
Emergency Shelter Grants (ESG)

PROGRAM MANUAL

2009

Maryland Department of Housing and Community Development

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MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF NEIGHBORHOOD REVITALIZATION
EMERGENCY SHELTER GRANTS (ESG) PROGRAM
PROGRAM MANUAL FOR FFY 2009

The Emergency Shelter Grants (ESG) Program provides funds to prevent homelessness and to help improve the quality of existing emergency and transitional shelters for the homeless. It is also designed to help make available additional shelters, to help meet the costs of operating such shelters and of providing certain essential social services to homeless individuals. The assistance is designed to assure that homeless persons and those at risk of homelessness have access not only to safe and sanitary shelter, but also to the supportive services needed to improve their situations.

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I. Definitions**A. Selected federal definitions include the following:** (For others refer to 24 CFR Part 576 Subpart A General 576.3)

1. "Conversion" means a change in the use of a building to an emergency shelter for the homeless where the cost of conversion or any rehabilitation costs exceed 75 percent of the value of the building before conversion
2. "Homeless Persons" are those persons living in places designed to provide temporary living accommodations, such as emergency shelters, or persons living in public or private places not designed for, or ordinarily used as, regular sleeping accommodations for human beings. The definition includes those persons who would become homeless imminently because they are being evicted from private dwelling units or are handicapped persons being discharged from institutions and because no subsequent residences have been identified and they lack the resources and support networks needed to obtain access to housing.
4. "Major Rehabilitation" means rehabilitation that involves costs in excess of 75 percent of the value of the building before rehabilitation.
5. "Nonprofit Service Provider" means any private nonprofit organization providing assistance to the homeless, to which a unit of general local government distributes Emergency Shelter Grant funds.
6. "Obligated" means that the grantee or State recipient, as appropriate, has placed orders, awarded contracts, received services, or entered into similar transactions that require payment from the grant amount. Grant amounts that a unit of general local government or State awards to a private nonprofit organization by a written agreement or letters of award requiring payment from the grant amount are obligated funds.
7. "Private Nonprofit Organization" means a secular or religious organization described in Section 501(c) 3 of the Internal Revenue Code of 1986 which (a) is exempt from taxation under Subtitle A of the Code; (b) has an accounting system and a voluntary board; and (c) practices; non-discrimination in the provision of assistance.
8. "Rehabilitation" means labor, materials, tools and other costs of improving buildings, including repair directed toward an accumulation of deferred maintenance; replacement of principal fixtures and components of existing buildings; installation of security devices; and improvement through alterations or additions to, or enhancement of existing buildings, including improvements to increase the efficient use of energy in buildings.
9. "Renovation" means rehabilitation that involves costs of 75 percent or less of the value of the building before rehabilitation.

10. "State Recipient" means any unit of general local government to which a state makes available shelter grants funds.
11. "Unit of General Local Government" means any city, county, town, township, parish, village, or other general-purpose political subdivision of a state.
12. "Value of the Building" means the monetary value assigned to a building by an independent real estate appraiser, or as otherwise reasonably established by the grantee or the State.

A. Other definitions include the following:

1. "DHCD" means the Maryland Department of Housing and Community Development, the agency of the State of Maryland administering the Program.
2. "ESG" or the "Program" means the Emergency Shelter Grants Program as described in this manual.
3. "HUD" means the federal Department of Housing and Urban Development.
4. "Program Coordinator" means the individual designated by DHCD to coordinate the Program within the Administration.
5. "NR" or the "Administration" mean the Neighborhood Revitalization, a division of DHCD to which the Program is assigned.

II. Applicants [Refer to 24 CFR Part 576 Subpart B - Eligible Activities 576.25(b)]

Units of general local government are eligible applicants for grants under the ESG Program. Although federal regulations may include nonprofit organizations as eligible applicants, DHCD has elected to accept applications *solely* from units of local government. A unit of general local government may distribute all or part of its grant award to eligible nonprofit recipients designated in the local government's ESG application.

III. Activities

A. Eligible Activities [Refer to 24 CFR Part 576 Subpart B - Eligible Activities 576.21(a)]

Under federal regulations ESG shall be used for one or more of the activities listed below.

1. **Payment of maintenance and operations costs.** Examples of eligible costs include rent, repair, fuels, insurance, utilities, equipment and staffing costs for custodial and security services. (Note: Mortgage payments for shelter facilities are not eligible costs under DHCD's ESG guidelines.) (The federal regulations contain an error on page 46801.)

2. **Provision of essential services (direct client services) to the homeless.**
Grant amounts provided by a State to local recipients may be used to provide an essential service only if the service is a quantifiable increase in the level of a service above that which the unit of general local government provided with local funds during the 12 months immediately before it received initial ESG funds. **Not more than 30 percent of DHCD's total ESG allocation may be used for these services.**

The federal regulations provide that the HUD is authorized to waive the requirement that limits the percent of the grant amount that may be used for essential services by the local government. Units of local government seeking a waiver must demonstrate to HUD that activities other than essential services are adequately provided from other public or private resources and that grant funds cannot practicably be used for eligible activities other than essential services. Waiver requests from units of general local government must first be forwarded to DHCD. DHCD then will forward all such request to HUD, together with any recommendations or other comments DHCD may make.

4. Payment of staff costs involved with operations related to emergency shelter (excluding staff costs for providers of essential services/case managers or salaries eligible under maintenance and operations). Not more than ten percent of the aggregate amount of each ESG grant to a local government may be used for these costs.
5. Up to five percent of the State's annual grant may be used to support administrative activities. The State shall share a portion of the amount available for administration with its subgrantees.
6. When ESG funds are proposed for use in the renovation, major rehabilitation or conversion of buildings for use as emergency shelters, documentation shall be provided to show that no other funding source is available. This funding category receives very low priority because funding for other categories is less accessible to Maryland Service Providers. In addition, time limits for expenditure of the grant funds inhibit use of these funds for major rehabilitation or conversion.

B. Ineligible Activities [Refer to 24 CFR Part 576 Subpart B - Eligible Activities 576.21.]

1. ESG funds shall not be used for activities other than those listed above. Examples of ineligible uses include:
 - a. Acquisition or construction of an emergency shelter for the homeless;
 - b. Staffing costs exceeding 10 percent of the grant amount, other than for case management or maintenance and security staff;

- c. Rehabilitation services performed by the staff of a grantee or recipient, such as preparation of work specifications, loan processing or inspections; and
 - d. Mortgage payments for shelters, unless a waiver is approved by DHCD.
2. Renovation, rehabilitation or conversion of buildings owned by primarily religious organizations or entities, unless federal requirements 576.23 (b) are met.

IV. Beneficiaries [Refer to 24 CFR Part 576 Subpart A - General 576.1(b) and Subpart B - Eligible Activities
576.21 (a).]

All homeless individuals and families are eligible beneficiaries of shelter and services under the ESG Program provided they meet the federal definition of homeless (paragraph. I.A.2.). Individuals and families at imminent risk of homelessness are eligible beneficiaries of homelessness prevention subsidies provided they meet statutory criteria.

V. Award Process

- A. To award ESG funds to units of general local government, DHCD annually will conduct competitive rounds of funding in which local governments will be invited to submit applications.
- B. The award of funds among eligible applicants may take into consideration the level of need in the service area compared to available resources and the capacity of the grant recipient, and subrecipient if applicable, to conduct the program effectively and administer the grant efficiently. Consideration will also be given to the desirability of funding a variety of projects and serving as many geographic areas of the State as possible. This may result in a recommendation to fund eligible applicants at levels lower than requested. It is possible that not all applicants will be funded.
- C. Applications may be reviewed by a panel that may include members of the staff of DHCD and other state agencies. Recommendations for awards will be reviewed by the Assistant Secretary of the Division or the Assistant Secretary's designee. The recommendations will be submitted to the DHCD Secretary or the Secretary's designee, who may confer with the Governor. The Secretary will make the awards.
- D. Each applicant will be notified by mail of the action taken on its application.
- E. DHCD will enter into a two-year grant agreement with each award recipient. Each Service Provider shall endeavor to expend the funds within twelve months. After 18 months the funds shall be subject to recapture by DHCD if significant progress in utilizing them cannot be demonstrated by the Service Provider. This recapture measure may be necessary to preserve the State's allocation, allowing sufficient time for redistribution and expenditure prior to termination of the 24-month HUD annual grant to the State.

Application Requirements(NEW) Performance Measurement System:

Performance Measurement System is a program management tool which is now a requirement for all federal programs. Performance Measurement is utilized under the Government Performance Results Act (GPRA) of 1992 and the Office of Management Budget (OMB) Rating Tool. Unit of general local governments and non-profit service providers must comply by reporting the population served under specific objectives and outcomes. Division of Neighborhood Revitalization staff will be available for guidance needed to select the outcomes and objectives. Please see the below chart:

VI.

Outcome	Availability/Accessibility	Affordability
Objective		
<p>Suitable Living Environment</p>	<p>Activities that increase access or availability to shelter or a service that will improve the beneficiary’s living environment. Examples:</p> <ul style="list-style-type: none"> • Emergency Shelter; • Transitional housing program (e.g., a substance abuse treatment facility for homeless persons); • Street outreach to chronically homeless persons; or • Essential services (mental health Counseling, substance abuse treatment, etc.) 	
<p>Decent Housing</p>		<p>Housing activities focused primarily on making the housing units affordable.</p>

Application Requirements (continued)

No application fee is required.

- A. Applications shall be submitted to the Administration. Only applications submitted in a timely manner with complete information will be considered.

- C. Each application shall be submitted in quadruplicate on a form provided by the Administration and contains the following information.
 - 1. Description of the homelessness problem to be addressed as it relates to the service area, and an assessment of the need for this homeless assistance;
 - 2. Description of the project to be undertaken including number and income of homeless persons expected to be served, project location and services to be provided;
 - 3. Project budget, including ESG and other matching funds and amounts;
 - 4. Certification of intention to comply with the grant terms and conditions.

- D. The application may request funding for one or more projects on behalf of the local government itself and on behalf of one or more sub-recipients or sub-grantees. Nevertheless, the cumulative total request by one applicant shall not exceed \$50,000.

- E. Units of general local government that intend to disburse funds to nonprofit organizations shall submit the following additional information for each nonprofit organization involved:
 - 1. Copy of articles of incorporation, by-laws and other similar organizational documents, unless waived by DHCD for organizations previously submitting these documents; and
 - 2. List of names of the officers and directors of the nonprofit organization.

VII. Review & Rating of Applications

All applications will be reviewed, rated and recommended for funding based on the following factors. Figures in parentheses indicate the maximum number of points that may be awarded to any given factor. Applicants receiving the highest cumulative points will be recommended for funding until all ESG Program funds are exhausted.

The following topics will be used to rate and rank applications:

A. **Statement of Homeless Problem/Need This Project Will Address (20) Points**

1. Projected number, income and category of homeless and at-risk individuals to be assisted (i.e. homeless men, homeless families, families facing eviction, battered women and their children, etc.);
2. A description of the need or problem, selected objectives and outcomes for Performance Measurement system, noting local factors and trends, as well as economic factors, that affects the level of homelessness. The description should include statistical documentation of the trends and causative factors which are cited to support the declaration of need or problem; and
3. The appropriateness of the applicant's proposed project or activity to address the need or problem.

B. **Proposed Project Design (Project Description & Budget (20) Points**

1. The type and usage of shelter maintenance and operating expenses being requested;
2. The type of case management and other direct client services to be funded by the grant and how they will be administered.
3. The type and usage of shelter staffing cost being requested and the type and usage of administrative funds being requested.
4. In all of the above, please provide the extent to which all costs are documents, carefully estimated, reasonable and how the matching funds being claimed are documented in support of the grant.

C. **Past Experience/Organizational Capability, Experience & Commitment to the Project**

Note: Applicants answer either A or B. Applicants that (have not) administered ESG funds previously, answer A. Applicants that have received ESG funds previously, answer B. (20) Points

1. The extent to which the applicant has the organizational capacity and staff expertise to undertake and administer the project/activity described in the application. **Applicants must describe also current client tracking systems;**

2. The extent to which the applicant has been involved in homeless shelters, programs or services in the past and the track record indicates these activities have been accomplished in an efficient and effective manner;
2. The extent to which the applicant is committed on a long term basis to serving the shelter needs of the homeless and to promoting a community-based continuum of care for homeless and at-risk persons.
4. The extent to which the applicant will involve homeless clients, to the maximum extent practicable, in the planning, developing, constructing, renovating, maintaining and operating of homeless facilities and programs.

D. **Supportive Services** (20)

Discuss in detail the applicant's ability to obtain relevant supportive services to assist with this project or activity to improve the client's self-sufficiency. This methodology includes providing assistance in obtaining appropriate supportive services including permanent housing, medical and mental health treatment, job readiness and skills training and counseling, supervision, and other services essential for achieving independent living.

E. **Additional Information** (20)

A 50/50 match is federally mandated. Funding priority will be given for applicants meeting the following additional match stipulations:

1. At least 20 percent of the match (ten percent of total project cost) shall be in cash from private sector resources or local government, and *not* from State or federal resources.
2. A cash contribution by the local government applicant is strongly encouraged and can be counted as part of the 50/50 match.
3. For the Department's use, tell us how long it took you to complete the application.

VIII. **Reallocation**

Grant funds will be reallocated if any amount is recaptured due to a voluntary return by a grantee or due to suspension or termination of a grant agreement. Reallocation will be accomplished based on the factors listed below, in priority order, until the recaptured funds have been exhausted. DHCD will reserve some discretion based on the amount of the recaptured funds. For example, the amount may be sufficiently small to suggest it is more practical to supplement an underfunded applicant first. If

funds are recaptured near the end of the grant term DHCD may request that the federal government approves a carry over of these funds to the next grant period.

A. **Unfunded Applicants**

Applicants that did not receive grant funding within the funding period for which funds are recaptured will be reconsidered based on the score obtained from the rating factors applied above when the application was reviewed initially. If the unfunded applicant with the highest rating score does not need funding the applicant with the next highest score will be reconsidered and so forth until the total is exhausted.

B. **Underfunded Grantees**

Grantees that did not receive the total amount requested will be reconsidered for recaptured funds as an addition to their current grant. Determination will be based on the procedure described in paragraph VIII. A. The total of the current grant plus recaptured funds may not exceed \$50,000.

C. **New Applicants**

DHCD may solicit new applications from units of local government. The process outlined in paragraph V. will apply.

IX. Grant Terms & Conditions

A. **Maximum Award**

Units of general local government shall be limited to one ESG award not to exceed \$50,000 under the current federal fiscal year appropriation.

B. **Match Requirements**

1. A one-to-one match that may partially consist of in-kind contributions is required. In-kind contributions may include: the value of any donated material or building; the value of any lease on a building; any salary paid to staff of the applicant or nonprofit organization in carrying out the shelter or client services program; and the time and services contributed by volunteers to carry out the shelter or client services program.

Federal regulations limit the value of volunteer hours to \$5.15 per hour. (Refer to 24 CFR Part 576 Subpart E - Program Requirements 576.51(b)-- Calculating the Matching Amounts.) However, the Baltimore HUD office has given approval to calculate the value of professional pro bono services at a rate commensurate with the volunteer's regular fee schedule, provided documentation of that fee schedule is maintained by the Service Provider

agency. In addition, the Baltimore HUD office has approved calculation of the value of volunteers regularly serving as staff at a rate consistent with the Service Provider agency's salary schedule. Except for professional services and volunteer staff, volunteer time is to be calculated at \$5.15 per hour.

2. Priority for funding will be given to homeless programs for which at least 20 percent of the match (ten percent of total ESG program cost) is in cash from private sector resources and/or local government, and *not* from State or federal resources. A *significant local government contribution is encouraged*. While donations from local private corporations, groups and individuals, and pass through funds from other State and federal resources may be used as a portion of the required match, these funds are *not* considered local government monies.
3. Federal regulations eliminate the match requirement for the first \$100,000 of a State grant. This benefit is required to be passed on to the local governments least capable of providing the State with matching funds. Each year, after the grantees are selected, the State will make a determination as to which local governments will have a full or partial match eliminated.

B. Sub-Recipient Agreement

A Grantee that intends to distribute all or part of its award funds to a *nonprofit organization shall execute an agreement with the nonprofit*. The agreement shall include a description of the scope of work, of records to be maintained, and of compliance with ESG regulations as set forth in the *Federal Register* on November 7, 1989 and on October 2, 1996. It also shall include compliance with other federal regulations as set forth in OMB Circulars A-110 and A-122, grant suspension and termination procedures and monitoring requirements. *A copy of the executed subgrantee agreement shall be submitted to DHCD by the local government grantee within 30 days following execution of the ESG agreement with the State.*

D. Disbursement Request

Funds shall be released to grantees upon request provided that the request is for reimbursement of documented expenditures for payment of eligible project/activity costs. Requests shall be subject to availability of funds from HUD to DHCD.

E. Excess Funds

Funds in excess of cash disbursement needs are not to be retained by grantees or the State. In the event that a grantee finds it has excess cash it must be returned to DHCD immediately. If DHCD has requests for funds that can be processed within five days, funds returned by a grantee will be disbursed. If no such requests exist, the returned funds will be sent back to the U.S. Treasury by DHCD's Office of Finance.

F. **Environmental Review Requirements**

Prior to disbursement of funds, the State will make a preliminary determination of the Environmental Review status of each grantee. This determination will be based on Federal Regulations for Environmental Review 24 CFR 58, July 7, 1984. Grantees will be informed of their status within 90 days of the grant agreement. The status will be one of three categories that are described below.

1. **Exempt** - Exempt status includes projects which support maintenance and operations activities, and/or essential services, and/or administrative costs and/or staffing costs for operations and in that there is no project related activity that would include physical improvement or facility development. Exempt status must be verified; grantees will be instructed annually as to how to comply with this process.
2. **Geographical Exclusion** - Categorical exclusion status includes projects which support maintenance and operations activities, and/or essential services, and/or administrative costs and/or staffing costs for operations and/or in which there is a project related activity that would include physical improvement such as renovation, rehabilitation or conversion or facility development whether the source of funds is ESG or some other source. This status must be verified by completion of a partial environmental review. As grantee, the local government is responsible for complying with this process. Instructions and assistance on the process will be available from the Administration.
3. **Environmental Assessment** - ESG funded projects which involve major renovation, conversion, or rehabilitation, depending upon the extent of the physical improvement and the location of the site of the improvement and/or the historical nature of the site, may require a full Environmental Assessment. As grantee, the local government is responsible for complying with this process. Instructions and assistance on the process will be available from the Administration.

G. **Site Retention Requirements** [Refer to 24 CFR Part 576 Subpart E - Program requirements 576.53 – Use as an Emergency Shelter.]

A building must be maintained as an emergency shelter for the homeless for not less than a three-year period. If the grant is used for major rehabilitation or conversion the building it must be maintained as an emergency shelter for not less than a ten-year period. The three and ten year periods begin to run:

1. In the case of a building that was not operated as an emergency shelter for the homeless before receipt of grant, on the date of initial occupancy as an emergency shelter for the homeless.

2. In the case of a building that was operated as an emergency shelter before receipt of grant, on the date that the grant amount is first obligated for the shelter.

H. **Supportive Services** [Refer to 24 CFR Part 576 Subpart G - Program Requirements 576.56.]

Homeless individuals shall be given assistance to obtain other services.

I. **Termination of Assistance**

Section 1402(d) of the Housing and Community Development Act of 1992 requires that termination of assistance to any individual or family be in accordance with a formal process that recognizes the rights of individuals affected. Therefore, new grantees and subrecipients will be required to submit, in writing, to DHCD a description of this formal process, which may include a hearing.

J. **Other Federal Requirements** [Refer to 24 CFR Part 576 Subpart E - Program requirements 576.57 - Other Federal Requirements.]

In utilizing the ESG award, the grant recipient shall comply with the following additional federal requirements:

1. OMB Circulars Nos. A-87 and A-102 as they relate to the acceptance and use of Emergency Shelter Grant funds by states and units of general local government and Nos. A-110 and A-122 as they relate to the acceptance and use of Emergency Shelter Grants by private nonprofit organizations;
2. Uniform Federal Accessibility Standards;
3. Lead-based paint;
4. Conflicts of interest;
5. Use of debarred, suspended or ineligible contractors;
6. Audit;
7. Prohibition against the use of federal funds for lobbying;
8. Receipt of matching funds in a time frame to coincide with the disbursement of the ESG Grant funds in accordance with the requirements of 24 CFR 576.51 and 42 U.S.C. 11375 with matching funds calculated in accordance with Section 576.71(a) and (b) as amended by the Cranston-Gonzalez National Affordable Housing Act, Public Law 101-625;

9. Undertaking exclusively eligible activities as defined in Section 576.21(a) by both the grantee and sub-grantees;
10. The requirements of 24 CFR 576.57, other appropriate provisions of 24 CFR Part 576, and other applicable Federal laws concerning nondiscrimination and equal opportunity.
11. The requirements of 24 CFR 576.59(b) concerning the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.
12. The requirement of 24 CFR 576.59 concerning minimizing the displacement of persons as a result of a project assisted with these funds.
13. The requirements of 24 CFR Part 24 concerning the Drug Free Workplace Act of 1988, insofar as applicable to the Grantee and the Grantee's Nonprofit Providers.
14. The requirements of 24 CFR 576.56(a) and 576.65(b) that grantees develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted with ESG funds and that the address or location of any family violence shelter project will not be made public, except with written authorization of the person or persons responsible for the operation of such shelter.
15. The requirement that recipients involve, to the maximum extent practicable, homeless individuals and families in policy making, renovating, maintaining, and operating facilities assisted under the ESG program, and in providing services for occupants of these facilities as provided by 24 CFR 576.56.
16. A grantee and any sub-grantee shall not, except as provided at 24 CFR 576.57, utilize any portion of the grant.
17.
 - a. To fund renovation, major rehabilitation, or conversion of any building listed on the National Register of Historic Places; located in an historic district; immediately adjacent to a property listed on the National Register, or deemed to be eligible for inclusion on the National Register by the State Historic Preservation Officer;
 - b. To fund any activity taking place in a 100 year flood plain designated by map by the Federal Emergency Management Agency;

- c. To fund any activity which will jeopardize the continued existence of an endangered or threatened species designated by the U.S. Department of the Interior's Fish and Wildlife Service or by the U.S. Department of Commerce's National Maritime Fisheries Services, or affecting the critical habitat of such a species.
- d. In a manner that is inconsistent with HUD's environmental standards at 24 CFR Part 51 or with the State's Coastal Zone Management Plan; or
- e. Under the requirements of the McKinney-Vento Act, 42 U.S.C. 11301, to discharge persons from publicly funded institutions or systems of care (such as health care facilities, foster care or other youth facilities, or correction programs and institutions) when the discharge may immediately result in homelessness or to assist these person in place of state or local resources.

K Other State Requirements

DHCD may establish any other reasonable and necessary terms and conditions in the agreement evidencing the grant.

L. DHCD Grant Administration

- 1. Grant recipients shall be responsible for administering the ESG Program in accordance with all applicable laws. [Refer to 24 CFR Part 576 Subpart F - 576.61 - Grant Administration and 576.65 - Record keeping.]
- 2. Buildings that are rehabilitated, renovated or converted with ESG funds shall comply with local government building standards when applicable. [Refer to 24 CFR Part 576 Subpart E - 576.55 - Building Standards.]
- 3. Grant recipients shall be responsible for obtaining all federal, state and local government approvals, permits and reviews that may be required to begin and complete the project for which the ESG funds are to utilize.
- 4. Additional requirements from DHCD include:
 - a. Grantees and Service Providers shall maintain accurate financial records of all transactions that relate to the grant.
 - b. Service Providers shall maintain documentation of client eligibility, such as household income and documentation regarding the risk of homelessness, such as eviction notice or letter from the landlord.

- c. Service Providers shall maintain case notes and/or other appropriate documentation to document that assistance is provided to further client self-sufficiency.
- d. Grantees shall report to and request approval by the Program Coordinator of any substantial changes in the budget or in the project's work plan.
- e. For each Service Provider, the Grantee shall submit the following two reports on forms provided by DHCD:
 - (1.) A 180-day Progress Report after the date of the award of the grant; and
 - (2.) A Final Report evaluating their program's effectiveness and including a final fiscal report containing an expense and revenue summary and verification of matching funds, certified by the Service Provider's highest fiscal officer. This report is due within forty-five (45) days after submitting the final disbursement request
- f. Grantees shall submit requests for disbursements on the forms provided by DHCD. Grantees should request funds at least quarterly unless there is a legitimate reason not to do so, such as pending approval for release of funds due to environmental review processing. ***Timeliness in drawing funds will be considered in evaluation grantee performance.***

X. DHCD Program Administration

A. Grantee Non-Compliance

DHCD may terminate a grant or refuse to make additional disbursements under a grant agreement if it finds that the grantee is not complying with any of the requirements of the Program or the grant agreement.

B. Monitoring Requirements:

1. At least 10 percent of the Service Providers, along with the cognizant oversight agency in local government, will be monitored on site annually.
2. The visit may occur during or after the grant period. Grantees normally will receive two weeks notice of the monitoring visit. The notice will include a copy of the monitoring instrument.
3. The visit will entail reviews of the fiscal and programmatic aspects of the grant as administered by both the grantee and subgrantee. Grantees and subrecipients will make all ESG records, administrative offices and personnel available upon request during the monitoring visit.
4. Within 60 days following the visit DHCD will forward a report to the Service Providers and the grantee. The report will summarize grant progress and may address concerns and provide recommendations for further action, as well as findings which will require corrective action.
5. Local government grantees that contract with nonprofit organizations under this program shall monitor each sub-recipient to determine project progress and adherence to the sub-recipient grant agreement. Monitoring reports of the local government's grantees shall be subject to review by DHCD upon request.

XI. Additional Information & Application Forms

Information and applications for Emergency Shelter Grants Program should be requested from and submitted to the following address:

Emergency Shelter Grants Program
Division of Neighborhood Revitalization
Maryland Department of Housing and Community Development
100 Community Place
Crownsville MD 21032-2023

For further information on the ESG Program, contact Dan Acker, Project Manager at (410) 514-7254 or 1-800 756-0119 Extension 7254, or acker@mdhousing.org or (fax) (410) 987-4660

THE EMERGENCY SHELTER GRANTS (ESG) PROGRAM IS A FEDERAL PROGRAM ADMINISTERED BY THE STATE. AS SUCH, THE MAJORITY OF THE PROGRAM RULES AND REGULATIONS ARE THOSE AS RECORDED IN 24 CFR PART 576 PRINTED IN NOVEMBER 7, 1989 ISSUE OF THE FEDERAL REGISTER, PAGES 46794-46810. POTENTIAL APPLICANTS SHOULD READ THIS ISSUE CAREFULLY. AS DEEMED APPROPRIATE, ADDITIONAL STATE DEFINITIONS, RULES AND REQUIREMENTS HAVE BEEN INCLUDED IN THIS MANUAL, IN PARTICULAR, DIRECTIONS ISSUED AS A RESULT OF THE CRANSTON-GONZALEZ NATIONAL AFFORDABLE HOUSING ACT PASSED ON NOVEMBER 28, 1990 AND THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1992 PASSED ON OCTOBER 28, 1992.
