

**THE CITY OF ST. LOUIS
FY 2008
CONSOLIDATED PLAN
ACTION PLAN
SUBSTANTIAL AMENDMENT**

**Emergency Solutions Grant (ESG)
(formerly Emergency Shelter Grant)**

**Prepared By
The Department of Human Services
Homeless Services Division**

April 2012

**2008 Consolidated Plan
Action Plan
Draft Substantial Amendment
City of St. Louis
Mayor Francis G. Slay**

**Department of Human Services
1520 Market Street
Suite, 4062
St. Louis, Missouri 63103**

William F. Siedhoff, Director

Introduction

The Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act) revises the Emergency Shelter Grant Program administered by HUD under the McKinney-Vento Homeless Assistance Act. The change in the program's name from Emergency Shelter Grant to Emergency Solutions Grant reflects the change in the program's 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.

This substantial amendment also addresses the changes required to expend the City of St. Louis' second FY 2011 allocation of \$486,834 and any funding reallocated from the first FY2011 allocation of \$865,483. In addition to the funding received by the City of St. Louis, HUD also distributed Emergency Solutions Grant Program funds directly to three other entities in FY 2011 as follows:

- State of Missouri \$2,231,795
- St. Louis County \$379,650
- Kansas City \$579,513

The City of St. Louis anticipates receiving \$1,543,959 in ESG funding from HUD for FY 2012.

Definitions:

- **“City of St. Louis”** or **“the City”** as used in this substantial amendment is defined as the City of St. Louis Department of Human Services (DHS) or it's designated representative acting on behalf and in consort with DHS.
- **“Grantee”** refers to the sub-recipients awarded City of St. Louis' Emergency Solutions Grant Program funds.
- **“Sub-grantee”** refers to not-for-profit agencies grantees sub-contract with for the provision of ESG Program funded services.

Changes with the implementation of the Emergency Solutions Grant:

- Redefines the terms **“Homeless”** (see CFR 582.5) and adds a new definition for **“At Risk of Homelessness”** (see CFR 576.2)
- Mandates coordination with local Continuum of Care (CoC) bodies;
- Mandates participation in the Homeless Management Information System (HMIS);
- Expands eligible activities:
 - Adds family support services for homeless youth, victim's services, and mental health services;
 - Expands homeless prevention activities and adds rapid re-housing targeting 30% Area Median Income (AMI) or less;
 - Adds housing relocation and stabilization services;
- Increases the amount allowed for administration from 5% to 7.5%;

- Explicitly includes street outreach as an essential service, includes short and medium term rental assistance and housing relocation and stabilization services; and
- Reconfigures activity and reporting categories per the following table:

Old ESG Eligible Activity Categories (FFY 2011 first allocation and before)	New ESG Eligible Activity Categories (FFY 2011 second allocation and beyond)
<ul style="list-style-type: none"> • Shelter renovation, rehabilitation, and conversion; • Emergency Shelter Operations (maximum 10% for staffing); • Essential Support Services (maximum 30% of state grant); • Prevention (targeting households with a sudden reduction in income) (maximum 30% of state grant). 	<ul style="list-style-type: none"> • Street Outreach <ul style="list-style-type: none"> ○ Essential Services • Emergency Shelter Operations <ul style="list-style-type: none"> ○ Essential Services ○ Shelter Activities <ul style="list-style-type: none"> ▪ Operations ▪ Renovation, Rehabilitation and Conversion • Prevention (must target households below 30% AMI which includes means testing to determine eligibility, requires documentation that participants lack sufficient resources and support networks to retain housing without ESG assistance, requires documentation of efforts to connect participants with other resources, and adds a new definition “at risk of homelessness”) • Rapid Re-Housing Removes previous caps on Prevention and Operations staffing, and adds a new cap on total funds to be used for Street Outreach and Emergency Shelter of 60%; requires a minimum of 40% to be used for Prevention and Rapid Re-Housing (with a hold harmless revision based on 2010 funding).

The HEARTH Act also redefined the term “homeless” and added a new definition of “at risk of homelessness” for all Emergency Solutions Grant activities and defined who can be served by activity per the table below:

Component/Activity	Serving:	
	Those who are homeless	Those who are at risk of homelessness
Street Outreach	X	
Emergency Shelter	X	
Homelessness Prevention		X
Rapid Re-Housing	X	
Collecting Data on the above via:		
Homelessness Management Information Systems (HMIS)	X	X
Administration		

Continuum of Care Consultation Process

The City of St. Louis met with members of the Continuums of Care regarding allocation of ESG Program funds for eligible activities, developing performance standards for ESG funded activities, and developing funding, policies, and procedures for the operation and administration of HMIS. DHS also presented a draft of the Substantial Amendment to the St. Louis City CoC whose citywide membership is comprised of a wide array of representatives from faith-based organizations, non-profit organizations, federal, state, and local agencies who have a stake in homeless and homelessness prevention services.

Area Wide Systems Coordination Requirements (CFR 576.400)

The City of St. Louis will require their sub-grantees to participate in their local Continuum of Care (CoC) and its community planning process to make sure collaboration and planning take place at the local level. This is based on HUD’s new mandate to coordinate with CoC’s and to prevent duplication, waste, and assure sub-grantees that can best provide eligible services are identified and funded. Coordination includes how to allocate ESG Program funds, develop performance standards and evaluate outcomes of projects and activities assisted with ESG Program funds.

The City of St. Louis expects sub-grantees to participate in local community planning that prevents duplication and aligns ESG Program activities with the Continuum of Care strategies to prevent and end homelessness and encourage links to employment and other programs that support economic self-sufficiency. This expectation will be identified in City of St. Louis’ Emergency Solutions Grant Program Request for Proposals and contract documents with sub-grantees.

Allocation of ESG Program Funds

Prior to developing the ESG Program Substantial Amendment, representatives of the City met with individuals with expertise and involvement in homelessness and housing and drafted the following guiding principles.

Guiding principles for the effective use of ESG Program resources to prevent and end homelessness:

1. Resources should be targeted to households with the highest likelihood of becoming homeless.
2. Programs should provide just enough assistance to prevent or end an episode of homelessness stretching resources as far as possible.
3. Distribution of funds should achieve maximum access for needy St. Louis residents while minimizing as much administrative costs as possible.
4. Other federal, state and local funds, including other ARRA funds, must be coordinated.
5. Funds should supplement and compliment existing programs. Sub-grantees should have the infrastructure, capacity and experience to distribute funds rapidly to St. Louis residents with housing needs that have been caused by the down turn in the economy.
6. Each program should be working toward the goal that homeless individuals and families should be moved to permanent housing within 30 days of becoming homeless.

The City of St. Louis used some of these same guiding principles when designing the Homelessness Prevention and Rapid Re-housing Program. They will continue to be the guiding principles for the Emergency Solutions Grant Program with the additional HUD goal to move homeless individuals to permanent housing within 30 days of becoming homeless.

The City of St. Louis plans to distribute funds by soliciting competitive bids from non-profit agencies. Applicants will have to demonstrate a willingness and capacity to be accountable for any funds received through monitoring and oversight of any proposed sub-contracted non-profit agency. Applicants will have to have established written procedures in place to ensure accountability for their staff. Potential sub-grantees must demonstrate they have the experience and capacity to administer the funds they receive and the accountability and established written procedures and standards in place to ensure that funds are only used for ESG Program eligible activities with ESG Program eligible clients.

Citizen Participation

The City of St. Louis' draft substantial amendment was posted for public review and comment on the Department of Human Services' website on April 9, 2012. In addition, the draft amendment was distributed for comment to CoC members and presented at the CoC's monthly meeting on April 19, 2012. Written comments were accepted until May 9, 2012. Submitted comments attached.

Match Requirements

Sub-grantees are required to provide dollar for dollar matching funds (cash or non-cash) equal to the amount of any grant they receive. Funds must be provided after the City signs the contract. Funds must be used in accordance with HUD requirements and must be used for HUD defined ESG Program eligible activities. Match funds may be local, state, or federal (except for other ESG funds) as long as they are for otherwise ESG eligible activities, and as long as it is allowable by the local, state or federal program.

Activities to be Funded

See Activity details beginning on page 9. The City of St. Louis proposes to combine the 2011 second allocation and the 2012 allocation and move the ESG funding cycle to coincide with the City fiscal year to allow for more efficient and effective grant management. No funds from the 2011 second allocation will be used for Street Outreach or Emergency Shelter, but since they will be combined with 2012 funding, both are discussed in this amendment.

ESG requires local governments to include detail on one or more performance indicators, projected accomplishments (in accordance with each indicator) to be made within one year, and projected accomplishments (in accordance with each indicator) to be made over the period for which the grant will be used for that activity. St. Louis City CoC has been working on performance indicators. As an example, the Balance of State Draft Action Plan includes the following goals, strategies, action steps, designation of person(s)/organization(s) responsible, and timeframes:

1. Improve CoC governance and structure
2. Improve CoC plan and planning process
3. Performance Improvement
4. Improve Data Collection Methods
5. Improve and increase access to CoC prevention and housing resources
6. Improve employment rate and income/benefits amount of families and individuals who are homeless
7. Prevent homelessness and achieve independent living in permanent housing for families and youth defined as homeless under other federal statutes
8. Reduce number of families and individuals who are homeless (and first time homeless)
9. Prevent and end homelessness among Veterans in 5 years
10. Finish the job of ending chronic homelessness in 3 years
11. Prevent and end homelessness for families, youth, and children in 10 years

The goals identify the related CoC Check-Up Elements, Federal Strategic Plan Goal(s), and HEARTH Performance Measure(s). The City expects any applicants for ESG Program funds to be actively involved in this process and to incorporate these goals in their strategic plan and identify how they will work toward meeting these goals.

Activities to be Funded

* The City of St. Louis **Annual Action Plan Priorities**: 1. Affordable housing for low-income families; 2. Affordable housing for homeless families and families with other special needs; 3. Affordable homeownership for low and moderate income families; 4. Preservation of affordable housing for low-income persons and families; 5. Affordable housing for the elderly.

** **ESGP Standard Objective**: 1. Decent Housing; 2. Suitable Living Environment; or 3. Economic Opportunity
ESGP Standard Outcomes: 1. Available/Accessible Housing; 2. Affordable Housing; 3. Sustainability

Program Component	Eligible Activities	The City's Annual Action Plan Priority*	No. and Types of Persons Served	Standard Objective/ Outcome Category**	Start and Completion Date	ESG Funding
Street Outreach (CFR 576.101)	<ul style="list-style-type: none"> • Essential Services <ul style="list-style-type: none"> ○ Engagement ○ Case Management ○ Emergency Health Services ○ Emergency Mental Health Services ○ Transportation ○ Services for Special Populations 	2		Objective 1, 2 Outcome 1,	July 1, 2012 through June 30, 2013	No additional funding for 2011, but will be included in 2012
Emergency Shelter (CFR 576.102)	<ul style="list-style-type: none"> • Essential Services <ul style="list-style-type: none"> ○ Case Management ○ Child Care ○ Education Services ○ Employment Assistance and Job Training ○ Outpatient Health Services ○ Legal Services ○ Life Skills Training ○ Mental Health Services ○ Transportation ○ Services for Special Populations • Shelter Operations • Renovation, Rehabilitation, or Conversion 	2		Objective 1, 2 Outcome 1,	July 1, 2012 through June 30, 2013	No additional funding for 2011, but will be included in 2012

Homelessness Prevention (CFR 576.103)	<ul style="list-style-type: none"> • Assistance Required Under the Uniform Relocation and Real Property Acquisition Act of 1970 (URA) • Rental Assistance <ul style="list-style-type: none"> ○ Short and/or Medium Term Rental Assistance (CFR 576.106) ○ Maximum 24 months of total rental assistance in 3 year period (per individual whether received as an individual or as part of a family unit) <ul style="list-style-type: none"> ▪ Short-term – maximum 3 months ▪ Medium-term – more than 3 months but not more than 24 months ▪ Arrears – one-time payment of up to 6 months including late fees ○ May set cap (amounts; months eligible to receive; or number of time participant may receive) and require participants to share in cost ○ Other than one-time payment of tenant's portion of arrears may not pay in conjunction with any other rental subsidy ○ Rent must be Fair Market Rent as determined by HUD ○ Rent includes any fees, and may include utilities (only if housing authority requires) ○ Sub-grantee must establish a rental assistance agreement with any landlords and must make timely payments as spelled out in the agreement ○ Participants must have a legally binding written lease; except in certain circumstances for rental arrears when an oral agreement is acceptable • Housing Relocation and Stabilization Services (CFR 576.105) 	1,2,5		Objective 1, 2 Outcome 1, 2,3	July 1, 2012 through June 30, 2013	
---------------------------------------	--	-------	--	-------------------------------	------------------------------------	--

	<ul style="list-style-type: none"> ○ Financial Assistance Costs ○ Rental Application Fees ○ Security Deposits ○ Last Month's Rent ○ Utility Deposits ○ Utility Payments ○ Moving Costs ○ Services Costs <ul style="list-style-type: none"> ▪ Housing Search and Placement ▪ Housing Stability Case Management – Requires at minimum monthly meetings with case manager and the development of a plan to assist participant in retaining housing after ESG ends (does not apply to certain victim services providers – see 576.401(e)(2)) <ul style="list-style-type: none"> ▪ Mediation ▪ Legal Services ▪ Credit Repair 					
Rapid Re-Housing (CFR 576.104)	<ul style="list-style-type: none"> ● Housing Relocation and Stabilization Services (see above) ● Rental Assistance (both tenant and project based-see above) 	1,2,5	Objective 1, 2 Outcome 1,2,3	July 1, 2012 through June 30, 2013		
HMIS (CFR 576.107)	Cost for HMIS services and activities including participation fees charged by the HMIS Lead and HMIS Lead agency expenses.	1,2,3, 4,5	Objective 1, 2 Outcome 1,2,3	July 1, 2012 through June 30, 2013		
Administration (CFR 576.108)	General Management, Oversight, and Coordination	1,2,3, 4,5	Objective 1, 2 Outcome 1,2,3	July 1, 2012 through June 30, 2013		

Homelessness Management Information System (HMIS)

With the implementation of the Emergency Solutions Grant Program under HEARTH, all ESG grantees/sub-grantees will be required to use their local HMIS for data collection and reporting. Victim Services/Domestic Violence (VS/DV) providers, while not required to use HMIS, must utilize an HMIS “comparable database” that meets HUD data collection and reporting standards and allows for adequate oversight and monitoring by tying data back to specific services through a unique identifier. VS/DV providers will be required to work with their local HMIS agency and receive a letter of certification from their local HMIS agency stating that their system meets HUD data collection and reporting requirements and is thus an “HMIS comparable database”. Funding set aside for HMIS may be used for both HMIS systems and HMIS comparable databases for system modifications, ongoing operation, training, data integrity and quality assurance processes. Funding may also be used for development of HMIS comparable databases for VS/DV providers only.

Discussion of Funding Priorities

The City of St. Louis will fund activities allowed under ESG to afford communities the greatest flexibility in establishing programs that meet the underserved needs, take into account the resources, and address obstacles to permanent housing in their specific communities. The proposed levels of funding identified in the detailed budget are based on previous ESGP and HPRP expenditures and spending in similar programs such as Supportive Housing Program (SHP) and Shelter Plus Care. The City of St. Louis expects all activities to address the funding priorities established in *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness*:

- Finish the job of ending homelessness in 3 years
- Prevent and end homelessness among Veterans in 5 years
- Prevent and end homelessness for families, youth, and children in 10 years
- Set a path to ending all types of homelessness.

In addition, sub-grantees are expected to use federal, state, and locally relevant data to drive their programs and priorities.

The City reviewed previous HPRP and ESG Program numbers as well as other housing program data and as a result, determined the following formulas for awarding of the second 2011 allocation:

- Approximately 60% for prevention and 40% for rapid re-housing
- Under prevention – Approximately 15% for housing relocation and stabilization and 85% for rental assistance
- Under rapid re-housing – Approximately 25% for housing relocation and stabilization and 75% for rent

It has been noted with the HPRP funds that agencies providing HPRP prevention services found it easier and required less time and resources than rapid re-housing. In addition, while agencies receive far more calls for prevention assistance than for rapid re-housing assistance, rapid re-housing requires more intensive staff time and resources than prevention, making

rapid re-housing typically more costly than prevention. Based on these observations and discussions, the City is choosing to allocate 60% of ESG Program funds for prevention and 40% for rapid re-housing.

Additional discussion concluded that the City should allocate the 60% maximum for shelter operations and street outreach and 40% for prevention and rapid re-housing for 2012. The 40% of ESG Program funds for prevention and rapid re-housing would then be allocated by the percentages noted above.

Detailed Budget

Insert Table 3 Detailed Budget

Written Standards for Provision of ESG Assistance

The grantee and sub-grantees will establish and implement written standards for the following:

- Standard Policies and procedures for evaluating individuals' and families' eligibility for assistance that are consistent with the definitions for homeless and at risk of homelessness as well as with recordkeeping requirements (see below);
- Policies and procedures for coordination among emergency shelter providers, essential service providers, homelessness prevention and rapid re-housing assistance providers, other homeless assistance providers, and mainstream service and housing providers including a list of these programs/providers;
- Policies and procedures for determining and prioritizing which eligible families and individuals will receive homelessness prevention assistance and which eligible families and individuals will receive rapid re-housing assistance in order to serve as many homeless families as possible with rapid re-housing including those with multiple barriers (ability to sustain housing should be a program goal, not a threshold requirement);
- Standards for determining what percentage, or amount, of rent and utilities costs each program participant must pay, if any, while receiving homelessness prevention or rapid re-housing assistance, taking into account local challenges (lack of resources or existing housing, and community economic issues);
- Standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time taking into account regulatory provisions and local challenges;
- Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide a program participant, including the limits, if any on the homelessness prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the program participant receives assistance, or the maximum number of times the program participant may receive assistance.

For any funds reallocated from the second 2011 allocation and thereafter for Emergency Shelter or Street Outreach, grantees and sub-grantee will establish and implement written policies for the following:

- Standards for targeting and providing any essential services related to street outreach;
- Policies and procedures for admission, diversion, referral and discharge by any emergency shelters, including standards for length of stay, safeguards for special populations, and serving individuals/families with highest barriers to housing;
- Policies and procedures for assessing, prioritizing, and re-assessing individual/family needs for essential services related to shelter.

Recordkeeping and Reporting (CFR 576.500)

Written policies will be required to be in place and implemented, written narrative recorded, and supporting documentation maintained in the case file for at minimum the following:

- Policies and procedures to ensure that ESG funds are used in accordance with requirements;
- Determination and documentation of homeless status or “at risk” of homelessness status;
- Determinations of eligibility and ineligibility;
- Evaluation of participant needs;
- Determination of annual income (based on standard for calculation at CFR 5.609);
- Documentation of services provided and compliance with all requirements including recording of due process when terminating assistance;
- Where applicable, utilizing a centralized or coordinated assessment system/process;
- Documentation of rental assistance agreements and rent and utility payments;
- Documentation of compliance with shelter and housing standards including inspection reports;
- Documentation of expenses and other records relating to emergency shelter facilities;
- Documentation and recording of services and assistance provided including supporting documentation and need for services;
- Coordination with CoC members and other programs
- Documentation verifying match requirements are met;
- Documentation of participation in HMIS or a comparable database for all projects and recipients;
- Documentation of any potential conflict of interest;
- Documentation explaining how current or past homeless persons participate in decision making or operations;
- Documentation of compliance with faith-based requirements;
- Documentation related to any other federal requirements including, but not limited to relocations, financial record keeping, confidentiality, record retention, access to records, public rights, and reporting.
- Re-evaluation of program participants not less than once every 3 months for one year for participants receiving Homelessness Prevention and Rapid Re-Housing assistance.

Habitability Standards and Inspection Requirements (CFR 576.403)

All housing paid for with ESG Program funds, either new or existing, will have to meet inspection requirements and habitability standards spelled out in CFR 576.403 including

- Federal, State, or Local requirements
- Lead-based paid remediation and disclosure (CFR 576.103a)
- Minimum standards for emergency shelters (CFR 576.103b)
- Minimum standards for permanent housing (CFR 576.103c)

Sub-grantee Awards

The City of St. Louis plans to distribute ESG funding through a competitive bid process to non-profit organizations. The City will use 7.5% of the funds for administration. Because local agencies are more familiar with the community's needs, they can make informed decisions about how best to meet the needs of their local citizens regarding homeless services. This method will ensure ESG funding to the widest population of low-income families, homeless families, the elderly, and families with other special needs.

The City will prepare an announcement and requirements for the application and award of ESG Program funds. The City reserves the right to reallocate any unobligated funds remaining at the end of each fiscal year to ensure funds are reaching the widest population of ESG Program eligible persons. The amount of funding available and the need to allocate funds quickly, while keeping administrative costs low, will be among the factors considered when a final decision is made on the method for reallocating funds.

The City of St. Louis will prepare and distribute a request for proposal. All potential sub-grantees will be required to identify any sub-grantees/contractors, their proposed use of the funds within the required guidelines, and information on how they intend to meet required accountability, monitoring, and reporting.

The City of St. Louis will conduct at least one training/pre-bid meeting with potential sub-grantees to provide ESG Program and grant application information, answer questions and share best practices.

Homeless Participation (576.405)

Sub-grantee must include homeless or formerly homeless persons in their decision making process and/or program operations. For recipients who cannot meet the participation requirement in 576.405(a), they must have a plan that meets the requirements under 576.405(b).

Performance Standards

The City of St. Louis' performance measures were created in consultation with CoC members and include indicators that provide a measure to evaluate the following:

- Targeting those who need assistance most
- Ensuring assistance provided is effective at reducing housing barriers and housing stability risks
- Reducing the length of time individuals and families remain homeless*
 - Average length of time individuals and families remain homeless*

- Average number of additional spells of homelessness*
- Thoroughness of grantee in reaching homeless individuals and families in geographic area*
- Reduction in number of homeless individuals and families*
 - Average number of homeless individuals in the county at Point in Time Count*
- Number of homeless individuals that obtain jobs or increase income*
- Reduction in number of individuals and families that become homeless*

*Section 427 of the McKinney-Vento Act, as amended by HEARTH

Certifications

Sub-grantee must meet other federal requirements as spelled out in the corresponding CFR including:

- Conflict of Interest (CFR 576.404)
- Homeless participation (CFR 576.405)
- Faith-based activities (CFR 576.406)
- Displacement, relocation, and acquisition (CFR 576.408)

Definition of Certain Families/Individuals “At Risk of Homelessness”

For a state to consider persons “at risk of homelessness” under paragraph (1)(iii)(G) of the “at risk of homelessness” definition which states “*Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness*”, the state must further define these characteristics. The City opts to not utilize this additional definition.

Monitoring

The City of St. Louis will require invoices be submitted on a monthly basis along with supporting documentation and will review invoices for compliance as received. The City of St. Louis will monitor, either on-site every ESG grantees each year. The City will use 7.5% of ESG funding to provide adequate monitoring and oversight of ESG contracts.