



Tehama County
Continuum of Care

Homelessness Prevention Operations Manual

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I. Introduction

A. Overview

The Emergency Solutions Grant (ESG) Program is a federal program operated by the U.S. Department of Housing and Urban Development (HUD) to make grants to states, local governments, and territories for the purposes of funding activities that directly serve people experiencing homelessness, including people at risk of homelessness.

The California Department of Housing and Community Development (CA HCD) is a direct recipient of ESG from HUD. CA HCD administers an annual allocation of ESG and an additional one-time allocation of ESG made available under the CARES Act.

Service Providers located within the geographic area covered by the Tehama County Continuum of Care (Tehama CoC) may receive ESG funding either directly from CA HCD or as a subgrantee of Tehama CoC, through its designated Collaborative Applicant/Administrative Entity (CA/AE).

B. Applicability of this Operations Manual

This manual provides the structure under which ESG-funded Homelessness Prevention (HP) projects operating within Tehama CoC's geographic area must be designed and implemented, and may be applicable, in whole or in part, to operations of HP or HP-comparable projects funded through other funding programs administered locally by Tehama CoC through its designated CA/AE.

C. Applicability of Federal Requirements

ESG-funded projects are required to adhere to all applicable federal laws, statutes, and regulations, which include but are not limited to the ESG Program Interim Rule ([24 CFR Part 570](#)) and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ([2 CFR part 200](#)). Elements of these requirements are incorporated into this Manual; however, project operators are strongly encouraged to independently review all applicable requirements independent of this document.

D. Applicability of Other Regulations

Projects funded under other state or federal programs administered by Tehama CoC may be subject to other statutes and regulations. Project operators are responsible for independently reviewing all applicable requirements as described in the Standard Agreement executed with Tehama CoC's designated CA/AE.

E. Right to Implement More Specific/More Restrictive Policies

Projects subject to this Operations Manual are permitted to implement, through their project-specific policies and procedures, more specific and/or more restrictive policies with regards to HP eligibility and to limit assistance provided with regards to assistance type, durations and total dollar amount, provided such policies are implemented in an effort to ensure that HP assistance is reserved for individuals and households most likely to experience literal homelessness but for HP assistance and to

ensure that those individuals and families can remain in permanent housing with HP assistance.

II. Project Requirements

A. Overview

Homelessness Prevention (HP) is one of several components (i.e., project types) that can be funded by ESG. Per 24 CFR Part 576, also referred to as the “ESG Program Interim Rule”:

[HP] funds may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance necessary to prevent an individual or family from moving into an emergency shelter or another place described in paragraph (1) of the “homeless” definition [which includes but is not limited to living on the streets, in a park, or in another place not meant for human habitation.]¹

For the purposes of this Operations Manual, HP may mean services provided using ESG funds as described above and/or similar services provided to individuals and households at-risk of homelessness, including housing retention case management, with or without direct financial assistance, provided using other funds administered by Tehama CoC through its designated CA/AE.

The requirements in this Operations Manual are intended to ensure that subrecipients create RRH projects that:

- Comply with all applicable federal laws, statutes, and regulations
- Provide assistance that is tailored to each participant's specific needs and housing barriers
- Implement human-centered best practices to providing HP assistance that is low barrier and reflects the Housing First approach. For more information on Housing First, see Tehama CoC's [Housing First Policy](#).

B. Written Policies and Procedures

Projects are required to develop and implement written Policies and Procedures (P&Ps) that fully detail all aspects of their HP operations. Policies and procedures must comply with all applicable standards and requirements, which at minimum include:

- The ESG Interim Rule
- This Operations Manual
- CA HCD's Homelessness Prevention Policy

At a minimum, they must include the following content pieces:

1. **Participant triage.** A triage process must exist that ensures the project serves only those who will experience literal homelessness without ESG-HP assistance.

¹ 24 CFR 576.103, “Homelessness prevention component”

2. **Coordinated Entry integration.** Project-level participant intake must comply with the Coordinated Entry process for the Continuum of Care (CoC) or CoCs in which the project operates.
3. **Participant eligibility.** Eligible participant populations must be defined. A process must exist to establish and document participant eligibility.
4. **Suite of services.** The following elements of service delivery must be defined:
 - a. The full suite of services that can be provided, which cannot exceed but can be more limited than those eligible activities enumerated in this Policy
 - i. Projects are strongly encouraged, within their full suite of services, to distinguish between which services they intend to provide directly versus those they intend to provide via contractor; which they intend to provide to most or all participants versus which they will provide infrequently as needed; and other information as needed to articulate the project's common pattern of services as distinct from its full potential scope
 - ii. The process for assessing each participant's individual strengths and housing barriers, then developing an individualized case management plan that incorporates those strengths and housing barriers to quickly return the participant to safe, stable permanent housing
 - b. The process for periodically reassessing each participant's service plan and amending it to reflect both barriers that have been removed and new barriers that have been identified
5. **Staffing pattern.** The following elements of project-level staffing patterns must be defined:
 - (1) Estimated caseloads for staff providing case management, which must be sufficient to meet any commitments or projections regarding the number of participants to be served by the project during a given period
 - (2) A process for entering participant data into and maintaining participant data in the local Homeless Management Information System (HMIS) in an accurate and timely manner
6. **Housing problem-solving.** A process must exist for providing the following housing problem-solving (HPS) approach. HPS, including standard interventions and recordkeeping requirements, is defined more fully in CA HCD's ESG Housing Problem-Solving Policy. ESG-HP projects are required to provide the following HPS services:
 - (1) **Prevention:** projects must attempt to provide case management, landlord mediation, and/or other case management-based prevention services to all participants who request HP services as the project's first service delivery to each participant; projects are strongly encouraged to continue offering these services to each participant until both project and participant jointly determine that the participant

cannot remain housed absent onetime payments or an ongoing subsidy

7. **Other requirements.** Project policies and procedures must meet any other requirements in documents other than this Policy. Other sources of requirements may include but are not limited to federal laws, statutes, and regulations, CA HCD policy regarding federal awards generally and the ESG Program specifically, Tehama CoC policy and policies and procedures of Tehama CoC's designated CA/AE.

C. Coordinated Entry

Projects are required to fully comply with Tehama CoC's Coordinated Entry Policies and Procedures, which include utilizing Coordinated Entry (CE) to fill openings in HP caseloads. Projects should consult with Tehama CoC's HMIS Lead Agency on the development of its Project Queue in CE.

D. Termination and Appeals

Projects are required to develop a termination and appeals policy. This policy must comply with all requirements in [24 CFR 576.402](#), "Terminating Assistance," which includes but is not limited to a provision that participants' assistance be terminated only under the following circumstances:

- In the most severe cases
- If the participant is no longer eligible to be served by ESG-HP, including because they no longer meet an applicable category of homelessness or the "at risk" definition

This policy must also comply with any additional applicable requirements, which can most commonly be found in the following places:

1. The project's application to Tehama CoC or CA HCD and the grant award or contract/agreement for the project with the relevant funding agency
2. ESG Written Standards developed by CA HCD or Tehama CoC
3. Tehama CoC Written Standards insofar as they apply to HP projects

E. Intake Procedures

Projects are required to develop a participant intake procedure that ensures that the project serves only those who are eligible for HP services, complies with Tehama CoC's CE policies, and incorporates all required elements. Required elements include, but are not limited to:

1. **Participant eligibility.** This policy must establish a process for determining whether a participant is eligible to receive assistance. A participant is not considered eligible by projects under this Manual unless they are determined to be eligible by a process as defined by this section. At minimum, this process must include a methodology for assessing and determining whether a person:
 - a. Is currently considered At-Risk of Homelessness as defined by HUD, and
 - b. Will experience literal homelessness but for HP assistance, and

- c. Will remain in safe housing with HP assistance.
- 2. **Needs assessment.** This policy must establish a process for assessing each project applicant's needs, including housing barriers that they would need the HP project to resolve. The project may determine whether the needs assessment and the eligibility assessment (listed in subsection a., "Participant eligibility," of this section) are the same or separate processes and whether or not they share some, all, or none of their criteria. However, if they are separate processes, the needs assessment should only be applied to project applicants who are eligible to receive assistance.
- 3. **Coordinated Entry.** This policy must describe how the project complies with Tehama CoC's Coordinated Entry process.

F. Recordkeeping and Documentation

Projects are required to maintain complete HP Client files, in compliance with the "Recordkeeping and Reporting Requirements" section of [24 CFR 576.500](#),

G. Tehama CoC Form Kits

To provide a **template for required Intake Procedures** and streamline projects' ability to maintain complete client files that comply with the documentation standards in [24 CFR 576.500](#), Tehama CoC has developed a series of Form Kits which are available on the [Provider Resources](#) page of the CoC's website.

HP Projects operating within Tehama CoC's geographic area are strongly encouraged to utilize Tehama CoC's [Homelessness Prevention \(HP\) Form Kit](#).

Projects are expected to customize the forms in the following ways:

- a. All instructions shown in RED on Form Kit forms indicate customizations that must be made prior to form use.
- b. Specific project names and/or logos should be added wherever the text "[HP Project Name/Logo here]" is included on a form.

Additionally, projects may:

- a. Modify form layouts to be consistent with their organization's graphic standards or branding, and/or
- b. **Add** more detailed instructions to project staff as needed (i.e., which position is responsible for ensuring that a particular form or section is complete, project-specific file storage procedures, etc.)

Projects that opt not to utilize the [HP Form Kit](#), that choose to substitute one or more project-specific forms for Form Kit forms, or that make material changes to Form Kit forms for use in their project(s) are responsible for ensuring that their recordkeeping and documentation standards comply with [24 CFR 576.500](#) and all other applicable state and federal regulations. Proposed substitutions and/or modifications should be submitted for review by Tehama CoC's designated CA/AE prior to use to prevent issues that may arise from use of non-compliant practices and/or incomplete client files.

While the [HP Form Kit](#) is designed to guide staff through HP Intake Procedure processes such as establishing eligibility, assessing participant needs, verifying that units meet habitability and housing quality standards and maintaining complete client files, this guidance should not be considered a substitute in-person staff training. Tehama CoC's designated CA/AE is available to provide in-person staff training on compliant project operations, including Form Kit use. All projects funded by Tehama CoC through its designated CA/AE are required to complete this training at least once, and additional trainings should be requested by any project that experiences significant staff turnover. Tehama CoC's designated CA/AE may mandate refresher trainings for projects when significant issues have been identified as a result of an annual monitoring and/or ongoing compliance monitoring.

All forms listed throughout this Operations Manual are made available in Tehama CoC's [HP Form Kit](#).

H. Project Monitoring

All projects receiving funds directly from Tehama CoC through its designated CA/AE will undergo a full Monitoring, conducted by Tehama CoC's designated CA/AE at least annually and are subject to ongoing monitoring as part of the expenditure reimbursement and HMIS data quality processes. Projects receiving ESG funding directly from a state or federal agency are subject to monitoring by these funders.

The purpose of Monitoring is to identify deficiencies and/or non-compliant practices so that they can be remedied. Projects who receive monitoring findings will be given an opportunity to cure deficiencies and will be offered technical assistance as needed. More serious or repeat violations may result in more severe corrective actions up to and including the recapture of funds and may impact a project's or organization's eligibility for future funding.

III. Participant Eligibility

A. Overview

Participant eligibility requirements in this Manual are derived from the ESG Program Interim Rule. Any changes to eligibility requirements based on updated HUD guidance or regulation, or based on federal statute, shall supersede this Manual.

B. Eligibility Requirements

Participants must meet the criteria in this section to be eligible for assistance under any project covered by this Policy. Participants must meet the criteria listed under at least one of subheadings (a), (b), or (c), below. (Participants are not required to meet the criteria of more than one subheading.)

- b. Imminent Risk of Homelessness (Category 2 of the HEARTH Definition of Homelessness)
 - i. The household will lose their primary nighttime residence within 14 days of the date of application for assistance, and
 - ii. No subsequent residence has been identified, and
 - iii. The household lacks the resources or support networks (e.g., family, friends, faith-based or other social networks) needed to obtain other permanent housing, and
 - iv. The household's annual income is below 30% of the median family income for the area (the area median income or "AMI")
- c. Fleeing Domestic Violence (Category 4 of the HEARTH Definition of Homelessness)
 - i. The household is fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against a household member, including a child, that has either taken place within the household's primary nighttime residence or has made the household afraid to return to its primary nighttime residence, and
 - ii. The household has no other residence, and
 - iii. The household lacks the resources or support networks to obtain other permanent housing, and
 - iv. The household's annual income is below 30% AMI
- d. "At Risk" Definition of Homelessness (ESG Program Interim Rule)
 - i. The household's annual income is below 30% AMI, and
 - ii. The household does not have sufficient resources or support networks immediately available to prevent them from experiencing literal homelessness, and
 - iii. The household meets at least one of the following criteria:

- Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance
- Is living in the home of another because of economic hardship
- Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after their date of application for assistance
- Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by Federal, State, or local government programs for low-income individuals
- Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two people or lives in a larger housing unit in which there reside more than 1.5 people per room as defined by the US Census Bureau
- Is exiting a publicly funded institution or system of care such as a health care facility, a behavioral health facility, a foster care or other youth facility, or a correction program or institution
- Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness as identified in CA HCD's approved consolidated plan

Projects are additionally empowered to identify, as part of its eligibility assessment, additional factors that make it significantly more difficult for a person in the project's locality to remain in or re-establish permanent housing if they meet the eligibility criteria above. Projects can incorporate these additional factors into their participant eligibility criteria, triage mechanisms, or both.

C. Documenting Participant Eligibility

Projects are required to include documentation of each participant's eligibility for HP services in the client file. Participant eligibility can be documented by completing the **Eligibility Determination** section of the Homelessness Prevention Services and Client File Checklist (**Form 3A**), including completing and attaching HP Homelessness Status Worksheet (**Form 3B**), and either the HP Third Party Documentation form (**Form 3C**) or the HP Staff Report and Due Diligence form (**Form 3D**) **and** the HP Participant Self-Certification form (**Form 3E**), available in Tehama CoC's [HP Form Kit](#).

IV. Activity Eligibility

A. Overview

Eligible activities in this Manual are derived from:

- The [ESG Program Interim Rule](#)
- ESG-CV [Notice CPD-21-08](#)
- Other Notices related to the COVID-19 pandemic as applicable

Note that activities or components of activities listed as eligible under ESG-CV [Notice CPD-21-08](#) are only eligible insofar as they are used to prevent, prepare for, respond to, and mitigate the impacts created by COVID-19. Note also that activities listed as eligible under ESG-CV [Notice CPD-21-08](#) may become ineligible going forward if that Notice is amended, superseded, or rescinded, which may occur at HUD's discretion through September 2022.

All activities not listed in this Manual are considered ineligible.

B. Eligible Activities

The following activities from the ESG Program Interim Rule are eligible under projects covered by this Manual.

HP funds may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance necessary to prevent an individual or family from experiencing literal homelessness.

These activities are eligible only to the extent that they are necessary to help a given participant regain stability in their current permanent housing or move into other permanent housing and achieve stability in that housing.

Specific eligible activities:

1. Financial Assistance Costs

Each project may, at its discretion, set a maximum dollar amount that its participants may receive under each service in this section.

Each project may, at its discretion, set a maximum period for which a participant may receive each service in this section.

Financial assistance under this section cannot be provided to a participant who is receiving the same type of assistance through other public sources or to a participant who has been provided with replacement housing payments under the URA during the period of time covered by the URA payments.

HP may be used to pay housing owners, utility companies, and other third parties for the following costs:

Eligible Activity	Description
Rental Application Fees	ESG funds may pay for the rental application fee that is charged by the owner to all applicants
Security Deposits	ESG funds may pay for a security deposit that is equal to no more than 2 months' rent.
Last Month's Rent	If necessary to obtain housing for a participant, the last month's rent may be paid from ESG funds to the owner of that housing at the time the owner is paid the security deposit and the first month's rent. This assistance must not exceed one month's rent and must be included in calculating the participant's total rental assistance, which cannot exceed 24 months during any 3-year period
Utility Deposits	ESG funds may pay for a standard utility deposit required by the utility company for all customers for the utilities listed under "Utility Payments," below.
Utility Payments	ESG funds may pay for up to 24 months of utility payments per participant, per service, including up to 6 months of utility payments in arrears, per service. A partial payment of a utility bill counts as one month. This assistance may only be provided if the participant or a member of the same household has an account in their name with a utility company or proof of responsibility to make utility payments. Eligible utility services are gas, electric, water, and sewage. No participant shall receive more than 24 months of utility assistance within any 3-year period.
Moving Costs	ESG funds may pay for moving costs such as truck rental or hiring a moving company. This assistance may include payment of temporary storage fees for up to 3 months provided that the fees are accrued after the date the participant begins receiving assistance under the "Services Costs" section, below, and before the participant moves into permanent housing. Payment of temporary storage fees is not eligible
Emergency transfer associated costs.	If a participant receiving short- or medium-term rental assistance under 24 CFR 576.106 meets the condition for an emergency transfer under 24 CFR 5.2005(e), ESG funds may be used to pay amounts owed for breaking a lease to affect an emergency transfer. These costs are not subject to the 24-month limit on rental assistance under 24 CFR 576.106

2. Service Costs

Projects may set a maximum period for which a participant may receive assistance listed under this section. However, except for housing stability case management, the total period for which any participant may receive services under this section cannot exceed 24 months during any 3year period. The limits on assistance under this section apply to the total assistance a person receives, either individually or as part of a family.

Eligible Activity	Description	Citation
<p>Housing Search and Placement</p>	<p>ESG funds may pay the costs of services or activities necessary to assist participants in locating, obtaining, and retaining suitable permanent housing, including the following:</p> <ul style="list-style-type: none"> • Assessment of housing barriers, needs, and preferences (Form 3G, HP Needs Assessment) • Development of an action plan for locating housing (Form 3H, HP Housing Stability Plan) • Housing search (Form 3Q, HP Housing Unit Identification Worksheet) • Outreach to and negotiation with owners (Form 3T, Release of Information – Property Owner/Manager) • Assistance with submitting rental applications and understanding leases (Form 3U, Lease Compliance Worksheet; Form 3V, Lease Compliance Notice, Form 3Y, HP Rental Assistance Agreement) • Assessment of housing for compliance with ESG requirements for habitability, lead-based paint, and rent reasonableness (Form 3W, HP Habitability Standards Checklist; Forms 3X-3Xiv, Lead Based Paint Screening Worksheet with attachments) • When funds are used to prevent, prepare for, and respond to COVID- 	<p>24 CFR 576.105(b)(1)</p>

	<p>19, and when they are used to help a participant remain in housing, that housing is not required to meet habitability standards per Notice CPD-21-08, Section III(E)(7)(c)</p> <ul style="list-style-type: none"> • Assistance with obtaining utilities and making moving arrangements • Tenant counseling 	
<p>Housing Stability Case Management</p>	<p>ESG funds may be used to pay the cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a participant who resides in permanent housing or to assist a participant in overcoming immediate barriers to obtain housing. This assistance cannot exceed 30 days (60 days when funds are used to prevent, prepare for, and respond to COVID-19 per Notice CPD- 21-08, Section III(E)(4)(f)) during the period in which the participant is seeking permanent housing and cannot exceed 24 months during the period in which the participant is living in permanent housing. These activities consist of:</p> <ul style="list-style-type: none"> • Using the local CoC's Coordinated Entry system • Evaluating participant eligibility for HP (Form 3B, HP Homelessness Status Worksheet, Form 3C, HP Third Party Documentation; Form 3D, Staff Report and Due Diligence, Form 3E, HP Participant Self-Certification) • Counseling • Developing, securing, and coordinating services and obtaining federal, state, and local benefits • Monitoring and evaluating participant progress • Providing information and referrals to other providers 	<p>24 CFR 576.105(b)(2)</p>

	<ul style="list-style-type: none"> • Developing an individualized housing and service plan, including planning a path to permanent housing stability (Form 3H, HP Housing Stability Plan) • Conducting participant eligibility re-evaluation (Form 3Z, HP Annual Assessment) • When funds are used to prevent, prepare for, and respond to COVID-19, participants' needs and eligibility must be re-evaluated not less than every six months rather than not less than every three months per Notice CPD-21-08, Section III(E)(13)(b) 	
Mediation	ESG funds may pay for mediation between the participant and the owner or person(s) with whom the participant is living, provided that the mediation is necessary to prevent the participant from losing permanent housing in which the participant currently resides.	24 CFR 576.105(b)(3)
Legal Services	ESG funds may pay for a standard utility deposit required by the utility company for all customers for the utilities listed under "Utility Payments," below.	24 CFR 576.105(b)(4)
Credit Repair	ESG funds may pay for credit counseling and other services necessary to assist participants with critical skills related to household budgeting, managing money, accessing a free personal credit report, and resolving personal credit problems. (This assistance does not include the payment or modification of a debt.)	24 CFR 576.105(b)(5)

3. Short-Term and Medium-Term Rental Assistance

Projects may provide participants with up to 24 months of rental assistance during any 3-year period. This assistance may be short-term rental assistance, medium-term rental assistance, payment of rental arrears, or any combination thereof.

Short-term rental assistance is assistance for up to 3 months of rent.

Medium-term rental assistance is assistance for more than 3 months but not more than 24 months of rent.

Rental assistance may be tenant-based or project-based.

Payment of rental arrears consists of a one-time payment for up to 6 months of rent in arrears, including any late fees on those arrears.

Limitations on assistance under this section apply to the total assistance a person receives either as an individual or as part of a family.

The following rules, requirements, and standards apply when rental assistance is provided:

- a. **Discretion to set caps and conditions.** Within the boundaries of the project subrecipient's ESG Written Standards, the project may set a maximum amount or percentage of rental assistance that a participant may receive, a maximum number of months that a participant may receive rental assistance, a maximum number of times that a participant may receive rental assistance, and whether and to what extent participants are required to share in the costs of rent.

Tehama CoC expects all HP projects to provide rental assistance in a manner consistent with the progressive engagement framework, which tailors assistance to each household's needs. Any established caps on assistance must allow for provision of sufficient rental assistance based on needs and barriers identified for each household.

- b. **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 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 participant who has been provided with replacement housing payments under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended ("the URA") during the period of time covered by the URA payments.
- c. **Rent restrictions.** Rental assistance cannot be provided unless the rent:
 - i. Does not exceed the Fair Market Rent (FMR) established by HUD as provided under [24 CFR Part 888](#); note that this requirement does not apply when funds are used to prevent, prepare for, and respond to COVID-19 per Notice CPD-21-08, Section III(E)(4)(b)(i)
 - ii. Complies with HUD's standards of Rent Reasonableness (RR) as established under [24 CFR 982.507](#)
 - iv. Projects are required to document compliance with FMR and RR requirements.
 - Projects contracting directly with CA HCD annual ESG funds from FY 2021 or later are required to use the CA HCD [ESG Program Rent Reasonableness and Fair Market Rent Certification](#) form for participants whose services are funded through annual ESG funds from FY 2021 or later.

- Projects funded through any program administered by Tehama CoC through its designated CA/AE must use the HP Rent Reasonableness Certification form (**Form 3R**) from the [HP Form Kit](#).
 - All projects should utilize the HP Housing Unit Identification Worksheet (Form 3R) from the [HP Form Kit](#).
 - For more information, see the [Tehama CoC Fair Market Rent and Rent Reasonableness Policy](#).
- d. **Calculating rent.** Rent shall equal the sum of the total monthly rent for the unit, any fees required for occupancy under the lease other than late fees and pet fees, and, if the tenant pays separately for any utilities, the monthly allowance for those utilities (excluding telephone and internet) as established by the public housing authority (PHA).
- e. **Rental assistance agreement.** The project may make rental assistance payments only to an owner with whom the project has entered into a rental assistance agreement that complies with the conditions laid out in [24 CFR 576.106\(e\)](#). Projects operating within Tehama CoC's geographic area may opt to utilize the HP Rental Assistance Agreement (**Form 3Y**) provided as part of Tehama CoC's [HP Form Kit](#). For guidance on development of custom rental assistance agreements, refer to HUD's [Requirements for Rental Assistance Agreements and Leases Under the ESG Program](#).
- f. **Late payments.** The project must make timely payments to owners in accordance with its rental assistance agreements. Rental assistance agreements must contain the same payment due dates, grace periods, and late payment penalty requirements as a given participant's lease. If a project incurs a late payment penalty, the project subrecipient is solely responsible for paying for that penalty and must use non-ESG funds to do so.
- g. **Lease.** Participants receiving rental assistance must have a written, legally binding lease that complies with the conditions laid out in [24 CFR 576.106 \(g\)](#).
Participants receiving rental assistance solely in the form of arrears do not need to meet this requirement.
- h. **Tenant-based rental assistance.** Participants who receiving tenant-based rental assistance are entitled to select a housing unit in which they live and are entitled to move to another unit or building and continue receiving rental assistance as long as the participant continues to meet the project's program requirements. The project may require participants live within a particular area for the period in which rental assistance is provided.
- i. **The rental assistance agreement (Form 3Y, HP Rental Assistance Agreement)** with the owner must terminate and no further rental assistance payments under that agreement may be made if any of the following occur:
- i. The participant moves out of the unit for which they have a lease
 - ii. The lease terminates and is not renewed
 - iii. The participant becomes ineligible to receive rental assistance through ESG

- j. **Project-based rental assistance.** If the project identifies a permanent housing unit that meets ESG requirements and becomes available before a participant is identified to lease the unit, the project 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:
- i. 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”) can only be occupied by participants except as provided under part iv. of this section, below.
 - ii. The project may pay up to 100% of the first month's rent provided that a 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 participant moves into the unit must not exceed the rent to be charged under the participant's lease and must be included when determining the participant's total rental assistance.
 - iii. The project may make monthly rental assistance payments only for each whole or partial month an assisted unit is leased to a participant. When a participant moves out of an assisted unit, the project may pay the next month's rent (i.e. the first month's rent for a new participant) as provided in part ii. of this section, above.
 - iv. The participant's lease must not condition the terms of occupancy on the provision of rental assistance payments. If the participant is determined ineligible or reaches the maximum number of months over which rental assistance can be provided, the project 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 project may resume payments of 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.
 - v. The rental assistance agreement must have an initial term of one year. When a new participant moves into an assisted unit, the term of the rental assistance agreement may be extended to cover the initial term of the participant's lease. If the 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 participant remains eligible. However, under no circumstances may the project commit ESG funds to be expended beyond the expenditure deadline of the current grant or commit funds from a future ESG grant before the grant is awarded.

4. Activities Eligible Under ESG-CV [Notice CPD-21-08](#)

The activities listed below are eligible only when using ESG-CV funds.

Eligible Activity	Description
Training	Funds may be used for training on infectious disease prevention and mitigation for staff working directly to prevent, prepare for, and respond to COVID-19 among persons who are homeless or at risk of homelessness. For more information, refer to Notice CPD-21- 08, Section III(E)(3)(b).
Hazard Pay	Funds may be used to pay hazard pay for staff working directly to prevent, prepare for, and respond to COVID-19 among people at risk of homelessness. For examples of eligible staff/activities, refer to Notice CPD-21-08 , Section III(E)(3)(c).
Landlord Incentives	<p>Funds may pay for landlord incentives as reasonable and necessary to obtain new housing for eligible participants. Landlord incentives may include any of the following insofar as the total incentives for a given landlord do not exceed three times the rent charged for the unit:</p> <ul style="list-style-type: none"> • Signing bonuses equal to up to two months of rent • Security deposits equal to up to 2 months of rent (these are separate from the costs of security deposits under 24 CFR 576.106(a) and therefore do not factor into the cap established in that section) • Paying the cost to repair damages incurred by participants not covered by the security deposit or that are incurred while the participant is still residing in the unit • Paying the costs of extra cleaning or maintenance of a participant's unit or appliances. <p>To support these costs, the project must determine and document that each of these costs is reasonable under the participant's particular circumstances and does not exceed the amount necessary to house the participant.</p>
Volunteer Incentives	Funds may pay for the cost of providing reasonable incentives to volunteers (e.g. cash, gift cards) who have been and are currently helping to provide necessary housing relocation and stabilization services.

<p>Cell Phones and Internet</p>	<p>Funds may pay for the costs of providing temporary cell phones for participants who are receiving any other services under ESG- HP. To qualify as an eligible cost, the cell phone must be owned by the project subrecipient and the wireless service plan must be the project subrecipient's, but the phone may be loaned to participants and the wireless service cost may be paid as needed to enable participants to participate in activities necessary to obtain or maintain housing (e.g. to interview for jobs, receiving health and mental health services, continue education). The phone and phone service may be loaned to the participant while stay-at-home or social distancing orders are in effect in the community in which the participant resides or while the participant continues to need it to participate in activities necessary to obtain and maintain housing that remain virtual even after social distancing measures are relaxed and must be returned to the project subrecipient when no longer necessary for those purposes.</p>
<p>Personal Protective Equipment (PPE) for Program Participants</p>	<p>Funds can be used to purchase PPE such as masks, disposable gloves, and hand sanitizer for ESG-HP participants to the extent the participant needs PPE to avoid exposure to and prevent the spread of COVID-19 (e.g. to go out in public or enter common areas of housing).</p>
<p>Furniture and Household Furnishings</p>	<p>Funds can be used to purchase furniture and household furnishings to the extent that the purchase of these items will enable a project to establish a participant in housing or improve their stability in housing. Note: furniture and household furnishings are subject to the requirements for equipment under 24 CFR 200.313, including the disposition requirements included in paragraph (e) of that section.</p>
<p>Essential Services</p>	<p>Funds can be used for the essential services listed under 24 CFR 576.102(a)(1) to the extent they are demonstrably required to assist a given participant in obtaining and maintaining housing.</p>
<p>Renters Insurance</p>	<p>Funds can be used to pay for renters insurance. In order to pay for a participant's renters insurance, the project must demonstrate that the payment is necessary to obtain or maintain housing (e.g. the landlord requires renters to have renters insurance)</p>

	and pay the renters insurance directly to the insurance company on behalf of the participant.
Vaccine Incentives	Funds can be used to pay for direct cash payments to participants as an incentive to receive a COVID-19 vaccine. Participants may receive up to \$50/dose. This cost is eligible only insofar as other vaccine incentives are inaccessible or unavailable to participants within the community.
Sponsor-Based Rental Assistance	Funds can be used to pay for sponsor-based rental assistance as an alternative model to tenant-based or project-based rental assistance. For more information, refer to Notice CPD-21-08 , Section III(E)(3)(o).
Assisting Participants with Subleases	References to “owner” and “lease” in the ESG Program Interim Rule under 24 CFR 576.105 , “Housing relocation and stabilization services,” and 24 CFR 576.106 , “Short-term and medium-term rental assistance” that restrict participants from receiving assistance in units they sublease are modified as per Notice CPD-21-08 , Section III(E)(3)(o).

C. Documenting Services Provided

Projects must maintain records of all Services provided in the Client file, including those that do not explicitly require activity-specific forms or verifications. Projects may meet this obligation through use of the Services Provided form (**Form 3P**), including printed copies of Services Provided records as entered into Apricot HMIS, or including hard copies of records of services provided from another case management records system. If a project opts to use a records system other than the [HP Form Kit Form 3P](#) or Apricot HMIS, the records must be configured to allow reference to the eligible activities described in this section. Additionally, records of all financial assistance provided to a participant must be maintained in the Client file and should include invoices, receipts, and/or other documentation of payments made on a participant's behalf.

V. Program Operations and Related Requirements

A. Lead-Based Paint Disclosure and Remediation

Childhood lead poisoning is a major environmental health problem in the United States, especially for low-income families in poor living conditions. If not detected early, children with high levels of lead in their bodies can suffer from damage to the brain and nervous system, behavioral and learning problems (such as hyperactivity), slowed growth, hearing problems, and headaches. 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](#). For more detailed information, see [Understanding the Lead Based Paint Requirements – Guidance for ESG Grantees](#).

Disclosure Requirements. Disclosure requirements are triggered for ALL properties constructed prior to 1978. These requirements require that lessors (property owners or managers) provide tenants with:

- HUD's disclosure form for rental properties disclosing the presence of known and unknown lead-based paint; and
- A copy of the "Protect Your Family from Lead in the Home" pamphlet.

As part of the Lease Compliance evaluation process, HP staff must confirm that any lease proposed for a unit constructed prior to 1978 includes a [HUD Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards](#). This process is outlined in the HP Lease Compliance Worksheet (**Form 3U**), which includes instructions for inclusion of this requirement for any non-compliant leases on the HP Lease Compliance Notice (**Form 3V**), to be provided to the prospective property owners/managers.

If an HP participant household is considering renting a unit constructed before 1978, HP project staff must also determine whether the unit is subject to a Visual Assessment. This determination must be made using the [ESG Lead Screening Worksheet](#) (included in the [HP Form Kit](#) as **Form 3X**). If the participant household includes one or more children under the age of 6 (six) or a pregnant person and the unit is not a zero-bedroom or SRO-sized unit, HP staff may need to work with the property owners/managers to determine if the unit meets any additional exemptions. The presence or absence of these factors must be documented on the ESG Lead Screening Worksheet and the worksheet retained in the Client File, regardless of the outcome of the screening and/or visual assessment, should one be required. Determining applicability of additional exemptions may require collaboration with the unit's property owner/manager. If it is determined that a visual assessment is required, HP staff must provide the property owner/manager with a copy of [Instructions for Property Owners with Tenants Receiving ESG Assistance](#) (included in the [HP Form Kit](#) as **Form 3X**).

HP staff who have completed [HUD's Visual Assessment Training](#) should work with the property owner/manager to conduct the visual assessment, should one be required. If no issues with painted surfaces are identified through the visual assessment, the HP staff member having conducted the assessment must certify this outcome using the Lead Based Visual Assessment Certification form (included in the [HP Form Kit](#) as **Form**

3Xi). Any issues with painted surfaces identified through the Visual Assessment must be remedied prior to the unit being eligible for HP assistance.

HP staff should work with the property owner/manager to ensure that all deteriorated paint identified through the visual assessment have been stabilized. If the areas of deteriorated paint identified do not exceed certain de minimis criteria, HP staff who have completed [HUD's Visual Assessment Training](#) may confirm remediation through conducting a follow-up assessment. If any area of deteriorated paint exceeds the de minimis guidelines, a clearance inspection by an independent certified lead professional. The property owner/manager must then complete and submit an [ESG Lead-Based Paint Property Owner Certification Form](#) (included in the [HP Form Kit](#) as **Form 3Xii**).

All HP participant households who choose to rent a unit constructed prior to 1978 should be provided with a copy of [Instructions for Residents Receiving ESG Assistance](#) (included in the [HP Form Kit](#) as **Form 3Xiii**).

HP projects operating within Tehama CoC's geographic area are encouraged to make the [Instructions for Residents Receiving ESG Assistance](#) and the EPA's [Protect Your Family from Lead in the Home](#) pamphlet available to all participants by placing them in literature racks and/or including them in HP Participation packets to ensure that participants can make informed decisions regarding potential exposure to lead when conducting housing search activities.

B. Violence Against Women Act (VAWA) Compliance

Projects are required to comply with the protections for victims of domestic violence, dating violence, sexual assault, or stalking set forth in [24 CFR 576.409](#), and any and all applicable state and federal statutes. For more information, see Tehama CoC's [Violence Against Women Act \(VAWA\) Compliance Policy](#) and [Emergency Transfer Plan for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking](#).

Additionally, VAWA Compliance has been built in to the [HP Form Kit](#) through the inclusion of the *Notice of Occupancy Rights Under the Violence Against Women Act (HUD-5380)* and *Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking and Alternate Documentation (HUD-5382)* in the HP Participant Packet section, inclusion of VAWA lease compliance criteria in the HP Lease Compliance Worksheet (**Form 3U**) and Lease Compliance Notice (**Form 3V**) and the VAWA Lease Amendment (**Form HUD-91067**) in the forms for use once a potential unit has been identified.

C. Duplication of Benefits

For projects covered under this Manual, a duplication of benefits exists when an applicant has received (or would receive, by acting reasonably to obtain available assistance) financial assistance from multiple sources for the same expense and the total assistance received exceeds the total need.

Projects must establish and maintain adequate procedures to prevent any duplication of benefits with annual ESG or ESG-CV funds. HP projects are required to perform duplication of benefits analysis for each participant receiving financial and/or rental assistance. For further information on duplication of benefits, refer to

[Tehama CoC's Emergency Solutions Grant – CARES Act Duplication of Benefits Policies and Procedures.](#)

D. Program Income

Program income is defined as provided in [2 CFR 200.1](#).

Program income is treated as in [24 CFR 576.2](#) and [24 CFR 576.401](#)(c)(1), except for program income generated by activities to prevent, prepare for, respond to, and mitigate the impacts created by COVID-19, which is treated as in ESG-CV [Notice CPD-21-08](#), Section III.D., "Program Income."

E. "Prevent, Prepare, and Respond" Tieback

Under this Manual, when ESG funds are used to prevent, prepare for, and respond to COVID19 (PPR), there are certain requirements related to documenting those activities' relationships to PPR at the activity level (but not the participant level) and in the Integrated Disbursement and Information System (IDIS). More information about those requirements, including sample text for IDIS, for many common activities, can be found in HUD's "[Homeless System Response: ESG-CV 'Prevent, Prepare, and Respond' Tieback Flexibilities Quick Guide.](#)"