project Sponsor:** An agency that contracts with MHC to directly provide HOPWA services.
- **Household:** A single person or a group of persons residing together. See “Family.” Any group of people that present together for assistance and identify themselves as a household – regardless of relationship, age, disability, or other factors – are considered to be a household and must be served together as such. The term is used for collecting data on changes in eligibility, changes in access to services, and outcomes on achieving housing stability. Live-In Aides (see “Live-In Aide”) and non-beneficiaries (e.g., a shared housing arrangement with a roommate) who resided in the unit are not included in the household.
- **Housing Informational Services (HIS):** *Counseling, information, and referral services dedicated to assisting eligible households locate, acquire, finance, and maintain housing.*
- **Human Immunodeficiency Virus (HIV) Infection:** an infection caused by a virus that infects the body and destroys portions of the immune system and is documented by a positive serologic test.
- **Income-eligible:** Any individual or family whose income does not exceed 80 percent of the median income for the area (80% AMI), as determined by HUD, with adjustments for smaller and larger families. Project Sponsors MUST use the current HUD Income Limits to determine HOPWA program eligibility. *Income Limits Table:* shows income limits according to family size and is used to assess income eligibility for HOPWA assistance.

<http://www.huduser.org/datasets/il.html>

- ***In-Kind Leveraged Resources:*** These involve additional types of support provided to assist HOPWA beneficiaries such as volunteer services, materials, use of equipment and building space. The actual value of the support can be the contribution of professional services, based on customary rates for this specialized support, or actual costs contributed from other leveraged resources. The value of any donated material, equipment, building, or lease should be based on the fair market value at time of donation. Related documentation can be from recent bills of sales, advertised prices, appraisals, or other information for comparable properties similarly situated.
- ***Live-In Aide:*** A person who resides with the HOPWA Eligible Individual and who meets the following criteria: (1) is essential to the care and welfare of the person; (2) is not obligated for the support of the person; and (3) would not be living in the unit except to provide the necessary supportive services. Live-In Aides are not considered household members.
- ***Master Leasing:*** Applies to Project Sponsors that lease units (single or scattered site) from an owner and sublease the units to clients. Project Sponsors facilitate housing by assuming the tenancy burden for households that may not be able to obtain a lease on their own due to poor credit, evictions, or lack of income. Assistance is not portable or transferable.
- ***Non-HOPWA leveraged sources:*** Refers to cash resources separate from the MHC HOPWA grant award, and may include: CDBG, HOME, ESG, SHP, S+C, Housing Choice Vouchers (Section 8), Low Income Housing Tax Credits (LIHTC), Historic Tax Credits, USDA Rural Housing Service, Ryan White programs, other federal programs, state funds, local government funds, and private philanthropy. While other HOPWA funds may be used in conjunction with this grant, the amounts are not counted as leveraged sources and performance is reported under the applicable HOPWA grant.
- ***Non-HOPWA supportive services:*** All other supportive services the HOPWA client receives related to HIV/AIDS and the client's well-being, including medical care, transportation, food, drug treatment, social services, etc.
- ***Operating Costs:*** Applies to facility-based housing that is owned by the Project Sponsor and currently open. Operating costs include day-to-day housing function and operation costs like maintenance, security, operation, insurance, utilities, furnishings, equipment, supplies, and salary for staff costs directly related to the facility, but not staff costs for delivering services.
- ***Outcome:*** The HOPWA assisted households who have been enabled to establish or better maintain a stable living environment in housing that is

safe, decent, and sanitary (per the regulations at 24 CFR 574.310(b)), to reduce the risks of homelessness, and improve access to HIV treatment and other health care and support.

- **Output:** The number of households that receive HOPWA assistance during the operating year.
- **Permanent Housing Placement (PHP):** Assistance for reasonable security deposits, not to exceed the amount equal to 2 months of rent, and related application fees and credit checks.
- **Program Income:** Gross income directly generated from the use of HOPWA funds, including repayments.
- **Project Sponsor:** Any nonprofit organization or governmental housing agency that receives funds under a contract with the grantee to provide eligible housing and other support services or administrative services as defined in 24 CFR §574.300. Project Sponsors are required to provide performance data on households served and funds expended.
- **Project-Based Rental Assistance (PBRA):** is a form of Facility Based Assistance. Assistance under PBRA is tied to the unit. HOPWA funds provide subsidies to the unit specifically reserved for HOPWA clients by paying for the operating costs of the unit. Because assistance is tied to the unit, clients may receive assistance only so long as they are eligible and reside at the project-based unit.
  
- **Rental Assistance:** A housing assistance service that subsidizes the rent of a household, including assistance for shared housing arrangements. The subsidy amount is determined in part based on household income and rental costs associated with the household's lease. HOPWA rental assistance can be tenant- or facility-based. All rental assistance services are subject to the following components:
  - Housing Quality Standards Certification;
  - Rent Standard and Rent Reasonableness Certification; and
  - Rental Assistance Calculation.
- **Resource Identification (RI):** Activities that establish, coordinate, and develop housing assistance resources for eligible households (including preliminary research and expenditures necessary to determine the feasibility of specific housing-related initiatives).
- **Roommate:** A roommate relationship (i.e., a shared housing arrangement) is established for the purposes of sharing rent and utility bills in return for receiving a share of the space available. Roommates are not considered household members as they are households unto themselves. The household must identify whether an individual is a household member or a roommate at the time of application and at any subsequent renewals.

- **Short-term Rent, Mortgage, and Utility Assistance (STRMU):** A housing subsidy for short-term rent, mortgage, and utility payments to prevent homelessness of the tenant or mortgagor of a dwelling. This program provides assistance for a period not to exceed 21 weeks (147 days) worth of assistance in any 52-week period. These payments are for eligible individuals and their household beneficiaries who are already in housing and who are at risk of becoming homeless.
- **Supportive Services:** Assistance for case management, basic telephone service, and provision of smoke detectors. Supportive Services may be provided in conjunction with HOPWA housing assistance or as a stand-alone service (Supportive Services Only).
- **Tenant-based Rental Assistance (TBRA):** A housing subsidy for tenant-based rental assistance, including assistance for shared housing arrangements. It assists Income-eligible clients and their beneficiaries with rent and utilities until they are able to secure affordable, stable housing.
- **Rehabilitation:** means the improvement or repair of an existing structure, or an addition to an existing structure that does not increase the floor area by more than 100 percent.
- **Non-substantial rehabilitation:** means rehabilitation that involves costs that are less than or equal to 75 percent of the value of the building after rehabilitation.
- **Substantial rehabilitation:** means rehabilitation that involves costs in excess of 75 percent of the value of the building after rehabilitation.
- **Eligible Person:** means a person with acquired immunodeficiency syndrome or related diseases who is a low-income individual, as defined in this section, and the person's family. A person with AIDS or related diseases or a family member regardless of income is eligible to receive housing information services, as described in §574.300(b)(1). Any person living in proximity to a community residence is eligible to participate in that residence's community outreach and educational activities regarding AIDS or related diseases, as provided in §574.300(b)(9).
- **Transgender:** Defined as a person who identifies with, or presents as, a gender that is different from the gender assigned to them at birth.
- **Veteran:** Anyone who served or is currently serving in the military forces.

**Program Administration and Monitoring**

Mississippi Home Corporation (MHC) is responsible for ensuring that grants are administered in accordance with the requirements of applicable laws. MHC is further responsible for ensuring that their respective project sponsors carry out activities in compliance with all applicable requirements at 24 CFR, Part 574.

Mississippi Home Corporation (MHC) monitors the Project Sponsor's participation in the Program to ensure compliance with program regulations promulgated by HUD at 24 CFR, Part 574 for HOPWA programs designed to benefit persons with HIV related needs. Effective oversight and monitoring recipients are important functions of MHC.

Mississippi Home Corporation (MHC) staff reserves the right to conduct monitoring visits with project sponsors. Visits may be scheduled as a matter of routine or based on project sponsor performance, fiscal reporting, program reporting or other areas of concern. Project Sponsors receiving HOPWA funding will receive an on-site monitoring or desk monitoring visit based on the Risk Analysis or as courtesy during the project grant year(s). After each monitoring is complete, MHC will send correspondence documenting findings and/or concerns, project accomplishments, areas of deficiencies and technical assistance needs. These areas will be highlighted in the report and serve to confirm issues discussed during the monitoring review process and to give project sponsors notice of deficient areas requiring attention.

Mississippi Home Corporation (MHC) relies upon thorough application review and reimbursement of funds expended in lieu of advancing funds. Desk audits are often performed at MHC to test financial compliance. Monitoring, therefore, is limited in scope concentrating on eligibility of beneficiaries and a comparison of program records with the programmatic claims of the applicant.

**Authorized Activities**

MS Home Corporation authorizes the following program activities:

- A.** Short-Term Rent, Mortgage, and Utility (STRMU)
- B.** Tenant-Based Rental Assistance (TBRA)
- C.** Facility-Based Housing Assistance (FBHA) (all available activities under FBHA)
- D.** Permanent Housing Placement (PHP)
- E.** Supportive Services
- F.** Housing Information Services
- G.** Resource Identification

### HOPWA MONITORING SYSTEM

#### I. Introduction

HOPWA's monitoring process is a procedure for ensuring that the project sponsors are adhering to the federal and state regulations. The objectives of the monitoring processing are:

- to assist the project sponsor in carrying out its project in a timely method;
- to identify probable problem areas and to assist the project sponsor in complying with applicable laws and regulations;
- to assist project sponsor in resolving compliance problems through discussion, negotiation, or provision of technical assistance;
- to determine if each project sponsor complies with activity costs which are eligible under appropriate laws and regulations;
- to ensure the project sponsor is carrying out activities as described in the application submitted for funding;
- to offer adequate follow-up measures to ensure that performance and compliance deficiencies or problems are corrected by the project sponsor
- to determine if the project sponsor is leading the project with adequate control over program and financial performance, and in a way, which minimizes the chance for mismanagement;

- II. **Selection/Risk Analysis-** A "risk analysis" shall be conducted. This technique is done pre monitoring and will establish the priorities for monitoring and to determine where resources can be best applied. The risk analysis can determine which project sponsor should be monitored, the program areas to be covered. The selection process would ensure that the HOPWA project sponsors are conducting the project with adequate control over the program and financial performance which eliminates the chance for mismanagement, fraud or waste.

Project sponsors should be selected for monitoring within each program and technical area using general risk factors of *program complexity, project sponsor capacity, recent problems, and past performance.*

##### A. Program Complexity

- Projects undertaken by sub-recipients

##### B. Project Sponsor Capacity

- Inexperienced staff
- No progress
- Low productivity
- Difficulty in carrying out the program

##### C. Recent Problems

- Incorrect or incomplete performance reports
- Audit findings or no audit at all
- Program participants complaints
- Issues remaining from previous grant cycle year

- Issues identified on the RFC
- D. Past Performance
  - Frequent audit findings or RFC concerns.

**Risk Levels:** Low, Moderate, High

### III. Scheduling

The project sponsor will be notified, in writing prior to the monitoring visit. The notification includes the following:

- the date and time of the on-site review
- name(s) and number(s) of the person(s) conducting the review
- purpose of the review
- a list of documents to be reviewed (these documents should be readily available)
- a request that the project sponsor's representatives and other appropriate staff be available during the review (i.e., financial staff, etc.)

### IV. On-Site/Desk Monitoring

The MHC's HOPWA representative will monitor the terms and conditions of its contract with the project sponsor. This includes: rate of expenditures, eligibility of expenses, and implementation of eligible activities under the HOPWA Program.

#### A. Monitoring Preparation

The monitoring review involves the completion of a standardized monitoring desk review form, which requires the following:

- A review of the program files
- A review of the program policies and procedures
- A spot review of the requests for cash

#### B. Monitoring Review

##### **On-site Visit**

- An initial and exit interview will be held with the Project Sponsor Representatives. A series of questions will be asked relating to the capacity of the organization, program effectiveness, contractual compliance and any recent changes that the organization has endured.
- MHC representative will review a sample of client files thoroughly to ensure eligibility compliance with all federal regulations. Incomplete files will be notated.
- Documents will be reviewed to verify that the organization is keeping appropriate and sufficient records. MHC reserves the right to have access to

any financial back-up documentation to determine whether unnecessary or unreasonable expenditures occurred.

- MHC HOPWA representative will review proper documentation on client's eligibility, rent restrictions, and disbursements.
- MHC HOPWA representative will review the environmental clearance will be verified to certify that the project sponsor is following federal and state regulations relative to environmental activities in federally assisted grants.
- The procurement process will be reviewed to check for compliance with federal and state guidelines relative to the procurement of supplies, equipment, construction, and services for federally assisted grants.
- On-site visits of a large project may continue to a desk monitoring.

#### **Desk Monitoring**

- MHC representative will review a sample of client files thoroughly to ensure eligibility compliance with all federal regulations. Incomplete files will be notated.
- Documents will be reviewed to verify that the organization is keeping appropriate and sufficient records. MHC reserves the right to have access to any financial back-up documentation to determine whether unnecessary or unreasonable expenditures occurred.
- MHC HOPWA representative will review proper documentation on client's eligibility, rent restrictions, and disbursements.
- MHC HOPWA representative will review the environmental clearance will be verified to certify that the project sponsor is following federal and state regulations relative to environmental activities in federally assisted grants.
- The procurement process will be reviewed to check for compliance with federal and state guidelines relative to the procurement of supplies, equipment, construction, and services for federally assisted grants.

#### **C. Monitoring Report**

- MHC will email or mail a Monitoring Review Results letter to the project sponsor after monitoring visit. The letter will include the strengths and weaknesses of the organization. Also, if there are any deficiencies that needs corrective action, it will be included in the letter. A deadline will be given to the project sponsor to clarify all deficiencies for compliance (i.e. a follow-up visit, written response, etc.). If there are no findings (deficiencies), a compliance letter will be emailed or mailed to the project sponsor.

#### **D. Notification:**

- After the completion of the monitoring, the project sponsor will receive written notification outlining the specific areas reviewed and providing next steps including:
    - Areas of review: Service, Management, Financial.
    - List of findings and/or concerns
    - Program rules connected to identified findings
    - Corrective Actions
    - The **Monitoring Risk Level** due for identified findings and/or concerns
    - The timeframe for addressing the deficiencies. Project sponsors typically will receive **10 to 30 calendar days** of receiving the notice to address deficiencies. MHC reserves the right to adjust the timeframe if necessary.
- E. Corrective Action:
- MHC will provide project sponsor with corrective action steps needed to respond to or resolve any finding or concerns. When responding to finding or concerns, the project sponsor may provide MHC with a **Corrective Action Plan (CAP)** within the stated timeframe. The CAP must detail the steps the project sponsor will take to resolve the identified issues and avoid recapture. For infractions at Risk Levels 1-4, a CAP must be submitted within **10 to 30 days** of notification. Failure to submit a CAP or failure to implement corrective actions may escalate the sponsor to a higher risk level.

#### HOPWA Monitoring Risk Level Policy

In accordance with **24 CFR Part 574** (HOPWA Program Regulations) and **2 CFR 200** (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards), Mississippi Home Corporation (MHC) implements a structured Monitoring Risk Level Policy post monitoring to ensure effective oversight of HOPWA project sponsors. This policy establishes five levels of risk, with increasing severity and required actions for each level.

#### Risk Level Criteria

##### **Level 1: Documentation Infractions**

Documentation infractions are minor record-keeping deficiencies that do not directly impact client eligibility, service delivery, or financial accountability but require correction to maintain compliance. Under regulations 24 CFR 574.530 and 2 CFR 200.302, examples include missing signature pages, or missing identification cards. In

response, MHC issues a written notice with corrective action requirements, followed by a review within 90 days to confirm compliance.

**Level 2: Eligibility Infractions**

Eligibility infractions involve errors or omissions in determining applicant or service eligibility, which could affect HUD compliance under 24 CFR 574.3 and 2 CFR 200.303. Examples include incorrect income verification or providing services to ineligible clients. MHC's response involves immediate correction, findings, re-evaluation of clients' files, mandatory staff training on eligibility requirements, and follow-up monitoring within 60 days to ensure corrective actions are in place.

**Level 3: Agency Capacity and Programmatic Capacity**

These infractions relate to an agency's overall ability to administer HOPWA programs, including staffing, infrastructure, and adherence to HUD requirements. Relevant regulations, such as 24 CFR 574.400 and 2 CFR 200.205, guide MHC in assessing an agency's capacity to manage HOPWA-funded activities effectively. Examples of infractions include inadequate staffing or failure to meet reporting requirements. Agencies must submit a Corrective Action Plan (CAP) and provide regular progress reports until issues are resolved, with quarterly follow-up monitoring by MHC.

**Level 4: Financial Infractions**

Financial infractions indicate mismanagement or improper documentation of HOPWA funds, potentially jeopardizing the program's financial integrity. Guided by regulations 24 CFR 574.630 and 2 CFR 200.302-305, infractions might include improper spending on ineligible services or failing to submit timely financial reports. MHC's response includes findings, conducting a financial audit, requiring corrective action, and potentially suspending disbursements until the agency demonstrates full compliance with financial controls. MHC performs a follow-up audit within 30 days to confirm corrective actions are in place. HUD may be notified.

**Level 5: Severe Infractions**

Severe infractions, including fraud, Fair Housing violations, or conflicts of interest, represent the highest level of risk, impacting the integrity and legality of the HOPWA program. These infractions, covered by regulations 24 CFR 574.625, 574.603, and 2 CFR 200.317-326, include cases of fraud, discriminatory practices, or financial conflicts of interest. In such cases, MHC halts all program activities and may notify HUD's Office of Inspector General. Additional consequences include permanent suspension, potential reallocation of funds, and referral to legal authorities if fraud is confirmed. Furthermore, grantees determined to be a Level 5 risk due to a monitoring review or investigation by MHC will be **suspended from applying for grant funds for one grant cycle** to ensure compliance and program integrity.

No response or if the project sponsor fails to complete all corrective actions in the time allotted, a letter will be sent detailing areas of non-compliance along with sanctions that will be taken (including possible funding decrease/recapture) if the situation is not corrected. No RFCs will be paid on any of the project sponsor's contracts until all findings have been corrected. Waiver of the "no RFC" policy may be considered on a case-by-case bases.

#### **Single Audits Monitoring**

Single Audits must be submitted to Mississippi Home Corporation according to the policy. If the Single Audit is not submitted by the deadline or if it includes unresolved findings, funding will be suspended, and the funded agency will be classified as High Risk. Funding will be restored, and the High Risk designation will be lifted once the Single Audit is submitted, and all findings are resolved.

#### **Risk Mitigation and Monitoring Process**

MHC conducts **Ongoing Compliance Reviews** through regular site visits, desk monitoring, and performance reviews. High-risk project sponsors are subject to more frequent monitoring, typically every 3 to 6 months, to ensure compliance.

For sponsors identified at higher risk levels, MHC provides **Technical Assistance and Training** focused on compliance, financial management, and eligibility documentation. These sessions are mandatory for project sponsors at Monitoring Risk Levels 3 and above to ensure that they understand and meet program requirements.

### HOPWA Recaptured Funds

In compliance with **CPD Notice 06-07** and in alignment with HUD regulations for the Housing Opportunities for Persons with AIDS (HOPWA) program, Mississippi Home Corporation (MHC) reserves the right to recapture HOPWA funds from project sponsors under specific circumstances. This policy outlines the grounds, process, and consequences for the recapture of funds to ensure the effective and compliant use of grant resources.

The Corporation may recapture funds previously awarded to a HOPWA project sponsor. Reasons for recapture of funds may include, but are not limited to monitoring results, suspect of waste, misuse, and abuse of funds, suspect of fraud, unfavorable audit report, unable to comply with policies or terms of the contract. The Corporation may reallocate any recaptured funds in any eligible category and reallocate them to any eligible project sponsor. Requests for supplemental funds will be considered on a case- by-case basis with funds granted only in those instances where the Corporation can readily determine that additional funding is justified. Grant award limits are not applicable when considering the allocation of these funds.

MHC may recapture funds previously awarded to a HOPWA project sponsor for reasons such as failure to satisfy timeliness of the implementation of the project, failure to comply with contractual conditions, unresolved monitoring, waste, misuse, or abuse of funds, fraud, unfavorable audit report that is not resolved, inability to comply with policies, or failure to complete project closeout. Recaptured or de-obligated HOPWA funds may be used to supplement Administration, supplement existing projects which may require additional funds, fund other eligible applicants, or fund HOPWA eligible activities.

#### Grounds for Recapture of Funds

MHC may recapture funds previously awarded to a project sponsor under any of the following conditions:

- **Failure to meet performance standards:** If the project sponsor fails to achieve the program's intended outcomes, including housing stability, supportive services delivery, or other measurable objectives, funds may be recaptured.
- **Non-compliance with program requirements:** Any violation of federal, state, or local HOPWA regulations, including 24 CFR Part 574, or MHC's contractual obligations and policies, may result in recapture.
- **Misuse or improper expenditure of funds:** If funds are used for ineligible activities or expenditures that are not allowable under HOPWA regulations, they may be subject to recapture.
- **Failure to maintain proper documentation:** Inadequate financial or programmatic record-keeping or failure to provide required documentation for monitoring or audit purposes.
- **Failure to comply with audit requirements:** If a project sponsor fails to submit timely audit reports or fails to address findings from audits or monitoring visits.

- **Suspension or discontinuation of program operations:** If a project sponsor suspends or discontinues HOPWA-funded operations or activities without approval from MHC.
- **Untimely expenditure of funds:** If the project sponsor does not meet timeliness requirements for obligating and expending HOPWA funds, as specified in CPD Notice 06-07.
- **Unresolved monitoring or audit findings:** Any unresolved findings from HUD, MHC, or other entities indicating that the project sponsor failed to comply with regulatory or contractual obligations may trigger recapture.
- **Breach of contract**

#### **De-Obligation or Termination of the Program Contract**

Based on the grounds for recapture or findings from monitoring results, MHC may **de-obligate and/or terminate an existing program contract** instead of requiring repayment. If the identified infraction does not incur a financial cost but instead pertains to a breach of contract, failure to meet performance standards, or other non-financial issues, MHC reserves the right to de-obligate any remaining grant funds and terminate the program contract. This ensures that funds are only allocated to programs that demonstrate full compliance with HOPWA requirements and contractual obligations.

Based on the grounds for recapture or findings from monitoring results, **MHC may require a repayment of funds expended.**

#### **Recapture Process**

MHC will follow a structured process for the recapture of funds, ensuring fairness and adherence to regulatory standards:

- **Monitoring and Review:** Project sponsors are subject to routine monitoring and auditing by MHC or HUD representatives. Please reference MHC's Monitoring System outlined in this policy for more information.
- **Notification:** If MHC identifies deficiencies or grounds for recapture, the project sponsor will receive written notification outlining the specific issues, including:
  - The amount of funds subject to recapture.
  - The reason for the recapture, citing specific regulations, program goals, or contract terms violated.
- **Repayment Terms:** Project sponsors must return recaptured funds to MHC or HUD within **30 days** of the final determination, unless otherwise specified. Repayment may be made through a direct financial return of funds or by withholding future RFC disbursements from HOPWA until the recapture amount is satisfied.

**Appeals Process**

Project sponsors have the right to appeal any recapture decision. The appeal must be submitted in writing within **15 calendar days** of the final determination of recapture.

The appeal should include:

- A detailed explanation of why the project sponsor believes the recapture or de-obligation is unwarranted.
- Any supporting documentation or evidence that disputes the findings.

MHC will review the appeal and issue a written response within **30 to 60 calendar days**. The decision rendered after the appeal process is final.

**Reallocation of Recaptured Funds**

Funds recaptured by MHC will be reallocated to address urgent needs of existing HOPWA clients, support new or ongoing projects in alignment with HOPWA goals, or cover administrative costs associated with the recapture and reallocation process.

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**AUDITS**

The Federal Office of Management and Budget (OMB) Circular 2 CFR 200.501 requires that a state, local government or non-profit organization expending \$1,000,000 or more a year in total cumulative Federal funds must have a Single Audit made in accordance with the Single Audit Act. This audit report must be submitted and received by the Federal clearinghouse designated by OMB and the Federal awarding agency or pass-through entity, within 30 days of its completion, but **no later than nine months following the end of the grant recipient's fiscal year in which the Federal funds were expended. If the financial audit was started but not completed within nine months of the subrecipient fiscal year, MHC may extend their audit submission time on a case-by-case basis.**

If a Single Audit is required, and any of the funds expended were received through MHC requires that a copy of the Single Audit report must be submitted and received by the HOPWA staff **no later than nine months to one year following the end of the grant recipient's fiscal year in which the Federal funds were expended.**

If a Single Audit is **not** required, (and any of the funds expended were received through MHC), MHC requires that an acceptable IRS Form 990 (for that year) be submitted and received by the HOPWA staff. It must be received in 30 days, or **no later than nine months following the end of the grant recipient's fiscal year/calendar year which the Federal funds were expended**, but no sooner than the end of the same fiscal year/calendar year. Single Audit exempt agencies may submit a IRS Form 8868 to verify extension for 990.

If the Single Audit is not submitted by the deadline or if it includes unresolved findings, funding will be suspended, and the funded agency will be classified as High-Risk. Funding will be restored, and the High-Risk designation will be lifted once the Single Audit is submitted, and all findings are resolved.

The Single Audit, or IRS Form 990 does not exclude the grant recipient from any other requirements of audits or financial statements as requested by MHC or any other Agency or Authority.

Audits should be mailed or emailed to:

[Tmara.stewart@mshc.com](mailto:Tmara.stewart@mshc.com)

[Fredrick.davis@mshc.com](mailto:Fredrick.davis@mshc.com)

Mississippi Home Corporation  
735 Riverside Drive  
Jackson, MS 39202

Project sponsors with an unfavorable accounting audit may be given an opportunity to resolve the findings in the report. Additionally, MHC may suspend, or recapture project funds based on the type of audit findings and whether the identified issues can be resolved.

**REIMBURSEMENT POLICY**

The MHC staff shall process Requests for Cash/Consolidated Support Sheets and forward the documents to the MHC Finance Department within 30 days of a **correctly submitted** Request for Cash.

In the event of questions, errors, or discrepancies regarding submitted document(s), MHC staff shall contact the designated Project Sponsor financial officer to discuss the issue. **MHC staff will not make any corrections or other changes to the Request for Cash and/or Consolidated Support Sheets. It is the Project Sponsor's responsibility to submit a true and correct document.**

All Requests for Cash/Consolidated Support Sheets submitted by the sub-recipient shall be maintained by both the HOPWA staff and the Finance Department of the MHC.

1. The Request for Cash shall always be accompanied by the Consolidated Support Sheet and invoices to support all costs.
2. At least one Request for Cash must be submitted **monthly**. You may submit more than one RFC, but you must submit AT LEAST one month.
3. Costs eligible for reimbursement must be incurred during the contract period unless stated otherwise within the approved contract.
4. The Project Sponsor is responsible for providing a Monthly Report. This will include beneficiaries and financial reporting. Failure to submit these documents monthly will result in a delay of processing the Request for Cash.
5. Subrecipients must comply with policies and procedures for submitting the annual CAPER. HMIS and other (confidential) approved databases/systems may be used for CAPER reports. All HOPWA Project Sponsors must submit the report to MHC by July 15th of each reporting year. Reporting periods run from July 1 through June 30th of the subsequent year.
6. Request for reimbursement over 60 days will not be accepted.
7. Agencies must submit all RFC by 15th of each month. If the 15th falls on a weekend, the RFC must be submitted the following business day.
8. Agencies are required to submit verification of payment to vendors identified on the RFC.
  - a. For example, checks or bank statements.
9. Reimbursement Requirements/Policy must be followed in its entirety for reimbursement to be approved.

## Administrative Agency and Project Sponsor Roles and Responsibilities

### Project Sponsor Roles and Responsibilities

Project sponsors must comply with all applicable state and federal policies, standards, and guidelines as specified in the contract and is responsible for ensuring efficient, effective, and proper implementation of the HOPWA program in its geographic area of responsibility.

Project Sponsors must properly manage HOPWA funds in compliance with MHC and HUD regulations. Local HOPWA policies should be developed as needed and these policies may address, but are not limited to, issues surrounding moving clients into the Housing Choice Voucher Program (Section 8) or other affordable housing programs, setting financial caps for STRMU, charging to appropriate contracts (costs incurred in one contract year cannot be paid with funds from a different contract year), and setting stricter eligibility requirements beyond standard guidelines. Additionally, Project Sponsors' administrative costs shall not exceed seven (7) percent of the amount of funds received by the Project Sponsor.

Project Sponsors should have policies in place that identify and handle potential conflicts of interest on the part of board members, staff person, and other representatives of the organization, such as volunteers.

Beginning in fiscal year (FY) 2012, HUD required as a condition of funding that Grantees ensure that each project sponsor agrees to either obtain a certificate of completion of HOPWA Financial Management Online Training by at least one of its employees, or to demonstrate financial management capacity by the use of other credentials related to Federal requirements at Title 24, Code of Federal Regulations (CFR), Part 85.20, as specified in a HUD-approved plan. To ensure compliance, MHC will require that at least one employee of each Contractor or sub-recipient has completed the online Financial Training. The HOPWA applicant must submit a copy of the certificate of completion during the application process.

**Currently, HUD's HOPWA Financial Management Online Training Course is NOT AVAILABLE.**

### Organizational Policies and Procedures

Written policies must be developed to address the following issues:

- HIV diagnosis documentation
- Housing Quality Standards
- Supportive Services and Case Management Activities
- Client rent

- Termination of Assistance
- Nondiscrimination and Equal Opportunity Requirements
- Records and Reports
- Determining Eligibility to clients and scope of services to be provided
- Memorandum of Understanding with housing and supportive service providers
- Conflict of Interest
- Confidentiality and Personal Identifying Information (PII)
  - Staff must complete PII training.

### **1. Administrative Agency Roles and Responsibilities**

- A.** Must comply with all federal and state regulations, policies, standards, and guidelines as specified in the contract and this manual.
- B.** Must confirm that Project Sponsors manage program funds in compliance with HUD and MHC regulations.
- C.** Must assure that Project Sponsor administrative costs, including non-service and indirect costs, do not exceed seven percent of each Project Sponsor's total program allocation.
- D.** Must ensure that Project Sponsors implement the program efficiently, effectively, and properly in the target area(s).
- E.** Must collaborate with Project Sponsors to develop local program policies as needed. Local policies:
  - i.** Should not conflict with federal and state regulations, policies, standards, and guidelines; and
  - ii.** May address, but are not limited to, issues related to transitioning assisted households into the Housing Choice Voucher (HCV) Program or other affordable housing programs, establishing alternate STRMU Caps, and applying stricter program eligibility or service requirements beyond basic regulations. Project Sponsors may consult with local housing experts for policy development.
- F.** Must safeguard against conflicts of interest. In addition to the conflict of interest requirements in 2 CFR §200.317 (for recipients and subrecipients that are States) and 2 CFR §200.318 through §200.326 (for recipients and subrecipients that are not States), no person who is an employee, agent, consultant, officer, or elected or appointed official of the Administrative Agency and who exercises or has exercised any functions or responsibilities with respect to assisted activities, or who is in a position to participate in a decision making process or gain inside information with regard to such

activities, may obtain a financial interest or benefit from the activity, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for themselves or for those with whom they have family or business ties, during their tenure or for one year thereafter. Administrative Agencies should have policies in place that identify and handle real or potential conflicts of interest on the part of board members, staff persons, and other representatives of the organization, such as volunteers. HUD requires such a policy, which are often part of an organization's "code of conduct" for board, staff, and volunteers. It is advisable to have a copy signed by all members listed above on an annual basis.

## **2. Project Sponsor Roles and Responsibilities**

- A.** Project Sponsors must comply with all federal and state regulations, policies, standards, and guidelines as specified in the subcontract and this manual.
- B.** Project Sponsors must manage program funds in compliance with HUD and MHC regulations and charge costs to the appropriate contract (costs incurred in one contract year cannot be paid with funds from a different contract year). Current and historical spending data should be used for service planning purposes.
- C.** Project Sponsors must ensure administrative costs, including non-service and indirect costs, do not exceed seven percent of their total program allocation.
- D.** Project Sponsors must implement the program efficiently, effectively, and properly in their target areas.
- E.** Project Sponsors must collaborate with the Administrative Agency to develop local program policies as needed.
- F.** Project Sponsors must file Internal Revenue Service (IRS) Form 1099 for TBRA, STRMU, FBHA, and PHP rent payments to individuals and partnerships. If a Project Sponsor makes rent payments of \$600.00 or more to property owners in any calendar year, then they must report this to the IRS on form 1099-MISC, Box 1, "Rents" (Revenue Rule 88-53). To comply with this requirement, Project Sponsors must obtain the taxpayer identification number (TIN), social security number (SSN), or employer identification number (EIN) of all entities to which it will make rent payments. To accomplish this, Project Sponsors must issue IRS Form W-9 to all property owners. Form W-9 must be completed and returned to the Project Sponsor before any rent payments are made. Form 1099-MISC must be completed and issued to each "person" who has been paid \$600.00 or more in rent every calendar year. Persons include individuals and partnerships. Form 1099-MISC must be issued to the property

owner by January 31st and submitted to IRS no later than February 28th. Form 1099-MISC does not need to be issued to corporations or utility vendors. Copies of IRS Forms W-9 and 1099-MISC as well as detailed instructions on their completion can be obtained from the IRS [website](#).

NOTE: MHC Project Sponsors cannot pay clients directly.

- G.** Project Sponsors must safeguard against conflicts of interest. In addition to the conflict of interest requirements in 2 CFR §200.317 (for recipients and subrecipients that are States) and 2 CFR §200.318 through §200.326 (for recipients and subrecipients that are not States), no person who is an employee, agent, consultant, officer, or elected or appointed official of the Project Sponsor and who exercises or has exercised any functions or responsibilities with respect to assisted activities, or who is in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for themselves or for those with whom they have family or business ties, during their tenure or for one year thereafter. Project Sponsors should have policies in place that identify and handle real or potential conflicts of interest on the part of board members, staff persons, and other representatives of the organization, such as volunteers. HUD requires such a policy, which are often part of an organization's "code of conduct" for board, staff, and volunteers. It is advisable to have a copy signed by all members listed above on an annual basis. If it is found that a conflict of interest has occurred, the grant recipient may be required to repay program funds, using non-federal funds. Failure to repay the funds may result in termination of participation in any future HUD funded programs. **There will be no exceptions to this guidance granted by MHC.**
- H.** Project Sponsors cannot charge households with any fees other than rent.
- I.** Project Sponsors cannot acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct property for a project under §574, or commit or expend HUD or local funds for such eligible activities under §574, until the responsible entity (as defined in §58.2) has completed the environmental review procedures required by §58 and the Request for Release of Funds (RROF) and Certification have been approved. HUD will not release grant funds if MHC commits grant funds (i.e., incurs any costs or expenditures to be paid or reimbursed with such funds) before a Project Sponsor submits and HUD approves its RROF (where such submission is required). Project Sponsors must supply all available, relevant information necessary for the responsible entity to perform for each property any environmental review

required by §574.510.

Project Sponsors must also carry out mitigating measures required by the responsible entity or select alternate eligible property.

**NOTE:** Project Sponsors must consult with the MHC to identify all environmental compliance actions for each proposed activity.

## Confidentiality

### **1. Ensure Confidentiality**

Per 24 CFR §574.440, AAs and Project Sponsors must ensure the confidentiality of all records by developing a comprehensive local program policy for confidentiality and consistently following the procedures. The policy must define confidential data and protected health information (PHI), describe how confidentiality is maintained, and outline breach procedures, notification requirements, mitigation activities, sanction levels, and requirements for duty to warn or report. The policy must designate a staff member as responsible for privacy and security (e.g. Privacy or Security Officer, Overall Responsible Party [ORP] or Local Responsible Party [LRP], Privacy Liaison, etc.). The policy should explain measures the AA and Project Sponsor take to prevent unintentional disclosures, such as via agency logos or other identifying information on checks, letters, notifications, forms, envelopes, etc. that could imply a household member is living with HIV. For example, this could be accomplished by establishing a housing assistance checking account using a neutral account name such as "Housing Fund" or "Assistance Fund."

Confidentiality of all records is required. Project Sponsors are required to have a written confidentiality policy and assure confidentiality of client name, information, and records. All information obtained in connection with the examination, care, or services provided to any client shall not be disclosed without the client's signed consent. There may be exceptions to client disclosure as required by law. Particular care must be taken to assure confidentiality by having the Project Sponsor's correspondence, envelopes, and checks to landlords, utilities, etc., not reveal that the client is receiving assistance due to HIV/AIDS. Confidentiality requirements are set forth under the HUD regulations, 24 CFR 574.440.

Project Sponsor must only release or provide access to information of a client's HIV/AIDS status or other related client eligibility documentation to qualified

individuals who determine eligibility or provide support, or who oversee the provision of HOPWA assistance. Files must have a release of information form.

## **2. Consent to Release and/or Obtain Confidential Information**

Prior to exchanging information with any other agency or entity, Project Sponsors must first secure a release of information from the client. There may be exceptions to client disclosure as required by law. **Consent to Release and/or Obtain Confidential Information** must be completed and signed by the client identifying specific individuals or organizations to which confidential information may be disclosed and must be resigned annually. In the absence of specific written authorization, information identifying an individual's HIV status may not be disclosed by the Project Sponsor to any individual or organization.

Project sponsors must only release or provide access to applicants identifying medical information including information related to HIV/AIDS status or other related information.

This does not include nonidentifying secondhand data which is used for reporting including CAPER reports. For example, the total number of individuals that qualify and received assistance in MHC coverage area.

## Program Accessibility

### Application Office Location

Project Sponsors should have an easily accessible location(s) where households can apply for assistance.

### Providing Information About Housing Assistance

Ryan White and State Services applicants should be informed of housing assistance services during intake, and existing clients should be informed during routine medical, psychosocial, or other appointments. Whenever possible, Ryan White and Project Sponsors should work assess the housing needs of all clients. When a household requests housing assistance, the housing case manager should inform them of the program. At minimum, the information should include:

- HOPWA housing assistance available;
- The application process;
- Documentation needed to determine program eligibility and qualifications for specific program services;
- Current waitlist and priority populations, if applicable; and
- Potential interview dates and times.

### Methods of Taking Applications

Project Sponsors can schedule appointments specifically for program applications. Applications can be completed during intake or routine appointments. To accommodate the needs of various households and assure proper use of staff resources, the Project Sponsor should offer the following options of taking applications:

#### **A. Regular Office Interviews**

The majority of interested households should be able to apply for the program during a Project Sponsor's regular business hours.

#### **B. Special Office Interviews**

If an interested household is unable to apply for the program during regular business hours, then a Project Sponsor should arrange an off-hour interview.

#### **C. Home Visit Interviews**

If, for whatever reason, an interested household is unable to interview at a Project Sponsor's application office, then the Project Sponsor should arrange an interview at the household's current residence or other agreed location.

The Project Sponsor should explore other housing assistance options that may be available to the applicant before utilizing HOPWA assistance and document any referrals and efforts to access other resources.

### Information Sharing

Project Sponsors must share program information and eligibility criteria routinely with other HIV prevention and care agencies and local housing authorities in their local service area(s). To accomplish this, Project Sponsors could post program information on their

websites and social media platforms or distribute program information via pamphlets, fliers, and/or email lists. Project Sponsors must document how they share program information each program year.

## **Fair Housing, Nondiscrimination, and Equal Opportunity**

### **1. Fair Housing Act**

The Fair Housing Act protects people from discrimination when they are renting, buying, or securing financing for any housing. The prohibitions specifically cover discrimination because of race, color, religion, sex, age, national origin, familial status, or disability. It is unlawful to discriminate in any aspect of selling or renting housing or to deny a dwelling to a buyer or renter because of the disability of that individual, an individual associated with the buyer or renter, or an individual who intends to live in the residence. Other covered activities include zoning practices, new construction design, and advertising. For more information about the Fair Housing Act, visit HUD's Office of Fair Housing and Equal Opportunity [website](#). For fair housing outreach and marketing tools, visit HUD's Fair Housing Marketing website. To file a fair housing complaint with HUD, visit HUD's File a Complaint website.

### **2. Affirmatively Furthering Fair Housing**

Affirmatively Furthering Fair Housing (AFFH) is a legal requirement that federal grantees and project sponsors further the purposes of the Fair Housing Act. MHC supports Project Sponsors in their efforts to take meaningful actions that overcome historic patterns of segregation, promote fair housing choice, and foster inclusive communities that are free from discrimination. As provided in the final rule, AFFH means "taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws. The duty to affirmatively further fair housing extends to all of a program participant's activities and programs relating to housing and urban development." AAs and Project Sponsors must report efforts to Affirmatively Further Fair Housing in their Semi-Annual and Year-End Program Progress Reports (PPRs).

### **3. Americans with Disabilities Act**

Per 24 CFR §574.603(a)(1), MHC and Project Sponsors must comply with the applicable provisions of the Americans with Disabilities Act (42 USC 12101-12213) and implementing

regulations at 28 CFR §35 (States and local government grantees) and §36 (public accommodations and requirements for certain types of short-term housing assistance).

**4. Affirmative Outreach**

Per 24 CFR §574.603(b), Project Sponsors must develop local program policies to ensure that all persons who qualify for the assistance, regardless of their race, color, religion, sex, age, national origin, familial status, or disability, know of the availability of the HOPWA program, including facilities and services accessible to persons with a disability, and maintain evidence of implementation of the procedures.

**5. Reasonable Accommodations**

One type of disability discrimination prohibited by the Fair Housing Act is the refusal to make reasonable accommodations in rules, policies, practices, or services when such accommodations may be necessary to afford a person with a disability the equal opportunity to use and enjoy a dwelling. The Act requires owners of housing facilities to make reasonable exceptions in their policies and operations to afford people with disabilities equal housing opportunities. For example, an owner with a "no pets" policy may be required to grant an exception to this rule and allow a household member who is blind to keep a guide dog in the residence. The Act also requires owners to allow tenants with disabilities to make reasonable access-related modifications to their private living space, as well as to common use spaces. The Act further requires that new multifamily housing with four or more units be designed and built to allow access for persons with disabilities. This includes accessible common use areas, doors that are wide enough for wheelchairs, kitchens and bathrooms that allow a person using a wheelchair to maneuver, and other adaptable features within the units.

## Program Eligibility

### 1. Program Eligibility Criteria

Project Sponsors are responsible for determining the eligibility of households that apply for the program. In shared housing arrangements where two or more unrelated households live together, Project Sponsors should assess the eligibility of only the applicant household, not the eligibility of the other households. Households must meet the following criteria to be eligible for the MHC HOPWA Program:

- A. At least one household member must be living with HIV (24 CFR §574.3);
- B. Household annual gross income cannot exceed 80 percent of area median income per the household's county of residence (24 CFR §574.3); and
- C. The household must reside in the Project Sponsor's target service area (MHC requirement).

Subrecipient use a system approved by the Feder government to verify the benefits are not provided to an ineligible alien who entered the United States illegally or is other wise unlawfully present in the United States.

#### SAVE

Subrecipients and Grantee must use SAVE, or an equivalent verification system approved by the Federal government, to prevent any Federal public benefit from being provided to an ineligible alien who entered the United States illegally or is otherwise unlawfully present in the United States.

### 2. Program Eligibility Confirmation and Documentation Requirements

Before applicant households are enrolled in the program, Project Sponsors must confirm their eligibility by obtaining complete and acceptable eligibility documentation.

Eligibility documentation must be maintained in the household's file. Project Sponsors must notify households of their program eligibility (eligible or ineligible). Eligibility for participation in the program shall be confirmed by obtaining:

#### A. **Proof of HIV seropositivity for at least one household member**

*(Documentation must predate the initial eligibility certification date.)*

There are a number of different ways to document that a person is living with HIV. Proof of HIV may be found in laboratory test results or other forms of documentation that bear the client's name. Examples of acceptable forms of eligibility documentation are provided below. This is not a complete list.

**NOTE:** HIV testing technology changes rapidly and standards for HIV confirmation continue to evolve. Project Sponsors must stay informed of advances as newer tests may also provide proof of HIV.

- i. Positive result from HIV screening test (Multi-Spot, HIV 1/2 Combo Ab/Ag Enzyme Immunoassay [EIA]);

- ii. Positive result from an HIV 1 RNA qualitative virologic test such as a HIV 1 Nucleic Acid Amplification Test (NAAT);
- iii. Detectable quantity from an HIV 1 RNA quantitative virologic test (e.g. viral load test);
- iv. Report of detectable HIV “viral load” that includes the name of the client;
- v. A signed statement from a physician, physician’s assistant, advanced practice nurse, or registered nurse attesting to the HIV-positive status of the person;
- vi. A completed THMP Medical Certification Form signed by the physician; or
- vii. A hospital discharge summary documenting that a person is living with HIV.

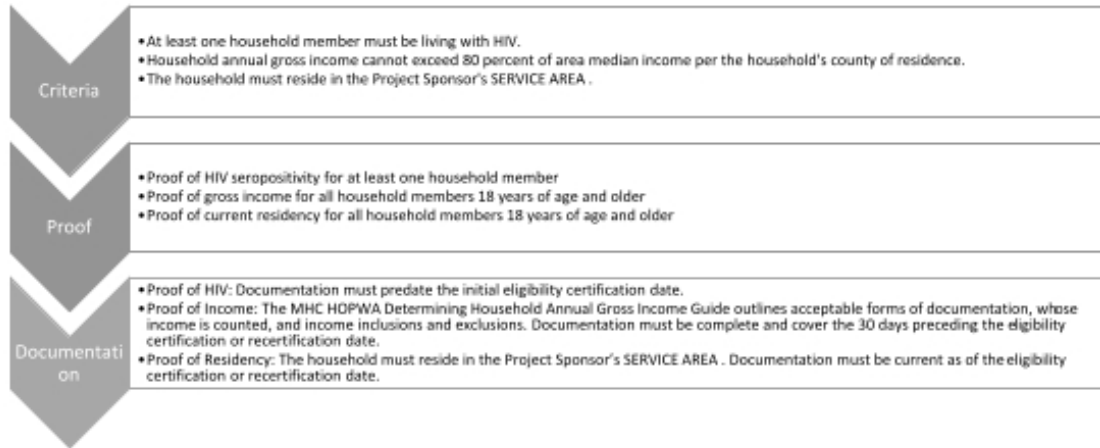
Client records from a client’s previous service provider may be used for the purpose of confirming the client’s program eligibility if those records contain one of the forms of proof listed above.

**B. Proof of gross income for all household members 18 years of age and older**

- i. Per 24 CFR §5.609, income includes, but is not limited to:
  - a. Gross wages, salaries, overtime pay, commissions, fees, tips, bonuses, and other compensation for personal services
  - b. Net income from operation of a business or from rental or real personal property
  - c. Interest, dividends and other net income of any kind for real personal property
  - d. Full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts except as provided in line 14 of Annual Income Exclusions
  - e. Payments in lieu of earnings, such as unemployment and disability compensation, worker’s compensation and severance pay except as provided in line 3 of Annual Income Exclusions
  - f. Temporary Assistance for Needy Families (TANF), including amounts designated for shelter and utilities
  - g. Alimony, child support payments, and regular contributions from organizations or from persons not residing in the dwelling



housing assistance payments. Households must receive services in the service area in which they reside per their proof of residency. However, MHC may make exceptions on a case-by-case basis, if justified and with advance written approval from MHC.



**3. Annual and Interim Program Eligibility Recertifications**

**A. Annual Eligibility Recertifications**

After an initial eligibility certification, household program eligibility must be recertified annually (every 12 months) at minimum so that housing assistance and supportive services may continue. For annual eligibility recertifications, households must provide proof of gross income and current residency per the Program Eligibility Confirmation and Documentation Requirements above. Also, all Program Enrollment and applicable Service forms must be completed again.

**B. Interim Eligibility Recertifications**

Household program eligibility must be recertified if household eligibility factors have changed during an annual eligibility period. Project Sponsors must complete the *Recertification Worksheet* if household income, residency, and/or composition have changed and the household will remain in the program. *Recertification Worksheet* provides instructions for documenting the changes, describes how the changes affect household program eligibility, and notes which program forms must be updated and attached as a result of the changes. A change in household income, residency, or composition may affect other program eligibility criteria and rental assistance components. Project Sponsors must follow

the instructions on the Recertification Worksheet carefully to ensure proper documentation all possible changes.

- i. *Change in Household Income.* The MHC HOPWA Program defines a change in income as \$200.00 or more per month to align with HUD's Occupancy Requirements of Subsidized Multifamily Housing Programs, (see Chapter 7: Recertification, Unit Transfers, and Gross Rent Changes, Section 2: Interim Recertification). Nonetheless, households may request an interim recertification for a change in income of any amount at any time during an annual eligibility period. Attach documentation of the change in income to the Recertification Worksheet (documentation must be complete and cover the 30 days preceding the interim recertification date). If household annual gross income exceeds 80 percent of AMI, the household is no longer eligible for the program.
- ii. *Change in Household Residency.* Attach documentation of the change in residency (documentation must be current as of the interim recertification date). If the household is outside of the Project Sponsor's service area, program services will end immediately and the household may seek services from the HOPWA provider in their new service area. If household annual gross income exceeds 80 percent of AMI, the household is no longer eligible for the program. Complete and attach the Rent Standard and Rent Reasonableness Certification and Rental Assistance Worksheet for TBRA or Maser-Leased households and the Household Income Eligibility Worksheet and Housing Quality Standards Certification forms for all households.

*Change in Household Composition.* Attach eligibility documents for all new household members 18 years of age and older to the Interim Recertification Worksheet. If the household does not include a household member living with HIV, the household is no longer eligible for the program unless the household qualifies for the Project Sponsor's grace period. If household annual gross income exceeds 80 percent of AMI, the household is no longer eligible for the program.

Eligible activities are those named in current HUD regulations (24 CFR 574.300) for the HOPWA Program that include but are not limited to the following: housing, housing or fair housing information, acquisition, rehabilitation, limited new construction, rental assistance (including shared housing), homeless prevention, supportive services (to include services, mental health, assessment, drug and alcohol, day care, personal assistance, nutritional services, job training and placement assistance etc.), general case management, housing operating subsidies, and technical assistance.

### **Short- Term Rent, Mortgage, and Utilities (STRMU) Program**

STRMU is a preventive housing intervention intended to reduce the risk of homelessness and is intended for use in conjunction with other HOPWA efforts to stabilize assisted persons. STRMU payments are for eligible individuals and their household family members who are already in housing and who are at risk of losing that housing. STRMU should not be used to assist a client with locating a housing unit or with other move-in support, as the household should already have a housing arrangement.

#### **Eligible Applicants for STRMU**

Households applying for STRMU must meet HOPWA eligibility. Additionally, eligible households must:

- F. Have a legal residency in the identified housing and/or be responsible for payments; **and**
- G. Household must demonstrate need for the assistance.
- H. If the eligible HOPWA applicant is a minor, there must be documentation from the adult in the household of legal guardianship of that eligible minor. The eligible minor must reside in the house at least 51% of the time.

#### **Eligible Housing Status for STRMU**

Housing Status	Allowable Housing Status Type
Own Home	Yes
Own Apartment	Yes
Mobile Home (Manufactured housing)**	Yes
Shared Living**	Yes
Motel/Hotel	No
Emergency Shelter	No
Living with Adult Family Member -	Entire household is assisted: All household income is included, entire household meets low income eligibility and STRMU evidence of need
	Household member is renting a unit/room from an adult family member and a "reasonable accommodation" is determined necessary for the client

\*\*Mobile Homes- To qualify for HOPWA STRMU assistance the mobile home must be attached to the ground, connected to utilities, and meet local housing guidelines. Space rental cost in a mobile home park can be eligible. If the mobile home is not attached to the ground, it is considered personal property and is not eligible.

\*\*Shared Living- If the HOPWA applicant is in a documented shared living situation, only the assisted individual income will be used for assessment calculations.

**Evidence of Need**

STRMU assistance is needs-based and is intended for use during a financial crisis due to HIV/AIDS health condition or change in economic circumstances. To qualify for STRMU, sub-recipient must document evidence of need which must demonstrate lack of resources to meet:

- Rent cost.
- Mortgage cost
- Utility cost

...and without STRMU, the household will be at risk of homelessness.

Acceptable documentation used to establish need may include:

- Documented review of all household bills
- Documented review of Bank Statements- showing limited resources available.
- Documented review of income along with review of household bills and limited resources available.
- Household budget review and assessment
- Current, past and ongoing financial situation, status of employment or benefits and HIV/AIDS health-related conditions

\*\*Default and late payment notice are not a requirement but can be used to demonstrate evidence of need.

**Eligible Use of STRMU Funds**

STRMU Assistance	Criteria	Evidence	Eligible Payments
Rental Assistance	Legal right to reside in the unit, and responsibility for rent payment	Evidence includes a lease naming the tenant as the leaseholder or an eligible household occupant, or a default/late payment notice that identifies the eligible person or a resident member of the family as a named tenant under the lease.	Rent
Mortgage	Must demonstrate resident owner of mortgaged real property	Evidence of ownership includes a deed accompanied by a mortgage or a deed of trust; a mortgage or deed of trust default/late payment notice which identifies the eligible person or a resident member of the family as the property owner/debtor; or, a valid, currently-dated title insurance policy identifying the eligible person or a resident member of the family as the property owner/debtor	Mortgage Property Taxes, condo fees, homeowners insurance included in the mortgage payment
Utility	Must reside in the unit legally, and responsibility for utility payment	Evidence includes a utility account in their name or proof of responsibility to make utility payments, such as cancelled checks, money orders, or receipts in their name from a utility company	Utilities – NOT internet, cable, or phone service

\*\*Utility accounts are not required to be in the qualified applicant’s name.

**STRMU Habitability Standards**

A visual assessment is not required for STRMU; however, subrecipients are required to work with the household to verify that the housing is habitable and that the household is not living in

substandard housing.

**STRMU Lead Based Paint**

HUD has six requirements regarding Lead Based Paint:

1. Provision of HUD’s lead based paint pamphlet
2. If there is lead pain in the unit, a disclosure notice must be provide to occupants
3. If the lead based paint screening triggers an visual assessment, then a visual assessment must be completed
4. Paint stabilization (if applicable)– chipped and powered paint
5. Ongoing lead-based paint maintenance (if applicable)
6. Response to a child with elevated blood lead levels.

Does Apply...if	Does NOT Apply...if
<ul style="list-style-type: none"> <li>• STRMU assistance will continue more than 100 consecutive days;</li> <li>• Housing was built before 1978; and</li> <li>• Household has members who are pregnant or are children under the age of six</li> </ul>	<ul style="list-style-type: none"> <li>• STRMU assistance will continue 100 or fewer consecutive days;</li> <li>• Assisted unit is a zero-bedroom unit;</li> <li>• Household does not have members who are pregnant or are children under the age of six; or</li> <li>• Housing was built in 1978 or after</li> </ul>

**Eligible STRMU Assistance Time Limits**

The goal of STRMU assistance under the HOPWA program is to provide short-term interventions that help maintain stable living environments for households who are experiencing a financial crisis as a result of issues arising from their HIV/AIDS condition or changes in economic circumstances. STRMU assistance is a type of prevention that is intended to reduce the risks of homelessness, and, along with other HOPWA efforts, to improve access to health care and other needed support. This can be done by the creation and use of individual housing service plans that include an assessment of current resources and establish long-term goals for recipient households along with access to other support, where needed. STRMU can be used in conjunction with other HOPWA programs like STRMU and PHP to improve housing stability. Whenever possible, households are encouraged to contribute financially towards their housing stability.

**Limit of 21 Weeks.** STRMU assistance may not be provided for costs accruing over a period of more than 21 weeks in any 52-week period. Therefore, program staff are required to examine the periods of time covered by rental, mortgage, and utility bills to ensure that payments are not made in excess of amounts incurred over 21 weeks.

All STRMU costs may be equated to the actual calendar days of assistance provided; however, HOPWA allows other acceptable methods for equating and tracking the “benefits

period” as most costs relate to monthly billing cycles for rent, mortgage or utility payments. Once a project sponsor selects the method it intends to use for calculating the maximum allowable period of benefits, the project sponsor must use that particular method for every applicant served. The purpose of allowing these three methods is to help project sponsors establish clear procedures for tracking the application of this 21 -week limit on such monthly costs.

The three standard methods are as follows:

- (1) **CALENDAR DAYS OF ASSISTANCE.** This method would be equal to the actual days for which housing and/or utility payments are made on behalf of the client household. The limit of 21 weeks is equated to 147 days of assistance in the year.
- (2) **ROUNDING A MONTH TO FOUR WEEKS.** This method rounds each month to four weeks, allowing for up to 21 weeks in the benefits period. Rental and mortgage costs generally cover a calendar month period consisting of slightly more than four full weeks. This method allows for 5 months and one week of assistance as the limit, regardless of the number of days in those months.
- (3) **COUNTING FULL AND PARTIAL WEEKS.** This method tracks twenty-one weeks of assistance based on 52 weeks per year, divided by 12 months, rounded to 4.3 weeks per month. A full month’s rent would be tracked as 4.3 weeks; 75% of a month’s rent would be tracked at 3.2 weeks, 50% of a month’s rent would be tracked as 2.2 weeks, and 25% of a month’s rent would be tracked at 1.1 weeks of assistance.

#### **STRMU Assistance Start Date**

The eligible STRMU period **for all project sponsors funded by MHC’s HOPWA program begins on the date that the STRMU assistance is first provided.** Therefore, the eligible STRMU period for a household would end 52 weeks after the first STRMU benefit started accruing. At the end of this 52-week period, the next eligible STRMU period would begin for that household. For example, the eligible STRMU period for a household that receives STRMU rent and utility assistance on April 1 for rent due on April 1 and a current utility bill due April 5, would begin on April 1 and end on March 31 of the following year. If that same household also had a utility bill in arrears for a period time prior to April 1, the eligible STRMU period begins on the earliest date that the assistance covers.

The chart below is intended to clarify how STRMU payments and other HOPWA eligible housing activities can be used to help households achieve more stable housing arrangements. Rows 1-6 are eligible housing activities under HOPWA-funded programs. Short-term rent,

mortgage and utility payments to prevent homelessness of eligible persons is listed in column A, and other related HOPWA eligible activities in columns B-E.

<b>Eligible HOPWA Activity (right) and type of</b>	<b>A. Short-term Rent, Mortgage and Utility</b>	<b>B. Tenant-based Rental Assistance</b>	<b>C. Housing Information Services</b>	<b>D. Permanent Housing (PH) Placement as a Supportive Service</b>	<b>E. Housing Case Management as a</b>
<b>1. Rent payments (for households with a lease)</b>	Yes, if within 21 week limit	Yes, if done with inspections for Housing Quality Standards and with resident rent	No	No	No
<b>2. Mortgage payments (but not down-payment support for new units)</b>	Yes, if within 21 week limit (for costs within the mortgage)	No	No, but can be related support through information on homeownership programs	No	No
<b>3. First month's rent and security deposits; credit checks</b>	No	No	No	Yes, for reasonable costs to move persons to permanent housing, not to exceed 2 months of rent costs, including security deposits and fees for	No
<b>4. Utility payments (gas, electric, water)</b>	Yes, if within 21 week limit	Yes, if part of the rental payment	No	Yes, but only for one-time utility hookup and processing costs	No
<b>5. Information and/or support to locate and apply for housing assistance</b>	No	No	Yes, for costs for providing information and materials that inform clients of available housing	Yes, as support and help to complete PH applications, and eligibility screenings for tenancy or utilities for these units	Yes, such as counseling and help to develop a housing service plan to establish
<b>6. Move-in support, such as supplies, furnishings, incidental costs, and minor</b>	No	No	No	No, however programs may coordinate with leveraged resources and donations for these	No
<b>7. Other elements</b>	No	No	No	Life skills and housing counseling on unit cleaning, maintenance and household budgeting	Help to access other benefits, such as health-care and other supportive services

**STRMU Rental Caps**

To manage short-term assistance, grantees may set program-based limits ('caps') on the amount of assistance that may be provided to each household. MHC (grantee) has not established STRMU rental caps. Project sponsors may establish STRMU caps in the community that they serve based on that community needs and resources.

### **Ineligible STRMU Cost**

STRMU assistance may not be used for....

- Households receiving rental assistance for the same period of time they are receiving rental assistance from HOPWA or another federal, state, or local housing assistance program
  - This means that a household utilizing a Housing Choice Voucher or any other type of rental assistance cannot use STRMU for their portion of the rent or for utility assistance
- Household who are currently homeless
- Households moving into a new housing arrangement
- Moving assistance, security deposits, or first month's rent
- Support for an open line of credit or loan that was secured by the house
- Taxes and insurance paid separately after the first or second mortgage is paid in full
- Assistance for payment towards personal loans or credit debts secured against the unit
- Assistance for a second mortgage when the first mortgage payments are not current or down-payment assistance to support the purchase of new unit
- Household supplies, furnishings, automobile/transportation, and phone service costs
- Funds cannot be used to pay for health services if payment has already been made or is expected to be made by another source. However, if it is determined that health services or medical payments are necessary and no other sources will cover them, these expenses can be approved by MHC, provided they comply with the contract and project activities.

### Tenant- Based Rental Assistance (TBRA) Program

The primary objective of the TBRA program is to assist eligible applicants to secure safe, decent, and sanitary housing in the private rental market in cities and counties in Mississippi. This program allows individuals/families to choose a neighborhood in which they prefer to live and helps to upgrade and maintain the quality of neighborhoods.

Rent payments to any vendors including landlords or mortgage companies cannot be approved without a W-9 form. Sponsors are responsible for completing 1099 annually for individual landlords receiving rental payments in excess of \$600 annually. Mortgage companies, property management companies, and real estate companies are not required to provide these numbers.

Project sponsors are encouraged to have at annual recertification and for new HOPWA TBRA, a participating head of household will sign a self-sufficiency agreement that he/she will diligently pursue an educational or training program designed to maximize the participants' income or, when feasible, will pursue employment that will allow the participant to acquire market-rate housing or other permanent housing with long-term rental assistance. Individuals that are eligible for public benefits will also be encouraged to apply for those benefits and other mainstream resources to maximize their annual household income and further the program goal of self-sufficiency. These services are available through community service agencies and are not being provided directly by the MHC TBRA program. Each program participant, with assistance from Sponsor, will select their own support service provider to assist and execute their self-sufficiency plan.

#### Rent Payments

Each person receiving TBRA must pay a portion of the rent, including utilities. Each HOPWA client must pay the higher of:

- 30 percent of the family's monthly-adjusted income (adjustment factors include the age of the individual, medical expenses, size of family and child care expenses etc.)
- 10 percent of the family's monthly gross income
- The HOPWA Project Sponsor must pay the balance of the rent up to the

lesser of the contract rent or the most current Fair Market Rent (FMR) value or reasonable rent for comparable units in the area. Any documentation used to determine TBRA assistance must be documented in the client's file. HOPWA funds must not be given directly to a client. Link to current Fair Market Rent table <http://www.huduser.org/portal/datasets/fmr.html>.

**Rent Calculations:**

Project Sponsors may use the [CPD Income Eligibility and Rent calculations](#) tool on HUD exchange, [HUD approved Income eligibility and Rent Calculation Worksheet](#), or an approved tool that can provide accurate rent calculations based on HOPWA regulations.

**Utilities Under TBRA**

When utilities are not included in the rent and the client is billed directly for utilities, an allowance for reasonable utility consumption must be subtracted from the client's rent portion (30% of the monthly adjusted income or 10% of the monthly gross income). If this number is negative, a check for that amount must be written to the participant or utility company. Project Sponsors may pay the utility reimbursement to the utility company on behalf of the applicant or pay directly to the applicant. However, the project sponsor must consult with the applicant regarding the method of reimbursement.

**Facility-Based Housing - Master Leasing**

Facility-based housing provides rental subsidies to residents of certain units within a specific building. If the client decides to move the rental subsidy remains with the unit to be used by the next eligible client. Facility-based housing can be emergency-based, transitional, or permanent housing.

In Master Leasing a project sponsor directly leases individual units, blocks of units, or an entire structure from a private owner. Unlike tenant based rental assistance (TBRA), the lease is between the private owner and the project sponsor. The sponsor will, in turn, enter into an occupancy agreement with the HOPWA-eligible household. The approach is similar to project based rental assistance except that the housing is not owned by the project sponsor and in Master Leasing there is the possibility of eventual conversion to TBRA, with the assisted tenant assuming the lease in his/her name.

With this form of rental assistance, the project sponsor plays a more direct role and is useful for beneficiaries who have difficulty meeting the requirements to participate in TBRA. In Master Leasing, the project sponsor:

- o Leases individual units, blocks of units, or an entire structure
- o Enters into occupancy agreements with HOPWA beneficiaries
- o Provides rental assistance to the HOPWA beneficiaries including all program

- administration associated with rental assistance.
- o In some instances it may work to transfer the lease to the assisted household.

Master Leasing allows project sponsors greater levels of control and eases some of the burden on beneficiaries. In a TBRA program the client must locate appropriate housing and negotiate with the landlord regarding housing quality inspections and program participation.

**Facility-Based Housing – Project Based Rental Assistance**

PBRA is tied to the unit. HOPWA funds provide subsidies to the unit specifically reserved for HOPWA clients by paying for the operating costs of the unit. Because assistance is tied to the unit, clients may receive assistance only so long as they are eligible and reside at the project-based unit. The assistance does not go with the client when they move, although clients may be eligible for TBRA after leaving a project-based unit.

<b>Advantages and Disadvantages of PBRA</b>	
<b>Advantages</b>	<b>Disadvantages</b>
<ul style="list-style-type: none"> <li>• Often better for serving the needs of clients with complex needs because clients with similar needs are housed together</li> <li>• Provides a more permanent supply of housing for people with HIV/AIDS since project-based units remain designated for HOPWA clients</li> <li>• Allows grantees to leverage other government resources and capital funds to develop or rehabilitate housing and stretch HOPWA dollars further</li> <li>• Can be used with new construction or with existing structures</li> </ul>	<ul style="list-style-type: none"> <li>• Longer lead time required for development projects and therefore it takes longer for affordable housing to become available</li> <li>• More complex than TBRA and requires greater expertise and capacity</li> <li>• Clients living in project-based units do not have as much anonymity as they do under the TBRA program</li> </ul>

\*\*Additional nonapproved fees must not be charged to HOPWA applicants.

**Facility-Based Housing: Construction- Brick & Mortar Projects**

Eligible Activities: Eligible activities under HOPWA Facility-Based Housing include:

- Acquisition,

- Rehabilitation,
- Conversion, and repair of facility-based housing
- New construction of SRO units and Community Residences

Minimum Use Periods: When HOPWA is used for the construction or rehabilitation of units, minimum use periods apply. The project sponsor must ensure that the facility and/or units constructed/rehabbed with HOPWA funds are set aside for people living with HIV/AIDS (PLWHA) for a minimum of either a **three- or ten-year period**.

For non-substantial rehabilitation (when the value is less than or equal to 75% of the value of the building after renovation), there is a **3-year minimum** use requirement.

For substantial rehabilitation, construction, and purchase, there is a **10-year minimum** use requirement.

If HOPWA funds are not used to support the operating costs of a project during the minimum use period, these units are referred to as “Stewardship” units.

All units/properties constructed/rehabbed/converted using HOPWA funds will be periodically monitored, and must complete annual reporting requirements for the duration of the minimum use period.

Other Requirements: All of the HOPWA Facility-Based Housing requirements apply, such as Habitability Standards, along with a series of HUD requirements (Lead-based Paint, Environmental Review, Energy Star, etc). In addition, there will be state and local requirements such as zoning, building codes, and life safety standards, among others that must be followed.

### Permanent Housing Placement

Permanent housing placement services may be provided in the form of rent and utility deposits for clients who are at risk of becoming homeless or who are currently homeless. Permanent housing placement services may be used to help eligible persons establish a new residence where on-going occupancy is expected to continue. It may be used to compliment other forms of HOPWA housing assistance. For example, it may be used to assist STRMU clients who are in housing they cannot afford move into more affordable stable housing. Costs may include fees for housing services or activities designed to assist individuals or families in locating suitable housing, which at a minimum would be referral to housing that is decent, safe and sanitary, subject to requirements covering other assistance programs. These costs may include tenant counseling, assisting individuals and families to understand leases, secure utilities, make moving arrangements, pay for representative payee services for persons who use such services to better manage their

own finances, and mediation services related to neighbor/landlord issues that may rise. Costs may include placement costs such as application fees, related credit checks, and reasonable security deposits necessary to move persons into permanent housing, provided such deposits do not to exceed two months of rent, and such funds would be designated to be returned to the program.

However, some items are not eligible as HOPWA permanent housing placement costs, such as costs for housing supplies, smoke alarms, standard furnishings, minor repairs to the unit associated with the move-in, and other incidental costs for occupancy of the housing unit. Note: while these items are not eligible as HOPWA costs for permanent housing placement assistance, project sponsors may make use of leveraged funds or donations to address the related needs for other move-in support for HOPWA beneficiaries.

### Supportive Services and Case Management

Project Sponsors must make available appropriate supportive services to eligible individuals, either directly or through referrals. Supportive Services may be provided either in conjunction with HOPWA housing assistance or as a stand-alone service (Supportive Services Only) and all income-eligible, HIV positive individuals are eligible. Services and referrals must be documented and tracked in the client's **Comprehensive Housing Plan**.

HOPWA Supportive Services funds can be used to pay for appropriate portions of time for a HOPWA case manager or case worker. All income-eligible, HIV positive individuals are eligible to receive case management. To the extent possible, case management for HOPWA clients should be funded through some source other than HOPWA. HOPWA funds must not pay for a general psychosocial or medical case manager. Project Sponsors must document and track in the client's Plan which services are utilized and the amount of services received.

Supportive services include, but are not limited to, case management, mental health, assessment, drug and alcohol abuse treatment and counseling, day care, personal assistance, nutritional services, intensive care when required, job training and placement assistance, and assistance in gaining access to local, State, and Federal government benefits and services.

Key case management activities include:

- Initial assessment of the client's needs
- Development of individual case plan for clients, including affordable stable housing, supportive services, and medical care
- Coordination of services to implement individual case plan.
- Routine client and case-manager engagement to monitor client

- progression with individual case plan
- Re-evaluation of client case plan as needed and ongoing

Supportive Services funds cannot be used to pay for health services. However, if it is determined that health services or medical payments are necessary and no other sources will cover them, these expenses can be approved by MHC, provided they comply with the contract and project activities.

### Individual Housing and Services Plan

HOPWA regulations require appropriate supportive services to be provided as part of any HOPWA-assisted housing. Individualized plans are required as a means to address the HOPWA outcome goals. This plan should be made in collaboration with qualified household. The plan should address all needs and barriers to housing stability identified through the assessment. Regular follow-up should occur at a frequency appropriate to need. HOPWA requires at least annual income and rent recertification, presenting an opportunity for reassessment. An essential tool for clients struggling to maintain housing stability is a household budget.

Project sponsors working with the STRMU program must provide case management and continued assessment for need and stability. It is particularly important for clients being served with STRMU assistance to have a feasible budget since the assistance is not intended to be ongoing. If the housing plan determined that the applicant in STRMU cannot maintain permanent housing after STRMU assistance, may consider:

- Referring the applicant to a TBRA program
- Using PHP to relocate the applicant to more affordable housing
  - Providing TBRA if additional support is needed
- Referring and connecting households to other community resources that may help reduce their household expenses and increase housing stability.

Individual Service Plans should address the households' needs, challenges, strengths, and preferences and how these variables impact identified goals, timeline for achieving goals, what assistance will be received, and resources needed to achieve goals. Consider the following:

- Is the household living beyond their means?
- Does the household need to relocate to something more affordable?
- Which program will be best for long-term stability?
- Does the household need budgeting assistance?

HOPWA Individual Housing and Service Plans can be recorded and updated in HMIS in household's file.

- [Sample Housing and Service Plan](#)

**Resource Identification**

Activities under this category are specific to:

- Identifying housing resources and does not include housing referral services;
- Establishing, coordinating, and/or developing housing assistance resources for eligible persons;
- Hiring staff or consultants to develop housing finance package for a specific housing project;
- Conducting preliminary research;
- Determining feasibility of specific housing-related initiatives; and
- Market studies

**Housing Information and Referral Services**

Housing Information services include assistance with referrals to affordable housing resources, assistance in locating available, affordable, and appropriate housing units, working with property owners to secure units, homeless prevention, outreach, and other housing-related activities. It may also include fair housing counseling for people who have encountered discrimination on the basis of race, religion, sex, age, national origin, familial status, or handicap.

### Termination of Assistance

When an assisted household is terminated from the program, Project Sponsors must complete *Termination of Assistance form*. Program termination must only be considered as a last resort and is reserved for severe cases. Potential reasons for termination include:

- Completed program
- Criminal activity directly related to domestic violence, sexual assault, stocking.
- Non-compliance with program regulations or program requirements (conditions of occupancy)
- Left for housing opportunity before completing program
- Absence from a unit
- Death
- Other

Per 24 CFR §574.310(e)(2), "Violation of requirements," households may be terminated from the program if they violate program requirements or conditions of occupancy (e.g., non-compliance with conditions of occupancy, fraud, etc.). Project Sponsors must ensure that Supportive Services are provided so that a household's assistance is terminated only in the most severe cases. Project Sponsors must document in the household's file that Supportive Services were offered and provided to the household.

In terminating assistance to any household for violation of requirements, Project Sponsors must provide a formal process that recognizes the rights of households receiving assistance to due process of law. This must consist of:

- Serving the household with a written notice containing a clear statement of the reasons for termination;
- Permitting the household to have a review of the decision, in which the participant is given the opportunity to confront opposing witnesses, present written objections, and be

represented by their own counsel, before a person other than the person (or a subordinate of that person) who made or approved the termination decision; and

- Providing prompt written notification of the final decision to the household.

#### **Due process**

Project Sponsors must provide a formal process that recognizes the rights of individuals receiving assistance under the due process of law. This process, at a minimum, must consist of:

- Providing the program participant with a written copy of the 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 termination decision; and
- Prompt written notice of the final decision to the program participant.

During this process, the subrecipient must provide effective communication and accessibility for individuals with disabilities, including the provision of reasonable accommodations. Similarly, the subrecipient must provide meaningful access to persons with LEP.

### **Grace Periods for Surviving or Remaining Household Members**

With respect to the surviving member or members of a family who were living in a unit assisted under the HOPWA program with the person with AIDS at the time of his or her death, housing assistance and supportive services under the HOPWA program shall continue for a grace period following the death of the person with AIDS. The project sponsor shall establish a reasonable grace period for continued participation by a surviving family member, but that period may not exceed one year from the death of the family member with AIDS. The project sponsor shall notify the family of the duration of their grace period and may assist the family with information on other available housing programs and with moving expenses.

If eligible household member leaves the household due to incarceration, lease bifurcation, enrollment in long-term substance use treatment, or entry to hospice/long-term health care, Project Sponsors must connect remaining household members to other eligible services as needed to prevent homelessness.

Per 24 CFR §574.310(e)(2), Project Sponsors must:

- Notify the survivor and remaining household members of the duration of the grace period;
- Provide housing assistance and supportive services to the survivor and remaining household members;

- Offer survivors and remaining household members information on other available housing programs; and
- At the Project Sponsor's discretion, provide PHP services to assist with moving expenses.

Project Sponsors must collaborate with the MHC to develop a reasonable survivor grace period policy for continued program participation by surviving or remaining household members. Also, Project Sponsors must perform an interim recertification using *Recertification Worksheet* to document the change in household composition.

**NOTE:** For eligible individuals who were incarcerated, enrolled in substance use treatment, or entered hospice/long-term health care (i.e., did not die or were not removed from the lease via lease bifurcation), the Project Sponsor's local grace period policy should include a maximum allowable absence period for eligible individuals that effectively delays the grace period start date for remaining household members.

#### 1. **TBRA**

The minimum grace period for households receiving TBRA or Master Lease services must be one month of assistance from the end of the month in which the eligible individual died, was incarcerated, enrolled in substance use treatment, or entered hospice/long-term health care. The maximum grace period cannot exceed 12 months. Project Sponsors must provide the survivor and remaining beneficiaries a minimum of 90 calendar days and a maximum of 12 months from the date of lease bifurcation to establish eligibility for the MHC HOPWA Program, establish eligibility for another housing program, or find alternative housing.

#### 2. **STRMU and/or Facility Based (Master Lease) Services**

The minimum grace period for households receiving STRMU or Facility Based (Master Lease) services must be one month of assistance from the end of the month in which the eligible individual died, was incarcerated, enrolled in substance use treatment, or entered hospice/long-term health care. The maximum grace period may not exceed the 147-day cap for STRMU services or the 60-night cap for Facility Based services.

#### 3. **Supportive Services**

Supportive Services, specifically housing case management, must be offered to surviving and remaining household members. Housing case management plans for surviving and remaining household members should detail the terms of the grace period with a goal of transitioning household members off of the program. If household members express a need for continued housing assistance and/or supportive services, tasks should focus on referral to other programs that offer housing assistance and/or supportive services.

#### 4. **Roommates and Other Households**

In shared housing arrangements where two or more unrelated households live together, Project Sponsors may not extend grace periods to other households (roommates). Grace periods may be extended only to surviving or remaining household members who were already enrolled in the program (“Additional Beneficiaries”).

### National Standards for the Physical Inspection of Real Estate (NSPIRE)

HOPWA-assisted housing must meet both state and local housing standards and HUD’s National Standards for the Physical Inspection of Real Estate (NSPIRE) requirements. Case managers must certify that HOPWA assisted households are safe, decent, and sanitary by completing NSPIRE Inspections. Home visits should be conducted to determine the overall suitability of the property and certify that it meets the standards listed on the NSPIRE form. Households must be re-inspected and re-certified annually when the client is re-certified for HOPWA assistance or when the client moves to a new residence.

Assisted units must also meet all NSPIRE Standards, Lead-Based Paint Requirements, Carbon Monoxide Safety Requirements, and Fire Safety Requirements. TBRA and Facility Based units must be inspected. STRMU, and PHP units do not require inspections, but households must certify their housing meets all standards and requirements. If a Project Sponsor assesses that a STRMU- or PHP-assisted household is residing in substandard housing, the housing plan should address any unit deficiencies or include a goal of moving the household to a unit that meets all NSPIRE Standards. Project Sponsors must complete **NSPIRE Certification** before assisting a unit and annual eligibility recertifications. Also, the form must be completed if household residency has changed.

HOPWA staff may complete HUD’s NSPIRE virtual training on HUD’s website.

*Periodic Inspections* for properties supported by HOPWA TBRA funds should be an asset to not only the program, but to its surrounding neighborhood. From time to time an MHC Housing Inspector may conduct a visual inspection of property participating in any of the HOPWA programs. Depending on that review, the MHC inspector may contact your agency to schedule a complete Housing Quality Standards Inspection of the property to ensure compliance.

[NSPIRE toolkit](#)  
[NSPIRE training](#)

### Carbon Monoxide Alarms or Detectors in Housing Requirements

Under the new statutory requirement, which takes effect on December 27, 2022, project sponsors will be responsible for ensuring each dwelling unit assisted under the HOPWA program contains installed carbon monoxide alarms or detectors that meet or exceed the standards described in chapters 9 and 11 of the 2018 publication of the International Fire Code, as published by the International Code Council.

As of December 27, 2022, HOPWA grantees and project sponsors must ensure CO alarms or detectors are installed as required in all HOPWA-assisted units. This includes units assisted with acquisition, rehabilitation, conversion, lease, and repair of facilities to provide housing and services (24 CFR 574.300(b)(3)); new construction (24 CFR 574.300(b)(4)); project or tenant-based rental assistance (24 CFR 574.300(b)(5)); short-term rent, mortgage, and utility payments (24 CFR 574.300(b)(6)); permanent housing placement (24 CFR 574.300(b)(7)); and operating costs (24 CFR 574.300(b)(8)).

### Lead-Based Paint Requirements

The regulations for Lead-Based Paint, as described in the Lead-Based Poisoning Prevention Act of 1973 and its applicable regulations found at 24 CFR §35, Subpart M, require certain responses to potential lead-based hazards. If the structure was built or rehabilitated prior to 1978, and a child under the age of six or a pregnant woman will reside in the property, and the property has a defective paint surface inside or outside the structure, the property cannot be approved until the defective surface is repaired by at least scraping and painting the surface with two coats of non-lead based paint. Defective paint surface means: Applicable surface on which paint is cracking, scaling, chipping, peeling or loose. Project Sponsors should notify the property owner of the need for paint stabilization. Specific guidelines for paint stabilization are described in 24 CFR §35.1330(b). If a child under age six residing in the HOPWA-assisted property has an Elevated Blood Level, paint surfaces must be tested for lead-based paint. If lead is found present, the surface must be abated in accordance with 24

CFR §35. Project Sponsors must use the following criteria to determine if a property can be approved or is deficient:

- A. Year the structure was built or rehabilitated
- B. A child under the age of six will reside in the property
- C. A pregnant woman will reside in the property

If the structure was built or rehabilitated before 1978, then the Project Sponsor must provide a "Protect Your Family from Lead in Your Home" pamphlet to the household. If the structure was built or rehabilitated before 1978 *and* a child under the age of six or pregnant woman will reside in the property, then the Project Sponsor must visually assess the unit. Visual assessments are unnecessary for zero-bedroom units or if a unit meets other exemptions in 24 CFR §35.115(a). The client will initial the Housing Quality Standards Certification if they received the pamphlet. Housing case managers that perform visual assessments must complete the HUD Lead-Based Paint Visual Assessment Training (see Section 20. Program Technical Assistance and Trainings, 1. AA and Project Sponsor Required Trainings).

**NOTE:** To determine the year in which a structure was built or rehabilitated, a Project Sponsor may perform a property search on the appraisal district website of the county in which the property is located, identify the most recent year the property was built or last rehabilitated.

### HOPWA Housing Documentation

**APPLICATION-** All eligible clients that receive HOPWA assistance must have a completed application on file. The application is used to assess initial client eligibility criteria and demographic data.

**SCREENING-** All applicants must be screened for eligibility and assessed for housing need.

**HOUSING PLAN-** Individual housing assessments are conducted with participants and housing plans are created with participants, with the goal of promoting long-term housing stability. These plans help determine if the participant is in need of short-term or longer-term rental assistance. This assessment and planning should also include the development of a realistic stabilization plan that addresses both short-term and long-term housing needs.

**CLIENT AUTHORIZATION for RELEASE OF INFORMATION -** While HOPWA clients have the right to privacy, sharing certain information with other agencies may increase the client's access to services and supports. Before any information is released, however, the organization serving the individual must seek permission from the client to release confidential information. This form will be placed in the client's file.

**HIV STATUS VERIFICATION-** To receive assistance under the HOPWA program, a client's HIV status must be documented. The HIV/AIDS diagnosis must be made by a health professional competent to make such a determination; case manager statement **is not sufficient**. Project sponsors can use this form to document the client's HIV status. (Note, information on the HIV/AIDS status of a client is subject to confidentiality requirements.)

**INCOME VERIFICATION-** HOPWA program regulations require verification of all income from participant households. Acceptable forms of income are check stubs, SSI award letter, bank statements, Alimony, Child Support, etc. Individuals that have no verifiable income may complete a **Zero Income Affidavit** or complete other written/self notice.

**LEASE AGREEMENT-** After the client finds a unit that is suitable and meets the program's rent standard, HOPWA Habitability Standards, lead-based paint, and rent reasonableness guidelines, the lease must be reviewed and approved by program staff. Rental assistance programs may develop a preferred lease format that landlords must use, or they may allow landlords to use their own leases, as long as the leases do not contain provisions prohibited under the program.

**TERMINATION of ASSISTANCE AGREEMENT-** Every rental assistance program should have written procedures in place to guide program actions related to termination of assistance. As described in 24 CFR 574.310(e), HOPWA regulations require a formal process for handling the termination of participants from HOPWA assistance. Procedures for termination should address termination due to violation of program requirements and termination in the event of death of the HOPWA-eligible participant when there are surviving family members. These procedures should be reviewed and signed by rental assistance program participants at intake, and the signed document should be kept in each participant's file.

Although termination of assistance for violation of requirements should be a last resort, it is important for programs to develop and uniformly enforce rules governing termination of assistance to program participants in alignment with local landlord-tenant laws. Such rules should include due process that must be followed before termination as described in 24 CFR 574.310(e). Termination procedures should include the following elements:

- Written notice to the participant containing a clear statement of the reasons for termination
- Opportunity for a participant to review the decision, allowing them to confront opposing witnesses, present written objections, and be represented by their own counsel or representative; this review should be presented to someone other than the person who made or approved the termination decision (or a subordinate of that person)
- Prompt written notification of the final decision to the participant

Procedures should also be outlined for serving and transitioning surviving family members who were living in a unit with a HOPWA-eligible client receiving rental assistance at the time of his or her death. The HOPWA regulations require that housing and supportive services to survivors continue for a reasonable grace period not to exceed one year; the regulations also allow programs to assist the family with housing information and moving expenses (i.e., expenses such as those provided under permanent housing placement) (24 CFR 574.310(e)). Appropriate initial support could focus on bereavement support, followed by counseling on available assistance to facilitate a reasonable transition well within the maximum one-year period. The client should be informed about these policies. Organizations should consider whether to include this information in the client participant agreement or address it separately.

**CANCELLED CHECKS-** copies of vouchers and canceled checks of all approved HOPWA housing assistance activities such as rent and utility payments, security deposits, move-in costs, etc. must be provided and maintained in each client's HOPWA file.

**RENT REASONABLENESS-** Program staff should ensure that the rent of the unit does not exceed the rent of comparable unassisted units. Depending on the applicable rent standard, as discussed above, rent reasonableness will be determined as follows:

- 1) If the rent standard of the unit size is used, then rent reasonableness is conducted on this unit size. For example, if the rent standard of a two-bedroom was lower than

the pro-rata shared rent, then rent reasonableness should be conducted using other two-bedroom units. OR

- 2) If a pro-rata rent was determined to be the lower amount, rent reasonableness is figured on the total unit, in this case the three-bedroom unit. The pro-rata percentage of the assisted unit's rent should be comparable to the pro-rata share of comparable unassisted units. If the rent is higher than the unit comparable, in either example, rental assistance cannot be given or the rent standard should be adjusted to the reasonable rent.

**RENT CALCULATIONS WORKSHEET-** This worksheet will determine the household rent payment based on the greatest of 10% of Monthly Gross Income or 30% of Monthly Adjusted Income. For income exclusions, see CPD Notice 96-03. SHP Regulation 24 CFR 583.315 states "Resident Rent. (a) Calculation of resident rent. Each resident of supportive housing may be required to pay as rent an amount determined by the recipient which may not exceed the highest of: (1) 30 percent of the family's monthly adjusted income (adjustment factors include the number of people in the family, age of family members, medical expenses, and child care expenses); (2) 10 percent of the family's monthly income..."

**LANDLORD W-9** TBRA payments landlords in excess of \$600 in any calendar year must be reported to the IRS on form 1099-MISC, Box 1, "Rents" Accordingly, an IRS form W-9 must be collected from each landlord and placed in the client's file.

**LEAD-BASED PAINT-** Many houses and apartments built before 1978 have paint that contains lead (called lead-based paint). The relevant regulations are found under 24 CFR 574.635. Lead from paint, chips and dust can pose serious health hazards. HUD requires Project Sponsors to give all HOPWA clients the lead-based paint pamphlet entitled *Protect Your Family from Lead in Your Home*. The client's case file must include documentation that a copy of the pamphlet was given to the client. The pamphlet was developed by the Environmental Protection Agency in response to concerns about lead-based paint hazards in the home. Copies of the pamphlet are available at the following website address:

English version:

<http://www.epa.gov/lead/pubs/leadpdf.pdf> Spanish

version:

<http://www.epa.gov/lead/pubs/pyfcameraspan.pdf>

Staff must complete an online training course before they are allowed to perform assessments. If applicable, the HOPWA applicant must submit a copy of the certificate of completion during the application process.

**SMOKE DETECTORS-** Project Sponsors are required to ensure that an operable hard-wired or battery-operated smoke detector is installed in all HOPWA-assisted units. This applies to STRMU with one exception: if the utilities are the only service being subsidized, the requirement for smoke detectors does not apply. STRMU clients must self-certify that there is a working smoke detector in the residence. HOPWA funds may be used to purchase smoke detectors for clients receiving STRMU *only* if the clients cannot afford to purchase their own and have no other funds to pay for

them. Provision of smoke detectors must be funded as a HOPWA Supportive Services activity. Units receiving TBRA must pass HUD's Housing Quality Standards which require the presence of smoke detectors. Standards for installation of smoke detectors may be obtained from your local fire safety officials.

Project Sponsors must document what they are paying for, who they are paying, and maintain a record of all payments made in the household's file. To accomplish this, Project Sponsors must obtain copies of leases, mortgages, utility bills, and/or ledgers for which housing assistance is provided. Project Sponsors must obtain new leases as old ones expire. The documentation must be current, predate service dates, and correspond with related service forms and check request vouchers.

**NOTE:** Supporting documentation for housing assistance payments must be current and predate service dates.

**Supporting Documentation**

Check Request Vouchers

Leases, mortgages, utility bills, ledgers, etc. paid for (*Documentation must be current and predate service dates*)

Owner IRS Form W-9(s)

VAWA Written Request for Documentation, Documentation, and/or Emergency Transfer Form (*If applicable*)

Staff documents including paystubs and times sheets (*If applicable*)

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## HUD Datasets AMI & FMR

Project Sponsors must use current HUD Datasets to assess Area Median Income and Fair Market Rent.

### 1. Area Median Income

To be eligible for the MHC HOPWA Program, household annual gross income cannot exceed 80 percent of Area Median Income per the household's county of residence. Collect proof of gross income for all household members 18 years of age and older (documentation must be complete and cover the 30 days preceding the eligibility certification or recertification date). The household annual gross income is from all sources anticipated to be received in the 12-month period following the determination date. Therefore, income must be ANNUALIZED, e.g. payment amount multiplied by number of payment periods per year for all income sources. The *Determining Household Annual Gross Income Guide* outlines acceptable forms of documentation, whose income is counted, inclusions and exclusions, and calculation guidance.

### 2. Fair Market Rent

The gross rent of TBRA- or Master Leased units cannot exceed the rent standard. The MHC HOPWA Program uses Fair Market Rent (FMR) for the unit size per the household's county of residence as the rent standard. Alternatively, Project Sponsors may use a HUD-approved community-wide exception rent standard if one is locally available. Rent Reasonableness is used to verify that the project sponsor is utilizing the most affordable, appropriate unit based on location, year built, size and other factors. Project Sponsors may request current copies of exception rent standard tables from local Housing Authorities. An important point about the rent standard is that it includes both rent *and* utilities. (The gross rent must also be reasonable in relation to rents for comparable unassisted units in the private market and must not be in excess of rents charged by the owner for comparable unassisted units. Proposed units must be compared with two similar units. The gross rent of the proposed unit must be at or below the lower of the rent standard or the reasonable rent.)

### Maximum Grant Amounts and Funding Factors

There are no minimum and maximum funding amounts established for this program. Applicants are advised to scale their requests based on housing need for eligible persons, organizational capacity, funding history, the types of activities proposed, number of counties served, participation in state or regional referral networks, MHC-established pro rata amounts for those counties and other relevant factors as determined by the applicant and MHC.

Community Facilities, Off-site Housing Assistance, and Supportive Service funding decisions and funding amounts will be based upon the following factors:

- The availability of other HOPWA providers within the service area
- Performance Outcomes
- Consistency with local need, conformance to local plans, and service delivery strategy
- Other funding for programs available to the applicant from Federal, State and local government sources
- Amount of funds requested, prior award amounts and prior utilization of funds
- Degree of compliance demonstrated during MHC monitoring visits or in desk audits
- Relative quality of housing or standards for services to be provided
- Level of service (numbers of persons, hours of service, etc.)
- Standard costs for housing and services
- Value of applicant's contributions (cash and in-kind)
- The complexity or nature of the request
- Organizational development and capacity
- The extent to which the organization operates under the authority of a diversified, involved, volunteer, community-based board of directors, professional management
- The consistency of the organization's identity or its mission to the provision of homeless or HIV (as applicable) services,
- The extent to which the organization utilizes networks to avoid duplication of housing and services
- Sound operating procedures and accounting policy
- Participation in appropriate Continuums of Care

#### Leveraging Requirements

All applicants are encouraged to provide 30% of the value of each program with other cash, in-kind services or donations. Information received at application submission to MHC that your agency is eligible to receive funding. Completion of this task does not guarantee funding. Applicants are reminded that failure to submit complete documentation may result in denial of the funding request. Awards are made at the sole discretion of Mississippi Home Corporation (MHC). Funding decisions are final and are not subject to an appeal.

### Program Reporting Requirements

Financial records should be maintained for a four-year period to ensure proper accounting and disbursing of amounts received from HOPWA funds and make the records available to HUD or Mississippi Home Corporation (MHC) for inspection.

Demographics and eligibility information must be maintained for a four-year period. Information that must be maintained include but not limited to the variables required on the HOPWA CAPER including current and accurate data on race and ethnicity.

HOPWA project sponsors must provide performance information (goals and actual outputs) for all activities undertaken during the operating year supported with HOPWA funds. Performance is measured by the number of households and units of housing that were supported with HOPWA or other federal, state, local, or private funds for the purposes of providing housing assistance and support to persons living with HIV/AIDS and their families. HOPWA project sponsors must report the source(s) of cash or in-kind leveraged federal, state, local or private resources used in the delivery of the HOPWA program and the amount of leverage dollars.

As of January 2023, the State's Consolidated Annual Performance and Evaluation Report (CAPER), is completed by the HOPWA project sponsors and submitted to HUD's HOPWA Reports team by HUD's assigned due date. MHC works with HUD to combine sponsors' reports for the annual CAPER.

CAPERs must covers the financial period of July 1<sup>st</sup> to June 30<sup>th</sup>. MHC will submit request for CAPER no later than July 31<sup>st</sup> and request agencies to return completed caper by designated date. MHC will work with project sponsors to identify and correct reporting errors. CAPERs must be submitted timely. Project sponsors must submit complete HOPWA data by the assigned deadline. Future awards and reimbursement may be impacted if the required reports are not submitted. CAPERs are validated through HMIS, RFC, CAPERs, and IDIS reports.

Project sponsors must also maintain and update as needed the following policies:

- Affirmative Fair Housing
- Data and records on emergency transfer request

#### **Program Income**

Project sponsors must report ALL income generated from the HOPWA program within 90 days of the physical year end. The end of year program income must be reported on the program CAPER. Program income must be used for eligible program purposes.

#### **HMIS**

Mississippi Home Corporation does not manage a HOPWA program that specifically target

the homeless populations; therefore, HMIS is not required.

However, HOPWA project sponsors are strongly encouraged to use HMIS appropriately for CAPERs and other reports. MHC will use HMIS for reporting monitoring grants.

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## Other HOPWA Federal and State Mandates

### **The Federal Funding Accountability and Transparency Act of 2006**

The Federal Funding Accountability and Transparency Act of 2006 requires sub-recipients receiving federal funds to register with Dun and Bradstreet (D & B) to obtain a D-U-N-S number and complete or renew their registration in the Central Contractor Registration. Completing these registration processes is free but may take up to 10 days to complete. A D-U-N-S number and confirmation that your agency is active in CCR is required as part of this year's application. No awards will be made without this information.

### **Level of Environmental Review**

Mississippi Home Corporation MHC received authorization from HUD to perform the environmental review for proposed HOPWA projects in accordance with Title 24, CFR, Part 58. To comply with those requirements, MHC is requesting that all Sponsors provide a detailed description of the types of activities to be provided. HUD has determined that the following Categorical Exclusions are not subject to Part 58.5 since they would not alter any conditions that would require a review or compliance determination under Federal laws and authorities cited in Part 58.5, unless there are extraordinary circumstances. If your project activity will use funds to purchase, construct, rehabilitate, repair, or lease insurable structures, buildings or mobile homes, you must contact MHC for further instruction regarding the environmental review process before incurring any costs or performing any work.

### **Mississippi Public Records Act**

The Act provides that all public records are public property and that any person has the right to inspect or obtain a copy thereof subject to certain procedures concerning costs, time place and method of access. The Act provides access to records, subject to certain exemptions. Certain of these exemptions include judicial records, jury records, certain personnel records, attorney's work product, documents from third parties containing confidential information, certain appraisal records, academic records, archeological records, hospital records, investigative and criminal justice records, and certain commercial and financial records.

### **State and Federal Financial Reporting/Audit Requirements for Nonprofit Agencies**

The law states that *"The intent of this chapter is to provide auditing and reporting requirements for nonprofit organizations which provide services and facilities to the state, to ensure the financial accountability of nonprofit contractors, and to develop adequate information concerning nonprofit contractors. The General Assembly finds that the state has a right and a duty to monitor nonprofit organizations which contract with the state to ensure that their activities are in the public interest and to*

*ensure that public funds are used for proper purposes.”*

*According to the State law, ‘nonprofit organization’ means any corporation, trust, association, cooperative, or other organization that is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest; is not organized primarily for profit; and uses its net proceeds to maintain, improve, or expand its operations. The term nonprofit organization includes nonprofit institutions of higher education and hospitals. For financial reporting purposes, guidelines issued by the American Institute of Certified Public Accountants should be followed in determining nonprofit status.*

Project sponsors whose total federal funding exceeds \$750,000 must meet, in addition to its financial auditing requirements, the compliance requirements described in the *OMB Compliance Supplement*. As a result and among other requirements, MHC must obtain minimum organizational and financial information from nonprofit organizations in order to establish the viability of the nonprofit organization and to report award and funding amounts to the State Department of Audits.

In return for funds, and among other requirements, nonprofit organizations should make appropriate reports to the state auditor and to each state agency from which it received funds for each fiscal year within 180 days from the close of the nonprofit organization’s fiscal year. Reporting formats vary based upon the amount of “state funds” received by nonprofit organizations during the organization’s fiscal year.

This law also sets forth responsibilities of the state auditor and covers measures to be taken by state agencies if there are matters of non-compliance. For further compliance information nonprofit applicants are encouraged to first contact their own internal auditors.

Additional information may be obtained from the State Office of Audits as follows: Mississippi Department of Audits, Non-Profit and Local Government Audits Division, 501 North West Street Jackson, MS 39201.

#### **Other State and Federal Requirements**

To the extent practicable, as determined by MHC, project sponsors must comply with the HUD HOPWA Program Regulations at 24 CFR Part 574, as amended. Program requirements include, but are by no means limited to, the following:

- 1) OMB Compliance Supplement
- 2) All grants to non-profit organizations are subject to the administrative requirements and cost principles outlined in OMB Circulars A-110 and A-122. These requirements for local governments are outlined in 24 CFR, Part 85 and OMB Circular A-87.
- 3) Costs requested for reimbursement via automatic deposit by MHC must be

“reasonable and justifiable,” and are only eligible to the extent that they are consistent with the program approved by MHC.

- 4) All funds will be reimbursable to project sponsors based upon actual program expenses with supporting documentation.
- 5) Expenses are only eligible to the extent that they benefit “eligible persons” under the HOPWA program, as defined herein.
- 6) Environmental-All grants are subject to environmental review in accordance with the federal regulations governing HOPWA programs.

#### **Subrecipient Records/ Record Retention**

The subrecipient must provide a Record Retention policy. The subrecipient’s review will follow the guide provided for accuracy and completeness.

#### **File Organization and Maintenance**

A subrecipient should structure its project/case files and other records to comply with the general requirements to facilitate preparation of progress and other reports, including all submissions necessary for input into the Integrated Disbursement and Information System (IDIS). Subrecipients may use MHC’s sample file template as a guide.

In setting up (or reviewing the adequacy of) its record-keeping system, a subrecipient should use this handbook to develop a list of all the items for which it must maintain documentation on a case/project basis and/or an activity basis, or MHC’s HOPWA sample files.

The subrecipient must maintain records for the HOPWA programs for the greater of five (5) years or for the period specified below. Copies made by microfilming, photocopying, or similar methods may be substituted for the original records. This includes documentation of each program participants’ qualification as a family or individual for HOPWA which must be retained for five (5) years after the expenditure of all funds from the grant under which the program participant was served.

#### **MHC Record Retention**

MHC shall retain records related to HOPWA, including supporting documentation, for a period of

not less than five years or three years after the closeout of the grant from HUD, whichever is greater.

MHC will maintain files and records that relate to the overall administration of HOPWA as follows:

- Consolidated Plan submission to HUD
- Executed Grant Agreements
- Eligibility and national objective determinations for each activity under HOPWA
- Citizen participation compliance documentation
- Fair Housing and Equal Opportunity records

### **Access to records**

The HUD Office of the Inspector General, the Comptroller General of the United States, HUD CPD Office, auditors, Mississippi Home Corporation, or any of their authorized representatives, must have the right of access to all books, documents, papers, financial statements, or other records of the project sponsor that are pertinent to the HOPWA grant, to make audits, examinations, excerpts, and transcripts. These rights of access are not limited to the required retention period but last if the records are retained.

## Violence Against Women Act (VAWA) protections

### § 5.2005 VAWA protections.

Subrecipients must provide **ALL** program participants with a notification of their VAWA rights. (See Appendix)

#### **(a) Notification of occupancy rights under VAWA, and certification form.**

(1) Subrecipients must provide to each of its applicants and to each of its tenants the notice of occupancy rights and the certification form as described in this section:

(i) A "Notice of Occupancy Rights under the Violence Against Women Act," as prescribed and in accordance with directions provided by HUD, that explains the VAWA protections under this subpart, including the right to confidentiality, and any limitations on those protections; and

(ii) A certification form, in a form approved by HUD, to be completed by the victim to document an incident of domestic violence, dating violence, sexual assault or stalking, and that:

(A) States that the applicant or tenant is a victim of domestic violence, dating violence, sexual assault, or stalking;

(B) States that the incident of domestic violence, dating violence, sexual assault, or stalking that is the ground for protection under this subpart meets the applicable definition for such incident under § 5.2003; and

(C) Includes the name of the individual who committed the domestic violence, dating violence, sexual assault, or stalking, if the name is known and safe to provide.

(2) The notice required by paragraph (a)(1)(i) of this section and certification form required by paragraph (a)(1)(ii) of this section must be provided to an applicant or tenant no later than at each of the following times:

(i) At the time the applicant is denied assistance or admission under a covered housing program;

(ii) At the time the individual is provided assistance or admission under the covered housing program;

(iii) With any notification of eviction or notification of termination of assistance; and

(iv) During the 12-month period following December 16, 2016, either during the annual recertification or lease renewal process, whichever is applicable, or, if there will be no recertification or lease renewal for a tenant during the first year after the rule takes effect, through other means.

(3) The notice required by paragraph (a)(1)(i) of this section and the certification form required by paragraph (a)(1)(ii) of this section must be made available in multiple languages, consistent with guidance issued by HUD in accordance with Executive Order 13166 (Improving Access to Services for Persons with Limited English Proficiency, signed August 11, 2000, and published in the Federal Register on August 16, 2000 (at 65 FR 50121).

#### **(b) Prohibited basis for denial or termination of assistance or eviction -**

(1) General. An applicant for assistance or tenant assisted under ESG/ESG-CV programs may not be denied admission to, denied assistance under, terminated from participation in, or evicted from

the housing on the basis or as a direct result of the fact that the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, if

the applicant or tenant otherwise qualifies for admission, assistance, participation, or occupancy.

(2) Termination on the basis of criminal activity. An applicant in ESG/ESG-CV housing programs must not be denied tenancy or occupancy rights solely on the basis of criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking if:

(i) The criminal activity is engaged in by a member of the household of the tenant or any guest or other person under the control of the tenant, and

(ii) The tenant or an affiliated individual of the tenant is the victim or threatened victim of such domestic violence, dating violence, sexual assault or stalking.

**(c) Construction of lease terms and terms of assistance. An incident of actual or threatened domestic violence, dating violence, sexual assault, or stalking shall not be construed as:**

(1) A serious or repeated violation of a lease executed under a covered housing program by the victim or threatened victim of such incident; or

(2) Good cause for terminating the assistance, tenancy, or occupancy rights under a covered housing program of the victim or threatened victim of such incident.

**(d) Limitations of VAWA protections.**

(1) Nothing in this section limits the authority of an ESG/ESG-CV subrecipient, when notified of a court order, to comply with a court order with respect to:

(i) The rights of access or control of property, including civil protection orders issued to protect a victim of domestic violence, dating violence, sexual assault, or stalking; or

(ii) The distribution or possession of property among members of a household.

(2) Nothing in this section limits any available authority of a covered housing provider to evict or terminate assistance to a tenant for any violation not premised on an act of domestic violence, dating violence, sexual assault, or stalking that is in question against the tenant or an affiliated individual of the tenant. However, the covered housing provider must not subject the tenant, who is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, or is affiliated with an individual who is or has been a victim of domestic violence, dating violence, sexual assault or stalking, to a more demanding standard than other tenants in determining whether to evict or terminate assistance.

(3) Nothing in this section limits the authority of a covered housing provider to terminate assistance to or evict a tenant under a covered housing program if the covered housing provider can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to property of the covered housing provider would be present if that tenant or lawful occupant is not evicted or terminated from assistance. In this context, words, gestures, actions, or other indicators will be considered an “actual and imminent threat” if they meet the standards provided in the definition of “actual and imminent threat” in § 5.2003.

(4) Any eviction or termination of assistance, as provided in paragraph (d)(3) of this section should be utilized by a covered housing provider only when there are no other actions that could be taken to reduce or eliminate the threat, including, but not limited to, transferring the victim to a different unit, barring the perpetrator from the property, contacting law enforcement to increase police presence or develop other plans to keep the property safe, or seeking other legal remedies to prevent the perpetrator from acting on a threat. Restrictions predicated on public safety cannot be based on stereotypes, but must be tailored to particularized concerns about individual

residents.

**(e) Emergency transfer plan.** Each subrecipient, as identified in the program-specific regulations for the covered housing program, shall adopt an emergency transfer plan, no later than June 14, 2017 based on HUD's model emergency transfer plan, in accordance with the following:

(1) For purposes of this section, the following definitions apply:

- (i) Internal emergency transfer refers to an emergency relocation of a tenant to another unit where the tenant would not be categorized as a new applicant; that is, the tenant may reside in the new unit without having to undergo an application process.
- (ii) External emergency transfer refers to an emergency relocation of a tenant to another unit where the tenant would be categorized as a new applicant; that is the tenant must undergo an application process in order to reside in the new unit.
- (iii) Safe unit refers to a unit that the victim of domestic violence, dating violence, sexual assault, or stalking believes is safe.

(2) The emergency transfer plan must provide that a tenant receiving rental assistance through, or residing in a unit subsidized under, a covered housing program who is a victim of domestic violence, dating violence, sexual assault, or stalking qualifies for an emergency transfer if:

- (i) The tenant expressly requests the transfer; and
- (ii)

(A) The tenant reasonably believes there is a threat of imminent harm from further violence if the tenant remains within the same dwelling unit that the tenant is currently occupying; or

(B) In the case of a tenant who is a victim of sexual assault, either the tenant reasonably believes there is a threat of imminent harm from further violence if the tenant remains within the same dwelling unit that the tenant is currently occupying, or the sexual assault occurred on the premises during the 90-calendar-day period preceding the date of the request for transfer.

(3) The emergency transfer plan must detail the measure of any priority given to tenants who qualify for an emergency transfer under VAWA in relation to other categories of tenants seeking transfers and individuals seeking placement on waiting lists.

(4) The emergency transfer plan must incorporate strict confidentiality measures to ensure that the covered housing provider does not disclose the location of the dwelling unit of the tenant to a person who committed or threatened to commit an act of domestic violence, dating violence, sexual assault, or stalking against the tenant.

(5) The emergency transfer plan must allow a tenant to make an internal emergency transfer under VAWA when a safe unit is immediately available.

(6) The emergency transfer plan must describe policies for assisting a tenant in making an internal emergency transfer under VAWA when a safe unit is not immediately available, and these policies must ensure that requests for internal emergency transfers under VAWA receive, at a minimum, any applicable additional priority that housing providers may already provide to other types of emergency transfer requests.

(7) The emergency transfer plan must describe reasonable efforts the covered housing provider will take to assist a tenant who wishes to make an external emergency transfer when a safe unit is not immediately available. The plan must include policies for assisting a tenant who is seeking an external emergency transfer under VAWA out of the covered housing provider's

program or project, and a tenant who is seeking an external emergency transfer under VAWA into the covered housing provider's program or project. These policies may include:

- (i) Arrangements, including memoranda of understanding, with other covered housing providers to facilitate moves; and
  - (ii) Outreach activities to organizations that assist or provide resources to victims of domestic violence, dating violence, sexual assault, or stalking.
- (8) Nothing may preclude a tenant from seeking an internal emergency transfer and an external emergency transfer concurrently if a safe unit is not immediately available.
- (9) Where applicable, the emergency transfer plan must describe policies for a tenant who has tenant-based rental assistance and who meets the requirements of paragraph (e)(2) of this section to move quickly with that assistance.
- (10) The emergency transfer plan may require documentation from a tenant seeking an emergency transfer, provided that:
- (i) The tenant's submission of a written request to the covered housing provider, where the tenant certifies that they meet the criteria in paragraph (e)(2)(ii) of this section, shall be sufficient documentation of the requirements in paragraph (e)(2) of this section;
  - (ii) The covered housing provider may, at its discretion, ask an individual seeking an emergency transfer to document the occurrence of domestic violence, dating violence, sexual assault, or stalking, in accordance with § 5.2007, for which the individual is seeking the emergency transfer, if the individual has not already provided documentation of that occurrence; and
  - (iii) No other documentation is required to qualify the tenant for an emergency transfer.
- (11) The covered housing provider must make its emergency transfer plan available upon request and, when feasible, must make its plan publicly available.
- (12) The covered housing provider must keep a record of all emergency transfers requested under its emergency transfer plan, and the outcomes of such requests, and retain these records for a period of three years, or for a period of time as specified in program regulations. Requests and outcomes of such requests must be reported to HUD annually.
- (13) Nothing in this paragraph (e) may be construed to supersede any eligibility or other occupancy requirements that may apply under a covered housing program.

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## HOPWA Resources

**HOPWA Regulations**

The HOPWA program is regulated under *Title 24, CFR, Chapter V, Part 574*. The regulations are available at: [www.hud.gov/offices/cpd/lawsregs/index.cfm](http://www.hud.gov/offices/cpd/lawsregs/index.cfm).

**HOPWA Grantee Oversight Resource Guide**

The HOPWA Oversight guide may be used to assist grantees and project sponsors in administering the HOPWA Program in accordance with HOPWA regulation and policy. The Guide can be downloaded from the following website: [http://www.hudhre.info/documents/HOPWAOversightGuide\\_Aug2010.pdf](http://www.hudhre.info/documents/HOPWAOversightGuide_Aug2010.pdf) as well as obtained from MHC's HOPWA web- site.

**HOPWA Financial Management Oversight Training**

The HOPWA financial management oversight training is available at: <http://www.hudhre.info/index.cfm?do=viewHopwaFinancialTraining>

**Lead-based paint requirements and training can be found at:**

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

**IRS form W-9 and 1099-Misc** as well as detailed instructions on their completion can be obtained from the IRS website, [www.irs.gov](http://www.irs.gov)

**Fair Housing Act**

Person using a wheelchair to maneuver, and other adaptable features within the units. For more information and resources about the Fair Housing Act at: [www.hud.gov/fairhousing](http://www.hud.gov/fairhousing)

Fair Housing Equal Opportunity Brochure Webpage:

<http://www.hud.gov/offices/fheo/lep.xml>

Fair Housing Equal Opportunity for All Pamphlet: [www.hud.gov/fairhousing](http://www.hud.gov/fairhousing)

Fair Housing Equal Opportunity for All Pamphlet (Spanish version): [www.hud.gov/fairhousing](http://www.hud.gov/fairhousing)

**D-U-N-S number and register in CCR** please visit the following websites: [http://www.grants.gov/applicants/request\\_duns\\_number.jsp](http://www.grants.gov/applicants/request_duns_number.jsp)

[www.grants.gov/applicants/request\\_duns\\_number.jsp](http://www.grants.gov/applicants/request_duns_number.jsp)

The Department of Housing and Urban Development sets Median Income levels for communities across the country; these numbers vary significantly. This data can be found at: <http://www.huduser.org/datasets/il.html>

**OMB Circulars**

Contractors must also comply with the policies, guidelines, and requirements of Title 24, CFR, Part 85 (codified pursuant to Office of Management and Budget [OMB] Circular No. A-102) and OMB Circular No. A-87 with respect to acceptance and use of funds under the program by states and units of general local government, including public agencies, and Circulars Nos. A-110 and A-122 with respect to the acceptance and use of funds under the HOPWA Program by private non-profit entities. These documents can be downloaded from the following website: [www.whitehouse.gov/omb/circulars/index.html](http://www.whitehouse.gov/omb/circulars/index.html).

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## Frequently Asked Questions

**What is income eligibility?**

Any household whose income is below 80 percent of Area Median Income for their county is eligible for the program. A Project Sponsor may set a percentage below the 80 percent for income eligibility if a written policy is established, approved by the AA, and applied in a uniform, consistent, and non-discriminatory manner.

**Does HOPWA allow conditional eligibility?**

No, a household is either eligible or ineligible. There is no flexibility in applying program eligibility requirements.

**Can a PLWH receive assistance under this program or must the diagnosis be more advanced?**

HUD has determined that persons living with HIV – regardless of how advanced – are eligible for assistance.

**How is zero income verified?**

There are three acceptable methods of verifying any type of income. In order of preference, they are: (a) third party written or oral verification (e.g., pay stubs, letters); (b) review of documents (e.g., award letters); and (c) self-certification. The last method is the least-preferred method of verifying. If the client cannot verify income with the first two methods, they may sign a statement certifying income status.

**A client is receiving \$5,000 annually in work study. Does the full amount for work study count towards the Annual Income to determine program eligibility?**

No. All forms of student financial assistance (grants, scholarships, educational entitlements, work study programs, and financial aid packages) are excluded from household annual gross income.

**Can a household deduct child support expenses from annual gross income?**

No, income that pays child support may not be excluded from household annual gross income.

**Are financial contributions from family and friends considered a source of income when determining income eligibility?**

The answer depends on whether the contribution or gift is received “regularly.” Unfortunately, that is the extent of the guidance HUD provides. So, if the client expects to receive a contribution/gift of \$200.00 per month for a year, then yes, that would be included in the income eligibility calculation. Whether the income is regular or sporadic will have to be determined by the client and Project Sponsor. If it is sporadic, then it should be excluded from the income eligibility calculation.

**Does income earned by a minor count as household income?**

No, earned income for dependent children under the age of 18 is not included. However, other income of dependent children under the age of 18 is included. The *Determining Household Annual Gross Income Guide* outlines acceptable forms of documentation, whose income is counted, and income inclusions and exclusions.

**A client is receiving TBRA services. The client is not providing any documentation of medical results or that he is seeing a physician. Is the client non-compliant with HOPWA policies?**

HOPWA only requires proof of diagnosis when determining basic program eligibility. Beyond that, there is no regulatory requirement to provide additional medical documentation for continuation of specific program services unless the client has agreed to do so in their housing plan. Based on the information available, the client has not violated any rules. Termination of a client from HOPWA should be a last resort. Yes, HOPWA is intended to promote better health outcomes and using current medical documentation to monitor this is the best practice. However, the priority of this program is housing stability and the work needed to achieve it. If a Project Sponsor will require that clients provide medical documentation as a condition of receiving housing assistance, then a policy should be enacted and uniformly implemented with all HOPWA clients. Also, clients should have the opportunity to give informed consent by signing an acknowledgement of the Project Sponsor's unique termination policy prior to enrollment.

**If a household is being considered for rental assistance, but there isn't a reasonable expectation they will be approved for the Housing Choice Voucher Program or other affordable housing programs in the future (e.g., criminal background barriers), does this disqualify someone from rental assistance activities?**

Some households may not be eligible for the Housing Choice Voucher Program or other affordable housing programs and it would be unreasonable to expect their applications would ever be approved (this should be documented with a denial letter that explains why). In those circumstances, rental assistance could be used indefinitely or up to an established time-limit because no other long-term option is available. In other words, rental assistance activities can do more than just bridge gaps, especially when households aren't eligible for anything else. For example, it is perfectly fine to enroll someone in TBRA even when there is not an expectation that that household would be approved for other long-term housing assistance.

**Can TBRA, STRMU, FBHA, or PHP pay for moving expenses?**

No. These services cannot pay for a moving truck or other services to help someone move.

**Are foster children considered dependents for purposes of determining household annual adjusted income for rental assistance calculations?**

Per HUD's *Occupancy Requirements of Subsidized Multifamily Housing Programs (4350.3), Chapter 5: Determining Income and Calculating Rent*, Foster children are not considered dependents and are not eligible for a \$480 deduction from annual income when performing a rental assistance calculation. However, there is an income exclusion (for determining household income eligibility for the HOPWA program) for payments a

household receives to take care of foster children. For income eligibility determination, Project Sponsors may exclude payments received for the care of foster children or foster adults (usually persons with disabilities unrelated to the household, who are unable to live alone).

**A client is fighting for the guardianship of his nephews who live with him. Would the nephews be counted as dependents for a rental assistance deduction?**

Per HUD's *Occupancy Requirements of Subsidized Multifamily Housing Programs (4350.3), Chapter 5: Determining Income and Calculating Rent*, household members are not required to have legal custody of a dependent in order to receive the dependent deduction.

**How can housing status for STRMU be defined if the client's name is not on the lease agreement?**

HUD Notice 06-07 for STRMU states: "In order to receive STRMU assistance, there must be evidence of client tenancy or ownership and residency. To receive rental payments, the eligible individual or a member of the resident household must present evidence that they are a named tenant under a valid lease or that they are a legal resident of the premises." Possible sources of evidence of this include, but are not limited to:

- Documentation that the individual has been responsible for rental payments. Rental receipts, a cancelled check or a copy of a money order from the tenant to the owner would satisfy this condition.
- A late payment notice or any other written communication from the owner to the tenant that provides evidence of tenancy would also be satisfactory.
- If not named on the lease, any written documentation from the owner that the individual is a legal resident of the property.

**Can a person simultaneously receive TBRA and STRMU assistance?**

No. Per the HOPWA Grantee Oversight Resource Guide, TBRA, STRMU, and FBHA service periods cannot overlap.

**Can a person have a Housing Choice Voucher or live in public housing and also receive HOPWA housing assistance?**

No. If a client is receiving Housing Choice Voucher housing assistance payments, they are not eligible to receive HOPWA TBRA, STRMU, or FBHA. However, clients may also receive Supportive Services and PHP (CFR §574.300(b)(7)).

**Can a person receive HOME Tenant-Based Rental Assistance and HOPWA housing assistance at the same time?**

No. As with the Housing Choice Voucher Program or a public housing program, a client is not eligible to receive HOPWA TBRA, STRMU, or FBHA at the same time with other federal housing assistance programs. This would be "double dipping." However, clients may also receive Supportive Services and PHP (CFR §574.300(b)(7)).

**Can a client have zero income and receive rental assistance services?**

Yes. Household members with zero income must have their situation documented and income should be routinely reassessed.

**A household is composed of one serodiscordant couple. The household receives STRMU services. If the other individual seroconverts, do they qualify the household for an additional 21 weeks of assistance?**

No, the 21 weeks of assistance are for the household, not individual household members, and cannot be doubled or otherwise increased.

**Under STRMU, can we pay rent, mortgage, and or utility bills for clients that predate their enrollment in the HOPWA Program? For example, if a client was enrolled in the HOPWA Program in January, can we pay December bills?**

Yes, previous, verifiable balances can be paid for months that predate a household's enrollment date in the HOPWA Program and the start date of STRMU services. This also applies if the accrued costs of the bills predate the start date of the contract period (the HOPWA 2019 Program year is 02/01 – 08/31). For example, a check cut in February for outstanding bills from January of the prior contract year would be billed to the contract that started in February regardless of which days of accrued costs you are paying for. Tracking days of accrued costs paid for is merely a method of ensuring the total amount of STRMU assistance is capped at 147 days. This client may be assisted with the prior bills in order to prevent homelessness. Thus, there is meant to be a "seamless" housing assistance service even though a contract timeframe is crossed. From an accounting perspective, the predating bills would be charged on the current project year's budget.

**When a household begins receiving STRMU, an agency can pay utilities for the previous months. What if a client starts the program in June and receives utility assistance for that month plus the previous months of April and May that were past due? Does this count as one month of assistance or three months?**

The 21-week limit under STRMU is based on days of accrued costs. Therefore, if STRMU pays April (30 days), May (31 days), and June (30 days), then that will constitute 91 out of 147 days in a 52-week period (365 days for regular years and 366 days for leap years) – regardless of what day or month the check is cut.

**With regard to the 21-week rule for STRMU, what happens when the 21<sup>st</sup> week is in the middle of a month?**

You cannot exceed the 21-week limit. The household will have to pay the balance of what is due.

**What kinds of emergencies would qualify a household for STRMU services?**

An emergency is a situation that is short-term in nature and one that the case manager has reason to believe will put the client at risk of becoming homeless. To receive STRMU assistance a client must provide verifiable evidence of the outstanding obligation and evidence of his/her inability to make the monthly payments

**Can the Project Sponsor develop their own system to track the number of weeks a client receives STRMU services within a 52-week period?**

No. The Project Sponsor must use the DSHS calendar day method using the client's first payment date to determine the 52-week period. The calendar day method is used because it is the most accurate method with minimal rounding. HUD requires Project Sponsors to use the same method of tracking and must be applied uniformly and consistently for all Project Sponsors.

**Does HUD permit a waiver of the 21-week time limitation for STRMU?**

HUD regulations permit a waiver to be granted through the HUD Headquarters office on a case-by-case basis and approval can be granted only by the HUD Assistant Secretary for Community Planning and Development. HUD approval is rare and extraordinary and should not be expected by anyone assisted under this program.

**Is it the responsibility of the Project Sponsor to inspect a client's housing for STRMU?**

No. An inspection is not required for STRMU but the client must assure the Project Sponsor that the property is safe and decent. The case manager needs to ask some questions to confirm this statement as the Project Sponsor is ultimately responsible for ensuring this is true.

**Why do STRMU clients need a Comprehensive Housing Plan?**

All HOPWA clients are required to have a Housing Plan. Goals must be established for on-going housing stability for clients with referrals for access to medical treatment and supportive services. The purpose of the Housing Plan is to provide a tool for the client and case manager to achieve housing stability without long-term dependency on the HOPWA program.

**Does HOPWA allow the use of funds for late and reconnect fees?**

Yes. Late and reconnect fees are allowable under STRMU, but not under TBRA or FBHA. Remember, households cannot receive TBRA, STRMU, or FBHA services at the same time, so if a household receiving TBRA services is charged a late fee, STRMU cannot pay that late fee.

**For TBRA, what if the unit does not comply with rent standard and rent reasonableness requirements?**

In short:

- The household could relocate to a unit that complies with rent standard/rent reasonableness requirements,

- The household could find another household to split housing costs with provided there are enough bedrooms to accommodate both households (shared housing arrangement),
- The household or Project Sponsor could identify and secure an alternate payer for household-paid utility costs in order to reduce or eliminate the amount of utility allowance required,
- The household could negotiate a new rent or revise the utility responsibilities with the owner, or
- On a unit by unit basis, the project sponsors may increase the rent standard by up to 10 percent for up to 20 percent of the units assisted (in other words, Project Sponsors may use 110 percent of the rent standard for 2 out of 10 of the combined households that receive TBRA or TSH services in a given program year). Project Sponsors must collaborate with the MHC to develop a Rent Standard Increase policy and tracking method before increasing the rent standard for a proposed unit.

A Rent Standard Increase policy should describe the circumstances in which a Project Sponsor would increase the rent standard for a proposed unit. When will the Project Sponsor make this exception? Are there certain conditions or considerations the Project Sponsor will prioritize in making this exception? For example, the exception could be granted to a household that needs to be closer to a medical provider in the center of town where housing costs are higher. The policy should be implemented in a uniform, consistent, and non-discriminatory manner.

#### **What is the difference between the client household and roommate households?**

An applicant must identify individuals living in the unit as either household members or roommates when applying for assistance, or at renewal. Household membership is defined by the household, not by blood or marital relationship. A roommate relationship is established for the purposes of sharing rent and utility bills in return for receiving a share of the space available. In shared housing arrangements where two or more unrelated households live together, Project Sponsors may not extend grace periods to roommates or other households. Grace periods may be extended only to surviving or remaining household members who were already enrolled in the program.

#### **Can a client rent a room or property from family?**

The shared housing regulations at 24 CFR §982.615(b)(3) state that "an assisted person may not be related by blood or marriage to a resident owner." Also, per 24 CFR §982.306(d), Project Sponsors cannot provide housing assistance if the unit owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the family. However, Project Sponsors may grant exception to these regulations if they determine that approving the unit would provide reasonable accommodation for a household member who is a person with disabilities.

For example, a reasonable accommodation would permit a 'person with disabilities,' including PLWH, to receive benefits when housed with a family member who owns or rents the housing unit if it is determined by a physician that living with the family member is important to the client's overall health and welfare. In such situations, the resident owner's income is not to be counted in determining the household's income eligibility for the program. Such payments are based on the number of bedrooms that the person with disabilities occupies in the home and must be reasonable for the type and nature of the housing arrangement, and similar to the reasonable rental fees available in comparable unassisted units.

To further clarify, a reasonable accommodation is permitted for clients who need to stay in place as an accommodation for their disability. If able, a client can make a reasonable accommodation request in writing, however, if the client is unable, they may have someone assist them with the request. Project Sponsors may also ask for written verification from a healthcare provider or someone knowledgeable about the person's disability as back-up for the file. A reasonable accommodation should not be used merely as a mechanism for clients not to have to move or in an effort to exclude additional household member's income that would normally be considered when determining income eligibility – but be legitimately due to their particular disability. Overall, the process for requesting and approving reasonable accommodations shouldn't be complicated, and generally, in other housing programs such as Section 8, reasonable requests are more often approved than not. See the decision tree under Appendix J: "Can I Pay this Owner?" for additional guidance.

**If someone is married and both people receive Social Security or other income, with one spouse being the sole care giver for the other, do we have to include the caregiver's income in the computation?**

Yes, a married partner cannot be considered a live-in aide. Per 24 CFR §813.102, a live-in aide is a person who resides with an elderly or disabled person or persons and who (a) is determined to be essential to the care and welfare of the person(s), (b) is not obligated to support the person(s), and (c) would not be living in the unit except to provide necessary supportive services.

**APPENDICES**

**Appendix A: VAWA Notice of Occupancy Rights**

**Appendix B: RFC Program Bulletin**

**Appendix C: Client File checklist**

**Appendix D: HOPWA Program Enrollment**

**Appendix E: Self- Declaration of Income**

**Appendix F: Self Declaration of Residency**

**Appendix G: Interim Recertification Worksheet**

**Appendix H: Continued Assistance Request Form**

Additional HOPWA forms and sample files are available on [MHC website](#).

COMPLIANCE

**COMMUNITY INCENTIVE DIVISION (CID)  
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) MONITORING SYSTEM**

- I. Introduction
- II. Selection
  - A. Drawdown Activity
  - B. Project Status Report
  - C. Correspondence
  - D. Past Performance
- III. Scheduling
- IV. On-Site Monitoring
  - A. Desk Review
  - B. Monitoring Review
  - C. Monitoring Report

CID Monitoring System – CDBG

## **MONITORING SYSTEM**

### **I. Introduction**

The Mississippi Development Authority (MDA), Community Incentive Division (CID), administered the State of Mississippi Community Development Block Grant (CDBG) program by awarding CDBG funds to eligible local units of government (cities, towns, and counties) for the implementation of eligible CDBG program activities. CID is required by statute to monitor Sub-recipients as outlined in Title 1 of the Housing and Community Development Act of 1974, as amended and 23 CFR Part 570.492 of the State CDBG Regulations. Section 104 (e) of Title I outlines the review responsibilities of the State.

During the course of a CDBG project, each Sub-recipient will be monitored through at least one on-site visit and written report. CID must ensure Sub-recipients comply with all regulations governing administrative, financial and programmatic requirements and achieve performance objectives on time and within budget. Monitoring allows CID to verify compliance with both regulatory and performance requirements. Sub-recipients are required to maintain complete financial and program files and to comply with program reporting requirements. These files should be maintained on-site with the Sub-recipient. This monitoring system represents a formal process for determining whether a Sub-recipient project implementation conforms to federal and state regulatory requirements.

### **II. Monitoring Objectives**

Federal regulations require the State to oversee and document all expenditures of CDBG funds. The objectives of the monitoring process are:

- To assist the Sub-recipient in carrying out activities, as described in the Sub-recipient's application for funds and carrying out its project in a timely manner;
- To determine if the Sub-recipient is conducting the project with adequate control over program and financial performance, and in a manner which minimizes the opportunity for mismanagement, fraud or waste;
- To determine if the Sub-recipient is charging costs to the project that are eligible under applicable laws and regulations;
- To identify potential problem areas and to assist the Sub-recipient in complying with applicable laws and regulations;
- To assist Sub-recipients in resolving compliance problems through discussion, negotiation, or provision of technical assistance;
- To provide adequate follow-up measures to ensure that performance and compliance deficiencies or problems are corrected by Sub-recipients;

CID Monitoring System – CDBG

## II. Project Monitoring Selection Criteria

All projects will be monitored at least once over the life of the project. Projects are selected for on-site reviews based on the following sources of information that is used to identify program status and accomplishments, problems and potential problems. Analysis of this data will assist the program manager in determining the need and the scheduling for on-site reviews, as well as the compliance areas to be examined.

- A. Draw-down Activity - Each project must have been cleared in the areas of environmental, special conditions as applicable prior to receiving funds with the exception of application preparation. The program manager tracks each Sub-recipient's rate of expenditures. All projects will be monitored at least once during the life of the project, which will be at approximately 50% of completion of construction of the project. The Division Director or Deputy Director may decide if some projects will be monitored more than once. In the event of implementation problems, lack of activity or a sudden change in activity, the program may qualify for an immediate on-site review. Economic Development projects may be monitored a second time when project construction activities are complete, when the National Objective for job creation has been satisfied, and/or the private investment match has been made but in all cases a final desk monitoring will be performed at the closeout of the project.
- B. Correspondence - General communication with a Sub-recipient, whether oral or written, may indicate implementation problems or potential problems. Should continuous communication with a Sub-recipient or its representative reveal a problem or potential problem, the program may qualify for an on-site review.
- C. Past Performance - Sub-recipients that have been funded previously and have had significant monitoring or audit findings may qualify for an on-site review at any stage of project implementation.

Any combination of the above factors may determine the need to schedule an on-site monitoring review.

## III. Scheduling

The CID Compliance unit, through coordination with the Sub-recipient and CID program manager, arranges the day and time of the visit. In accordance with the Community Incentive Division Monitoring Policy, the Sub-recipient is then notified in writing prior to the routine on-site review. The notification includes the following:

- the date of the on-site review, with the time of the entrance interview and approximate time of the exit interview
- name(s) of the person(s) conducting the review

CID Monitoring System – CDBG

- purpose of the review
- a request that the Sub-recipient's representative and other appropriate staff be available during the review

CID reserves the right to reschedule monitoring reviews at the mutual convenience of all parties involved.

#### **IV. On-Site Monitoring**

The CID Compliance Unit is responsible for the on-site review of all funded grants within their designated area(s) of responsibility. Prior to visiting a project, the CID Compliance Office conducts a desk review of the Sub-recipient's contract file and other relative reports and correspondence. The on-site review is then conducted in accordance with the monitoring schedule. This review includes verification that project activities are implemented and are within the defined area(s) as designated in the Sub-recipient's application. The Compliance Officer also reviews the project area to support eligibility and compliance with the program objectives under which the project was funded.

##### **A. Desk Review**

The desk review involves the completion of a standardized monitoring desk review form, which requires the following:

- the name of the grant file being reviewed
- the name of the authorized official (Mayor or President of the Board of Supervisors)
- the factor(s) which qualify the project for monitoring
- the date, time and place of the monitoring visit for which the desk review is being completed
- the beginning and ending date of the contract
- the number and types of modifications to the original contract
- the date of clearance for special conditions and environmental clearance
- a listing of correspondence reviewed which normally includes letters and memorandums from the Sub-recipient and its representatives to CID and response from CID to Sub-recipients, or file memorandums relative to project activities

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- a listing of the number of requests for cash as of date of review and the amounts of each request
- a listing of any previous monitoring or audit findings
- an outline of current contract budget
- a listing of compliance areas to be examined
- any other comments relative to review

Information gathered from the desk review is used to check project performance, cost overruns and any overruns in time schedules during the on-site review.

#### **B. Monitoring Review**

The on-site review involves a comprehensive examination of project activities to ensure compliance with applicable federal and state regulations as well as applicable CID Policy Statements. In addition, the monitoring review gives the Sub-recipient the opportunity to receive technical assistance in areas needed.

Please note that the second public hearing should be conducted prior to any onsite monitoring review held at approximately 50% of project completion.

Each on-site review begins with an entry interview during which the development specialist briefs the Sub-recipient's representative on the areas to be examined and the data required to complete the examination. At this time, the Sub-recipient's representative updates the reviewer on the status of project activities and the expected date of completion.

The applicable monitoring instruments are completed during the monitoring review depending on the areas of compliance to be examined.

- The Minority Business Enterprise/Fair Housing/Equal Opportunity Monitoring Checklist is used to check for compliance with federal and state regulations relative to civil rights, fair housing and equal opportunity for federally assisted grants.
- The Environmental Monitoring Checklist is used to check for compliance with federal and state regulations relative to environmental activities in a federally assisted grant.
- The Procurement Monitoring Checklist is used to check for compliance with federal and state guidelines relative to the procurement of supplies,

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equipment, construction, and services for federally assisted grants.

- The Acquisition Monitoring Checklist is used to check for compliance with federal and state guidelines relative to the acquisition of private property for use in federally assisted grants.
- The Labor Standards Monitoring Checklist is used to check for compliance with federal and state regulations relative to labor standards requirements for federally assisted grants.
- The Relocation Monitoring Checklist is used to check for compliance with federal and state regulations relative to relocation activities in a federally assisted grant.
- The Financial Management Monitoring Checklist is used to check for compliance with federal and state regulations relative to grant management and record-keeping requirements for federally assisted grants.
- The Job Creation and Program Income Monitoring Checklist is used to check the number of jobs actually created and/or retained, and the amount of program income generated by federally assisted Economic Development grants.
- The National Objective Monitoring Checklist is used to check for compliance with federal and state regulations relative to the required objective of the federally assisted grant.
- The Citizen Participation Checklist is used to check for compliance with the State's Citizen Participation Plan.
- The Section 3 Checklist is used to track documentation of efforts to give opportunities for training, employment, contracting and other economic opportunities to low and very- low income residents of the project area. Also efforts for contracts for work in connection with the project to be awarded to eligible business concerns which are located in, or owned in substantial part, by persons residing in proximity to the project area; and hours worked by qualifying section 3 workers.

Once all applicable compliance areas have been examined, the reviewer visits the project site to determine that the activities have taken place as outlined in the contract document. Following the project site review, the program manager then conducts an exit interview to briefly discuss any preliminary comments and recommendations, identify technical assistance needs, and address any questions by the Sub-recipient. The reviewer should also inform the Sub-recipient that a written report outlining any comments, concerns and/or findings, as well as recommendations or actions to be taken will be forwarded to the Sub-recipient.

CID Monitoring System – CDBG

### C. Monitoring Report

After conducting the on-site review, the Compliance Unit then prepares a written report, which should be completed within thirty (30) days from the date of the visit. The report should consist of a cover letter, signed by the Compliance Unit Manager, which lists the date of review, areas examined, and, if applicable, the time period within which the Sub-recipient's response should be received.

A narrative report of comments, concerns, and/or findings with recommendations and actions to be taken for applicable compliance areas is attached to the cover letter. The report also incorporates verification of project activities, location, eligibility, and program objectives. If applicable, the Sub-recipient is required to respond to the report within a specified time period. The program manager then, either issues a resolution to the monitoring report, or requests the necessary information to resolve findings. Failure to respond to the monitoring comments and recommendations within thirty (30) days of issuance of the report will result in cash requests **BEING HELD UNTIL** such a response is received.

CID Monitoring System – CDBG



# **MISSISSIPPI HOME CORPORATION**

## **HOMEOWNER REHABILITATION PROGRAM**

### **MONITORING POLICIES and PROCEDURES MANUAL**

### **Compliance Monitoring Review**

HOME projects are monitored to ensure that Sub-Recipients comply with regulations outlined in 24 CFR Part 92, HOMEfires, and other requirements. The Program Manager will coordinate with the Sub-Recipient or a designated Representative to schedule the monitoring visit. Written notification will be provided to the Sub-Recipient regarding the agreed-upon time and location for the visit.

The on-site review includes a thorough examination of project activities to confirm compliance with applicable federal and state regulations. Additionally, this monitoring review offers the Sub-Recipient the opportunity to receive technical assistance in areas where it is needed.

Each on-site review begins with an entry interview, during which the area representative briefs the Sub-Recipient's representative on the specific areas to be reviewed. The Sub-Recipient's representative will also provide an update on the status of project activities and the expected date of completion.

The compliance monitoring review will focus on the following areas:

- Environmental
- Citizen Participation
- Fair Housing/Equal Opportunity
- Financial Management
- Procurement
- Section 3
- Other applicable areas

**The Environmental Monitoring Checklist** is utilized to verify compliance with federal and state regulations related to environmental activities in federally assisted grants.

All projects funded with federal money, along with all activities associated with those projects, must adhere to the National Environmental Policy Act of 1969 (NEPA) and the HUD environmental review regulations at 24 CFR Part 58. The primary aim of this Act is to protect and enhance the quality of our natural environment. The HUD environmental review process must be completed before any federal funds can be accessed for program-eligible activities.

All federally funded projects and related activities must have documentation demonstrating compliance with NEPA and other environmental requirements. This section provides guidance necessary for preparing the Environmental Review Record (ERR) as required by NEPA and related laws. The ERR serves as a tool to evaluate the environmental consequences of all federally funded projects and activities.

### **Citizen Participation Monitoring Checklist**

The Citizen Participation Monitoring Checklist is used to ensure compliance with the State Citizen Participation Plan.

Each Local Unit of Government and Non-Profit Organization seeking HOME funds must meet requirements outlined in 24 CFR 91.115(e) of the Housing and Community Development Act of 1974.

### **Minority/Women Business Enterprise – Fair Housing/Equal Opportunity**

The Minority and Women Business Enterprise (MWBE) and Fair Housing and Equal Opportunity Monitoring Checklist is used to verify compliance with federal and state regulations pertaining to civil rights, fair housing, and equal opportunity for federally assisted grants.

Fair Housing and Equal Opportunity (FHEO) posters must be displayed in a prominent location within the Sub-Recipient's administration building or at any site that the public may visit. These posters should be available in both English and Spanish versions and placed in plain view for anyone entering or exiting the building, ideally near common pathways.

The Sub-Recipient must implement procedures to encourage the engagement of minority and women-owned businesses in the execution of Homeowner Rehabilitation activities. Federal regulations requiring participation by minority and women business enterprises include Executive Orders 11625, 12432, 12138, as well as 24 CFR Part 85.36(e). The following steps outline how the Sub-Recipient can comply with federal and state regulations to promote MBE/WBE participation:

1. The Sub-Recipient must reach out to at least two (2) minority and women-owned businesses via certified mail or other documented methods of communication. They should be given the chance to submit a proposal or bid for any required services.
2. Maintain records documenting the extent of MBE/WBE contracting and subcontracting. This information should be submitted in the semi-annual MBE Reports to the relevant office on time.
3. Develop a local MBE/WBE Directory.

### **Financial Management Monitoring Checklist**

The Financial Management Monitoring Checklist is used to check compliance with federal and state regulations concerning federally assisted grants.

Invoices, including applicable inspection reports, must be maintained with Requests for Cash for review and verification. Inspections must be conducted and passed before any funds can be released to the contractor for services rendered. HOME files must contain all required documentation.

Homeowner Rehabilitation Monitoring Policies and Procedures Manual

### **Procurement Monitoring Checklist**

The Procurement Monitoring Checklist is utilized to verify compliance with federal and state regulations related to the procurement of supplies, materials, construction contractors, and services for federally assisted grants.

### **Compliance Monitoring Report**

After conducting the on-site review, the Area Representative will prepare a written report, which should be completed within thirty (30) days from the date of the visit. The report will include a cover letter signed by the AVP of Grants Management. This letter will specify the date of the review, the areas reviewed, and the timeframe within which the Sub-Recipient must respond to MHC, if a Finding is identified.

Attached to the cover letter will be a narrative report detailing comments, concerns, and/or findings, along with recommendations and actions to be taken for applicable compliance areas. The Sub-Recipient is required to respond to the report within ten (10) days from the date it was issued. Failure to respond to the monitoring comments and recommendations within ten (10) days will result in the holding of Cash Requests until the response is received.



# On-going Compliance FY 2024 HOME.HTF Physical Inspections

# Citizen Participation Plan