

**Texas Department of Housing and Community Affairs
Emergency Solutions Grants Program (ESG)
Substantial Amendment to the 2011
State of Texas Consolidated, One Year Action Plan**

The Texas Department of Housing and Community Affairs (the Department) has prepared a substantial amendment to the 2011 State of Texas Consolidated Plan, One Year Action Plan in accordance with the Department's citizen participation plan and the requirements of 24 CFR part 91, as amended by the Interim Rule.

1. SF-424 – signed and including DUNNS (to be submitted with amendment)

2. Summary of Consultation Process

Describe how the recipient consulted with the Continuum(s) of Care on:

- a) determining how to allocate ESG funds for eligible activities;*
- b) developing the performance standards for activities funded under ESG; and*
- c) developing funding, policies, and procedures for the operation and administration of the HMIS.*

From December 9, 2011 through December 13, 2011, the Texas Department of Housing and Community Affairs (the Department) sought the input of Continua of Care (CoCs) in Texas on the topics of 1) allocating 2011 second Allocation ESG Funds for eligible activities, and 2) performance standards for activities funded with 2011 ESG second Allocation funds. The Department has consulted with CoCs through a Data Warehouse Governing Body on funding, policies, and procedures related to HMIS. The Department has met with the Data Warehouse Governing Body five times since May 2011.

Consultation regarding the allocation of ESG funds for eligible activities

The Department's FY 2011 ESGP NOFA, published in December 2010, adhered to the Homeless Emergency and Rapid Transition to Housing (HEARTH) Act of 2009. The Department used the same application pool and selection process for the second allocation of 2011 ESG funds as it used for the first allocation of 2011 ESG Funds. On December 9, 2011 the Department distributed an e-mail to CoCs that announced recommended agencies for the 2011 ESGP second allocation. The recommended agencies were those eligible applicants that stood next in line for 2011 ESGP funding based on the Department's 2011 ESGP scoring criteria.

In the 12/9/11 Survey, the Department requested comments from all CoC Leads on the allocation and use of funds in areas served by each Continuum of Care. The e-mail included a list of 29 recommended applicants and their requested funding amount by eligible activities. CoC members provided their comments on the organizations funded, on the funds available for their regions, and on the estimated amount of funds to be distributed to the different eligible activities.

The input was received through an electronic survey that was e-mailed to all 16 CoCs Leads in the State of Texas. On December 12, 2012 the Department called each of the CoC Leads to ensure receipt of the sent e-mail and survey. The Department requested for CoC Leads to forward the survey to CoC member agencies to broaden participation. The Department carefully reviewed all comments and will consider them in final budget negotiations with the selected awardees.

Consultation regarding performance standards for activities funded under ESG

On December 9, 2011 the Department also shared a list with CoCs of the proposed performance standards for activities funded under ESG. The performance standards included short-term outputs and long-term outcomes. The Department carefully reviewed all input received and revised the performance measures for the 2011 ESG NOFA contracts based on the comments received. When the Department finalizes the 2011 ESG performance measures for the second allocation contracts, the Department will also consider input on performance measures received from the CoCs during the development of the 2012 ESG NOFA input on the proposed outcomes for FY 2012 ESG NOFA.

Consultation regarding funding, policies, and procedures for the operation and administration of the HMIS

Since May 2011, the Department has worked with all sixteen CoCs in Texas to develop a statewide HMIS data warehouse, which will aggregate HMIS data from all sixteen systems in the State. Representatives from the CoCs have convened five times, twice in person and three teleconferences, to discuss HMIS policy and procedures pertaining to the data warehouse.

To facilitate project implementation and statewide decision-making, the Department has worked closely with all CoCs to establish a Data Warehouse Governing Body. The Governing Body, which consists of representatives from all CoCs in Texas, will advise the Department on HMIS policy and establish policies and procedures guiding the development and use of the data warehouse. The Governing Body will also facilitate statewide data sharing agreements among CoCs. The Department anticipates using the data warehouse to streamline reporting and performance measurement related to ESG.

3. Summary of Citizen Participation Process

Summarize citizen participation process used;

Summarize the public comments or views received; and

Summarize the comments or views not accepted and include the reasons for not accepting those comments or views.

The Department provided a 30-day public comment period of the Draft Substantial Amendment to the FY 2011 Consolidated Plan Annual Action Plan. The Department announced the opportunity for the public to make comments by posting a notice in the *Texas Register* on 03/02/2012 and by posting the announcement on the TDHCA web-site. The public had an opportunity to provide comment at the 02/16/2012 Board meeting and at a public hearing on 03/06/2012, both held in Austin, Texas. The public also had an opportunity to submit written comments by mail or e-mail. The Department did not receive any public comments.

4. Match

Describe:

types of cash and/or non-cash resources used as match

specific amounts of resources used as match

proposed uses of match resources

At this time, the Department has not obligated the second allocation FY 2011 ESG funds, and therefore does not have actual match figures by types of match. ESG subrecipients of 2011 second allocation will be required to provide 100% match to the funds awarded. Matching sources may include cash contributions expended for allowable costs, and non-cash contributions including, but not limited to, the value of any real property, equipment, goods, or services provided that the costs would have been allowable. Costs paid by program income during the contract period will count towards meeting the match requirement provided that the costs are eligible ESG costs that supplement the ESG program.

5. Proposed Activities and Overall Budget

a. Proposed Activities

All recipients must include the following details for each proposed activity:

1) corresponding priority needs from recipient's Annual Action Plan

The Department anticipates using ESG funds for Street Outreach, Emergency Shelters, Homelessness Prevention, Rapid Re-Housing, HMIS, and administrative activities. The program activities will be targeted to the State's Priority Housing/Special Needs Groups including small related households, large related households, elderly households, and all other households whose income is 0-30% of Area Median Family Income and to persons with priority special needs including elderly, frail elderly, severe mental illness, developmentally disabled, persons with alcohol and other addictions, persons with HIV/AIDS, victims of domestic violence, and Colonia residents and migrant farmworkers.

2) concise description of the activity, including the number and types of persons to be served

The Department anticipates using ESG funds for the eligible activities: Street Outreach, Emergency Shelters, Homelessness Prevention, Rapid Re-Housing, HMIS, and administrative costs. The Department anticipates serving both persons who meet the definition of homeless and at-risk of homelessness. The Department estimates serving a total of serving 19,020 persons.

The table below is an estimate on how 2011 second allocation ESG funds will be allocated to the eligible activities. The Department anticipates that the final amounts budgeted, once 2011 second allocation ESG contracts are executed, will be different than the proposed allocations indicated in the following table. The Department will share administrative funds with all subrecipients.

FY 2011 SECOND ALLOCATION ESG FUNDS ESTIMATED ALLOCATIONS BY SUB-ACTIVITY

Activity	Funding Amount
Street Outreach – essential services	\$248,821
Emergency Shelter - essential services	\$331,597
Emergency Shelter - renovation	\$0
Emergency Shelter – shelter operations	\$643,688
Homelessness Prevention – housing relocation and stabilization services	\$174,000
Homelessness Prevention –rental assistance	\$320,521
Rapid Re-Housing – housing relocation and stabilization services	\$348,000
Rapid Re-Housing - rental assistance	\$347,794
HMIS	\$276,349
Administration (State and amount shared with subrecipients)	\$218,170
Total Funds Committed	\$2,908,940

Estimated allocations by activity. Allocations will change once 2011 second allocation budgets are negotiated.

3) corresponding standard objective and outcome categories

OBJECTIVES AND OUTCOMES
CPD Outcome Performance Measurement System Reporting
ESG Annual Action Plan Planned Project Results
ESG Performance Measures, PY 2011 second allocation

Outcomes and Objectives	Performance Indicators	Expected Number	Activity Description
<p style="text-align: center;">SL-1</p> <p style="text-align: center;">Availability/ Accessibility and Create a Suitable Living Environment</p>	<p>Provide funding to support the provision of emergency and/or transitional shelter to homeless persons.</p>	<p>18,175</p>	<ul style="list-style-type: none"> • Emergency Shelter. Shelter Operations
<p style="text-align: center;">DH-2</p> <p style="text-align: center;">Affordability and Provide Decent Housing</p>	<p style="text-align: center;">The provision of non-residential services including homelessness prevention assistance.</p>	<p>845</p>	<ul style="list-style-type: none"> • Street Outreach essential services. • Homelessness Prevention - housing relocation and stabilization services. • Homelessness Prevention rental assistance. • Rapid Re-Housing housing relocation and stabilization services. • Rapid Re-Housing rental assistance.

4) start date and completion date

ESG funds which will be received for FY 2011 second allocation will be awarded within 60 days of receipt of the HUD grant agreement. The State ESG contracts for FY 2011 second allocation funds are anticipated to begin on September 1, 2012 and will end August 31, 2013. However, the contract period will be dependent upon the date that the HUD grant agreement is executed. Any unexpended funds will be re-distributed in the following ESG program year in separate contracts.

5) *ESG and other funding amounts*

The Department will not provide additional funding. Subrecipients will utilize other fund sources to support ESG activities.

**FY 2011 second allocation ESG Funds Estimated Allocations by Activity
ESG Homeless and Special Needs Goals**

ANNUAL AFFORDABLE HOUSING GOALS	Expected Annual Number of Units To Be Completed
Homeless households	7,270*
Non-homeless households	338*
Special needs households	12*

*These numbers are estimates; ESG is planning to collect data on persons and not households, unless required by HUD reporting guidelines.

ESG only provides rental assistance, but cannot be utilized to purchase a home. Consequently, ESG does not impact the number of properties that are affordable. ESGP funds are utilized to assist all homeless persons and persons at-risk of homelessness.

6) – 8) *Performance Indicators and Projected Accomplishments*

*Local governments and territories are **required**, and States are encouraged, to include the following details for each proposed activity:*

- 1) one or more performance indicators*
- 2) projected accomplishments, in accordance with each indicator, to be made within one year*
- 3) projected accomplishments, in accordance with each performance indicator, to be made over the period for which the grant will be used for that activity*

OBJECTIVES AND OUTCOMES
CPD Outcome Performance Measurement System Reporting
ESG Annual Action Plan Planned Project Results
ESG Performance Measures, PY 2011 second allocation

Outcomes and Objectives	Performance Indicators	Expected Number	Activity Description
<p style="text-align: center;">SL-1</p> <p style="text-align: center;">Availability/ Accessibility and Create a Suitable Living Environment</p>	<p>Provide funding to support the provision of emergency and/or transitional shelter to homeless persons.</p>	<p>18,175</p>	<ul style="list-style-type: none"> • Emergency Shelter. Shelter Operations
<p style="text-align: center;">DH-2</p> <p style="text-align: center;">Affordability and Provide Decent Housing</p>	<p>The provision of non-residential services including homelessness prevention assistance.</p>	<p>845</p>	<ul style="list-style-type: none"> • Street Outreach essential services. • Homelessness Prevention - housing relocation and stabilization services. • Homelessness Prevention rental assistance. • Rapid Re-Housing housing relocation and stabilization services. • Rapid Re-Housing rental assistance.

The Department will also incorporate performance standards related to, but not limited to, client’s exiting into temporary/transitional housing destination, exiting to permanent housing destination, receiving case management, maintaining permanent housing, persons with higher incomes at program exit, persons with more non-cash benefits at program exit, and persons placed in shelters or Safe Havens.

b. Discussion of Funding Priorities

Explain why the recipient chose to fund the proposed activities at the amounts specified (recommended: if available, use locally-relevant data to support the funding priorities, and explain how the funding priorities will support the national priorities established in Opening Doors: Federal Strategic Plan to Prevent and End Homelessness)

The Department selected the proposed activities by funding the applicants that ranked the highest according to the Department’s ESG NOFA application scoring criteria. The Department embedded the priorities established in *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness* in the scoring criteria utilized to rate FY 2011 ESG applications. In following *Opening Doors* objectives, the Department emphasized the following objectives: increased collaboration, increased outcomes related to client’s accessing permanent housing, increased economic security, increased access to mainstream services, improved health and stability, and changing funding priorities from emergency shelter to rapid re-housing and homelessness prevention.

The Department emphasized these objectives by awarding points to applicants whose projects proposed to achieve the following outcomes: increase in employment, increase in education, exiting into permanent or transitional housing, housing stability, an increase in income or benefits, and the stabilization of mental illness and substance abuse. After applications were rated, applicants whose proposed projects met these objectives ranked highest and were awarded funding.

The table below identifies the activities to be funded and the estimated amount budgeted for each activity with 2011 second allocation funds. The Department anticipates that the final amounts budgeted to the activities will be different than the proposed allocations indicated in the following table. The only activity which will remain as indicated is administration, street outreach, and emergency shelter due to ESG funding limits on these categories. The Department has budgeted \$1,224,106 of FY 2011 second allocation ESG funds to Street Outreach and Emergency Shelter since only \$3,624,127 of FY 2011's first allocation funds were budgeted for these activities and up to 60% of the entire FY 2011 allocation totaling \$8,080,389 can be budgeted for same activities.

FY 2011 second allocation ESG Funds Estimated Allocations by Activity

Activity	Funding Amount	Percentage
Administration (State and amount shared with subrecipients)	\$218,170	7.5%
Street Outreach	\$248,821	8.5%
Emergency Shelter	\$975,285	33.5%
Homeless Prevention	\$494,521	17%
Rapid Re-Housing	\$695,794	24%
HMIS	\$276,349	9.5%
Total Funds Committed	\$2,908,940	100%

Estimated allocations by activity. Allocations will change once 2011 budgets are negotiated.

Identify any obstacles to addressing underserved needs in the community.

Texas is a state with many rural areas which have limited service providers addressing the needs of homeless persons and those at-risk of homelessness. To address this need, the Department's ESG NOFA scoring criteria for 2011 provided points for applicants serving persons in rural counties.

Balance of State (BoS) communities in Texas, which cover 202 predominantly rural counties, received only \$3.4 million in FY2010 CoC grant funds, compared to a total \$71.7 million for the state. Agencies in BoS lack administrative capacity to successfully apply for and manage CoC funds. Lack of CoC funding leaves the Department few transitional and permanent supportive housing projects to coordinate with ESG funds allocated to rural counties. The Department is

exploring options to increase funding for rural counties, possibly by applying for CoC funds through BoS to increase permanent supportive housing in these regions.

With local agencies dedicating an increasingly large percentage of CoC grant funds to leasing transitional and permanent supportive housing units, service providers struggle to fund supportive services, including case management and treatment for persons with substance abuse and mental health issues. The Department is working with state agencies through the Texas Interagency Council for the Homeless to increase individuals' access to mainstream programs and make supportive services more available to local agencies. One example involves partnering with the Department of Assistive and Rehabilitative Services to connect individuals experiencing homelessness at entry to the Vocational Rehabilitation Program, which provides job training services, with re-housing services through ESG.

c. Detailed Budget

Include detailed budget of planned activities and funding levels accounting for entire second allocation and any reprogrammed funds from the first allocation (may use Table 3 in this Notice).

ESG funds which will be received for FY 2011 second allocation will be utilized to fund all eligible activities, except renovation. However, the Department notes that this is a preliminary budget on proposed use of funds and the allocations of funds by activity will likely change once final budgets are negotiated with awardees. At this time, the Department is not budgeting funds for renovation because historically requests for this category have been very limited.

FY 2011 second Allocation ESG Funds Estimated Allocations by Sub-Activity

Activity	Funding Amount
Street Outreach – essential services	\$248,821
Emergency Shelter - essential services	\$331,597
Emergency Shelter - renovation	\$0
Emergency Shelter – shelter operations	\$643,688
Homelessness Prevention – housing relocation and stabilization services	\$174,000
Homelessness Prevention –rental assistance	\$320,521
Rapid Re-Housing – housing relocation and stabilization services	\$348,000
Rapid Re-Housing - rental assistance	347,794
HMIS	276,349
Administration (State and amount shared with subrecipients)	218,170
Total Funds Committed	\$2,908,940

Note: The figures in the above table are budget estimates, allocations will change once budgets are negotiated with awardees.

6. Written Standards for Provision of ESG Assistance

If the recipient is a metropolitan city, urban county, or territory: include written standards for providing the proposed assistance.

*If the recipient is a state: include written standards for providing the proposed assistance **or** describe the requirements for subrecipients to establish and implement written standards.*

The Department will require FY 2011 ESG awardees to establish and implement written standards for the ESG program prior to executing contracts.

The Department will require awardees to establish written standards that include:

- a) Standard policies and procedures for evaluating individuals' and families' eligibility for ESG assistance;
- b) standards for targeting and providing essential services.
- c) policies and procedures for admission, diversion, referral and discharge by emergency shelters assisted under ESG, including standards regarding length of stay, if any, and safeguards to meet the safety and shelter needs of special populations and persons with the highest barriers to housing.

- d) policies and procedures for assessing, prioritizing, and reassessing individuals' and families' needs for essential services related to emergency shelter.
- e) policies and procedures for coordination among emergency shelter providers, essential service providers, homelessness prevention, and rapid re-housing assistance providers; and mainstream service and housing providers in accordance for 24 C.F.R.476.400(e).
- f) policies and procedures for determining and prioritizing which eligible families and individuals will receive homelessness prevention assistance and which will receive rapid re-housing assistance;
- g) standards for determining what percentage or amount of rent and utilities costs each program participant must pay while receiving homelessness prevention assistance;
- h) standards for determining how long a particular program participant will be provided with rental assistance and how or whether that amount will be adjusted; and,
- i) standards for determining the type, amount, and duration of housing stabilization and/or relocation services as per 24 C.F.R.476.400(e)(3)(ix).

The Department's monitoring review will include a review of documentation to determine that subrecipients are adhering to the written monitoring standards.

The Department will conduct a risk assessment to determine which ESG subrecipients to monitor. The Department will utilize a standardized monitoring instrument to monitor subrecipients and the areas to monitor include those identified in Attachment 1, Monitoring Standards and Procedures. Refer to 10. Certifications, monitoring sub-header in this document for information on areas to be monitored. The Department will provide a written monitoring report to subrecipients of the results of the monitoring review and require a written response within 30 days from receipt of the report.

7. Describe Process for Making Sub-awards

The Department's process for making sub-awards was:

- Release of FY 2011 ESG Notice of Funding Availability (NOFA) on November 10, 2011. The NOFA adhered to the HEARTH ACT.
- The Department used the same application pool and selection process for the second allocation of 2011 ESG funds as it used for the first allocation of 2011 ESG Funds. The recommended awardees were those eligible applicants that stood next in line for 2011 ESGP funding based on the Department's 2011 ESGP scoring criteria.
- Funds were allocated by the State's 13 Service Regions according to 2009 Census poverty population from the Small Area Income and Poverty Estimates (SAIPE) program.
- Upon receipt of the FY 2011 second allocation grant agreement, the Department will obligate funds and negotiate budgets.

Funds were made available to eligible applicants, including private nonprofit organizations and units of general purpose local governments through the 2011 ESG NOFA.

8. Homeless Participation Requirement

For those recipients who cannot meet the participation requirement in § 576.405(a), the substantial amendment must include a plan that meets the requirements under §576.405(b).

The requirement is not applicable to States.

9. Performance Standards

The recipient must describe the performance standards for evaluating ESG activities, which must be developed in consultation with the Continuum(s) of Care.

In developing performance standards, the Department conducted extensive research on performance measures and standards described in the HEARTH Act and recommended by entities across the country, notably, the Community Shelter Board in Columbus, Ohio; the National Alliance to End Homelessness; and the Urban Institute. Staff members also considered which data elements were required to be collected in HMIS for ESG, and additional data elements included in the March 2010 HMIS Data Standards. Based on all the mentioned research, the Department developed draft performance standards for evaluating the outcome of projects and activities assisted with 2011 Second Allocation ESG funds.

On December 9, 2011, the Department consulted with CoCs through a survey on the proposed performance standards. The performance standards surveyed included short-term outputs and long-term outcomes related to client's accessing permanent housing, increased economic security, increased access to mainstream services, and improved health and stability.

The Department carefully reviewed all input received and revised the performance standards based on the feedback provided by CoCs. The following tables outlines the final standards subrecipients will be required to use to evaluate the outcome of projects and activities assisted with 2011 ESG Second Allocation funds. These measures are subject to change based on additional guidance from HUD and the release of the final ESG regulation (24 CFR Part 576).

Performance Standards for 2011 Second Allocation ESG Funds

Component	Activity	Persons to be Served	Outputs and Outcome Measures
Street Outreach	Engagement 24 CFR 576.101(a)(1) Case Management 24 CFR 576.101(a)(2)	Unduplicated number of persons living on the streets who are engaged through repeated contacts and delivery of basic services: Unduplicated number of persons served with case management:	1.1 Unduplicated number of persons placed in temporary or transitional housing destinations or permanent housing destinations* as a result of street outreach assistance: 1.2 Unduplicated number of persons with more non-cash benefits at program exit than at program entry, as a result of street outreach assistance: 1.3 Unduplicated number of persons receiving case management:
Emergency Shelter	Emergency Shelter 24 CFR 576.102 Essential Services 24 CFR 576.102 (a)(1)	Unduplicated number of persons housed in emergency shelters or served in day shelters: Unduplicated number of persons served with essential services:	1.4 Unduplicated number of persons exiting to temporary or transitional housing destinations as a result of receiving ESG emergency shelters and/or essential services: 1.5 Unduplicated number of persons exiting to Permanent Housing destinations as a result of receiving ESG emergency shelters and/or essential services: 1.6 Unduplicated number of persons receiving case management:

Homelessness Prevention	<p>Housing Relocation and Stabilization Services-- <i>Financial Assistance</i> 24 CFR 576.105 (a)</p> <p>Housing Relocation and Stabilization Services-- <i>Housing Search and Placement</i> 24 CFR 576.105 (b)(1)</p> <p>Housing Relocation and Stabilization Services-- <i>Housing Stability Case Management</i> 24 CFR 576.105 (b)(2)</p> <p>Rental Assistance 24 CFR 576.106</p>	<p>Unduplicated number of persons receiving financial assistance:</p> <p>Unduplicated number of persons receiving housing search and placement services:</p> <p>Unduplicated number of persons receiving housing stability case management services:</p> <p>a. Unduplicated number of persons receiving rental assistance:</p> <p>b. Identify the number of persons expected to receive rental assistance for the listed time periods (the sum of the numbers in b, should equal the number in (1).for less than 90 days: (2) 90 to 180 days: (3) 181 to 365 days:</p>	<p>1.7 Unduplicated number of persons who maintained their housing for 3 months as a result of receiving ESG homelessness prevention assistance:</p> <p>1.8 Unduplicated number of persons exiting to Permanent Housing destinations* as a result of receiving ESG homelessness prevention assistance:</p> <p>1.9 Unduplicated number of persons with higher income** at program exit than at program entry as a result of receiving ESG homelessness prevention assistance:</p> <p>1.10 Unduplicated number of persons with more non-cash benefits*** at program exit than at program entry as a result of receiving ESG homelessness prevention assistance:</p> <p>1.11 Unduplicated number of persons receiving case management:</p>
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<p>Rapid Re-Housing</p>	<p>Housing Relocation and Stabilization Services --<i>Financial Assistance</i> 24 CFR 576.105 (a)</p> <p>Housing Relocation and Stabilization Services -- Housing Search and Placement 24 CFR 576.105 (b)(1)</p> <p>Housing Relocation and Stabilization Services -- Housing Stability Case Management 24 CFR 576.105 (b)(2)</p> <p>Rental Assistance 24 CFR 576.106</p>	<p>Unduplicated number of persons receiving financial assistance:</p> <p>Unduplicated number of persons receiving housing search and placement services:</p> <p>Unduplicated number of persons receiving housing stability and case management services:</p> <p>Unduplicated number of persons receiving rental assistance:</p> <p>b. Identify the number of persons expected to receive rental assistance (the sum of the numbers in b, should equal the number in a).</p> <p>(1).for less than 90 days:</p> <p>(2) 90 to 180 days:</p> <p>(3) 181 to 365 days:</p>	<p>1.12 Unduplicated number of persons who maintained their housing for 3 months as a result of receiving ESG rapid re-housing assistance:</p> <p>1.13 Unduplicated number of persons exiting to Permanent Housing destinations* as a result of receiving ESG rapid re-housing assistance:</p> <p>1.14 Unduplicated number of persons with higher income** at program exit than at program entry as a result of receiving ESG Rapid Re-housing assistance:</p> <p>1.15 Unduplicated number of persons with more non-cash benefits*** at program exit than at program entry as a result of receiving ESG Rapid Re-housing assistance:</p> <p>1.16 Unduplicated number of persons receiving case management:</p>
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The Department, like HUD, recognizes that performance standards will evolve over the next few years as the ESG Interim Rule is implemented and as ESG subrecipients improve their program outcomes through the evaluation of HMIS data and through integration of ESG services into their local Continuum of Care. This first year of implementation of the Emergency *Solutions* Grant will allow the Department to gain baseline data about specific performance measures and performance standards. Baseline information from FY 2012 will be used to further refine measures and standards for the FY 2013 ESG funds.

Finally, the Department is researching and working with representatives from the sixteen CoCs in Texas to plan a data warehouse, where data from each CoC's HMIS would be collected and aggregated. The data warehouse would allow state government and local CoCs to see a more accurate and complete picture of homelessness statewide.

10. Certifications (attached)

C. Written standards required for recipients who are eligible and decide to use part of the second allocation of FY 2011 funds for emergency shelter and street outreach activities.

- 1. If the recipient is a metropolitan city, urban county, or territory: include written standards for providing the proposed assistance, as follows.*
- 2. If the recipient is a state, either: (1) include written standards for providing the proposed assistance or (2) describe the requirements for subrecipients to establish and implement written standards.*

The Department will require FY 2011 ESG awardees to establish and implement written standards for providing emergency shelter and street outreach activities the ESG program prior to executing contracts.

The Department will require awardees to establish written standards that include:

- a) Standard policies and procedures for evaluating individuals' and families' eligibility for ESG assistance;
- b) standards for targeting and providing essential services.
- c) policies and procedures for admission, diversion, referral and discharge by emergency shelters assisted under ESG, including standards regarding length of stay, if any, and safeguards to meet the safety and shelter needs of special populations and persons with the highest barriers to housing.
- d) policies and procedures for assessing, prioritizing, and reassessing individuals' and families' needs for essential services related to emergency shelter.
- e) policies and procedures for coordination among emergency shelter providers, essential service providers, homelessness prevention, and rapid re-housing assistance providers; and mainstream service and housing providers in accordance for 24 C.F.R.476.400(e).
- f) policies and procedures for determining and prioritizing which eligible families and individuals will receive homelessness prevention assistance and which will receive rapid re-housing assistance;
- g) standards for determining what percentage or amount of rent and utilities costs each program participant must pay while receiving homelessness prevention assistance;

- h) standards for determining how long a particular program participant will be provided with rental assistance and how or whether that amount will be adjusted; and,
- i) standards for determining the type, amount, and duration of housing stabilization and/or relocation services as per 24 C.F.R.476.400(e)(3)(ix).

D. Requirements for recipients who plan to use the risk factor under paragraph (1)(iii)(G) of the “at risk of homelessness” definition.

If recipient plans to serve persons “at risk of homelessness,” based on the risk factor “otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness:” describe specific characteristics associated with instability and increased risk of homelessness.

The Department does not plan to use, nor allow its ESG subrecipients to use, the risk factor in 24 C.F.R. §576.2, under paragraph (1)(iii)(G) of the “at risk of homelessness” definition: “otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness.”

The Department believes that in the implementation of the FY 2011 ESG contracts, subrecipients will have ample opportunity to identify and serve persons deemed to be at risk of homelessness based on the six other conditions in the “at risk of homelessness” definition in 24 C.F.R. §576.2 Definitions.

The Department plans to coordinate with the sixteen CoCs in Texas over the coming year to analyze data and identify any additional “at risk of homelessness” housing characteristics whose inclusion in the list of at-risk conditions would enable subrecipients to prevent more persons from falling into homelessness.

E. Requirements for Optional Changes to the FY 2011 Annual Action Plan

1. Centralized or Coordinated Assessment System

If the recipient’s jurisdiction, or a portion of the recipient’s jurisdiction, currently has a centralized or coordinated assessment system and the recipient or subrecipients utilize the centralized or coordinated assessment system, the recipient should describe the assessment system in the substantial amendment.

Texas’s sixteen CoCs do not currently use centralized or coordinated assessment systems. Recipients in Harris and Fort Bend counties, along with the lead agency of the Continuum of Care, will develop a homelessness prevention eligibility tool to target those most at-risk of becoming literally homeless. The tool will be developed using HUD’s ESG eligibility criteria and local data regarding characteristics common among people who are literally homeless. Depending on the level of need of potential clients, the agency initially conducting intake will either admit the person to their program or will conduct a warm hand-off to another homelessness prevention provider in the ESG-funded homelessness prevention system that is skilled in meeting the person’s needs for housing.

Recipients in Harris and Fort Bend counties, along with the lead agency of the Continuum of Care, will develop formal agreements with providers serving people who are literally homeless (emergency shelters, day centers, and street outreach providers) to identify people who are eligible for rapid re-housing services. This system will be integrated into a more robust coordinated intake process for the homeless residential system that is currently under development.

FY 2011 second allocation subrecipients will not be required to participate in a centralized or coordinated assessment system until HUD provides additional standards to Continuums of Care through the publication of the Continuum of Care program rule. If the recipient's jurisdiction, or a portion of the recipient's jurisdiction, currently has a centralized or coordinated assessment system, the Department will encourage the recipient to participate in the CoC's centralized or coordinated assessment system.

2. Monitoring

If existing monitoring procedures are not sufficient to allow recipients to monitor compliance with the new requirements, HUD encourages recipients to update their monitoring standards and procedures in the process of submitting this substantial amendment. This should address appropriate levels of staffing.

Based on the new requirements in the ESG Interim Rule, the Department updated the monitoring standards and procedures for ESG and is including them in Attachment 1. Based on the new requirements in the ESG Interim Rule, the Department updated the monitoring standards and procedures for ESG and is including them in Attachment 1. Attachment 1 identifies the activities to be monitored including, but not limited to: area-wide systems of coordination, documenting eligibility, to determine that assistance is provided in accordance with housing stabilization services requirements, lead-based paint requirements for shelters and housing occupied by ESG participants, compliance with subrecipient written standards for provision of ESG assistance, review of client files for eligibility and support documentation and to determine if maximum amounts and period of assistance are met, review of financial support documentation related to expenditures, HMIS documentation, review of general program management and program oversight, review of documentation related to housing and shelter habitability standards, review of compliance with accessibility standards, review of compliance with Section 3 and other applicable federal requirements, compliance with uniform administrative requirements, use of program income, and review of procurement documentation.