

EMERGENCY SHELTER GRANT PROGRAM



FFY 2008 Program Description and Application Packet

State of Alaska

Department of Commerce, Community & Economic Development
Jill Davis, Acting Grants Program Manager
211 Cushman Street
Fairbanks, AK 99701-4639

Applications Due: September 19, 2008

I. INTRODUCTION

Under authority of the U.S. Department of Housing and Urban Development and in accordance with the Stewart B. McKinney Homeless Amendments Act of 1988, the National Affordable Housing Act of 1990, and 24 CFR part 576, the State of Alaska has elected to apply for and administer the Emergency Shelter Grant Program and is authorized to do so through its Community Development Block Grant office in the Division of Community & Regional Affairs, Department of Commerce, Community and Economic Development. Further, as required by law, the State of Alaska submitted its Consolidated Housing & Community Development Plan, in May of 2008, which is a prerequisite for applying for Emergency Shelter Grant funds.

A. BACKGROUND

Emergency food and shelter programs are essential to meet the most immediate life-threatening needs of people with nowhere to go. Shelters must be open around the clock, throughout the year. They must offer refuge tailored to the special circumstances determined by environment and individual need.

In addition to providing for the immediate needs of shelter and food, important goals for an emergency shelter system are provision of medical care; assurance that assistance will be available to all who need it; establishment of a decent standard of quality for services; a “prevention” program for the “at-risk”; program cost-effectiveness; and avoidance of the institutionalization of emergency programs. While funding is the most obvious contribution to be made by local governments, other public activities must be undertaken to address the need for emergency services.

Statewide, emergency shelter and food programs are inadequate to meet present and future projected needs of the homeless. Although Alaska’s FFY 2008 allotment for the State program of HUD Emergency Shelter Grant funds is small, any amount of assistance is appreciated by those in need as well as those concerned with providing for them.

II. PROGRAM DESCRIPTION

A. AMOUNT OF FUNDS AVAILABLE

It is estimated that the State of Alaska will receive \$121,740.00 in Emergency Shelter Grant funds in FFY 2008. *Applicants may apply for a maximum of \$24,348.00. It is anticipated that five applications will be awarded funds. Funding of these projects is contingent upon the receipt of funds from the U.S. Department of Housing and Urban Development.*

B. APPLICATION GUIDELINES

An original and five copies of applications must be received in the Fairbanks Office of the Department of Commerce, Community and Economic Development, Division of Community & Regional Affairs, 211 Cushman Street, Fairbanks, Alaska 99701-4639, Attention: Jill Davis, by close of business on September 19, 2008.

Awards are expected to be made in October 2008. Grant Agreements will be executed on or about December 1, 2008. Grant Agreements will terminate no later than June 30, 2009.

C. ELIGIBLE APPLICANTS

For the State of Alaska Emergency Shelter Grant Program, eligible applicants are:

1. Units of general local government which have a population between 5,000 and 100,000 persons. Population data will be taken from the Alaska Community Database, which uses 2007 population estimates, as certified by the Department of Commerce, Community & Economic Development.
2. Private non-profit organizations located within a unit of general local government which has a population between 5,000 and 100,000 persons. *The unit of general local government in which the proposed project is to be located must certify that it approves the project before it can be considered for funding.* (See APPENDIX A of the application packet).

Assistance may be provided under this part to a religious organization if the religious organization agrees to provide all eligible activities under this program in a manner that is free from religious influences and in accordance with the following principle:

- a. It will not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion;

- b. It will not discriminate against any person applying for shelter or any of the eligible activities under this part on the basis of religion and will not limit such housing or other eligible activities or give preference to persons on the basis of religion; and
- c. It will provide no religious instruction or counseling; conduct no religious worship or services; engage in no religious proselytizing; and exert no other religious influence in the provision of shelter and other eligible activities under this part. Certain other restrictions may apply to participation by religious organizations. Applicants which are primarily religious organizations are encouraged to contact DCCED for specifics or refer to 24 CFR Part 576, Section 576.23.

D. ELIGIBLE ACTIVITIES

The State of Alaska Emergency Shelter Grant Program may be used to fund one or more of the following activities relating to emergency shelter for the homeless:

1. **Renovation, major rehabilitation, or conversion** of buildings to be used as emergency shelters.

- a. **“Renovation”**, defined as rehabilitation that involves costs of *75 percent or less of the building before rehabilitation*. Renovations assisted under this part must meet local government safety and sanitation standards (Section 576.55). In addition, for projects of 15 or more units where rehabilitation costs are less than 75 percent of the replacement cost of the building, that project must meet the requirements of 24 CFR 8.23(b). “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.

Renovation costs may include labor, materials, tools, and other costs of improving buildings, including activities 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 incidental additions to, or enhancement of, existing buildings, including improvements to increase the efficient use of energy in buildings; and structural changes necessary to make the structure accessible for persons with physical handicaps.

- b. **“Major rehabilitation”** means rehabilitation that involves costs *in excess of 75 percent of the value of the building before rehabilitation*. Major rehabilitation assisted under this part must meet local government safety and sanitation standards under Section 576.55. In addition, for projects of 15 or more units where rehabilitation costs are 75 percent of the replacement cost of the buildings, that project must meet the requirements of 24 CFR 8.23(a), and the accessibility requirements of Section 504 of the Rehabilitation Act of 1973, as amended.

c. **“Conversion”**, defined as a change in the use of a building to an emergency shelter for the homeless where the costs of conversion exceed 75% of the value of the building before conversion.

2. **Operation costs.** Payment for shelter maintenance, operation, rent, security, fuel, equipment, insurance, utilities, food, and furnishings.

Note: Maintenance activities do not materially add to the value of the building, appreciably prolong its useful life, or adapt it to new uses. They are defined as:

- (1) cleaning activities;
- (2) protective or preventative measures to keep a building, its systems, and its grounds in working order; or
- (3) replacement of appliances or objects that are not fixtures or part of the building.

Note: Staff salaries (including fringe benefits) paid under the operating costs category are limited to 10 percent of the grant.

3. **Essential Services** are defined as services concerned with employment, health, drug abuse, and education and may include (but are not limited to):

- a. Assistance in obtaining permanent housing;
- b. Medical and psychological counseling and supervision;
- c. Employment counseling;
- d. Nutritional counseling;
- e. Substance abuse treatment and counseling;
- f. Assistance in obtaining other federal, state, and local assistance including mental health benefits, employment counseling, medical assistance, veteran’s benefits and income support assistance such as Supplemental Security Income benefits, Aid to Families with Dependent Children, General Assistance and Food Stamps;
- g. Other services such as child care, transportation, job placement and job training; and
- h. Staff salaries necessary to provide the above services.

Note: There is a cap on the amount of funds which may be used for Essential Services. No more than 30% of the State's allocation (or \$36,522.00 in FFY 2008) may be allocated for this purpose. In addition, all Essential Services provided must be a new service or a quantifiable increase in the level of service provided during the twelve (12) months immediately prior to the submission of the application.

4. **Homeless Prevention Activities**, defined as activities or programs designed to prevent the incidence of homelessness, including but not limited to:

- a. Short-term subsidies to defray rent and utility arrears for families that have received eviction or utility termination notices;
- b. Security deposits or first month's rent to permit a homeless family to move into its own apartment;
- c. Mediation programs for landlord-tenant disputes;
- d. Legal services programs for the representation of indigent tenants in eviction proceedings;
- e. Payments to prevent foreclosure on a home; and
- f. Other innovative programs and activities designed to prevent the incidence of homelessness.

Note: If funds are to be used to assist families that have received eviction notices or notices of termination of utility services, the following conditions must be met: The inability of the family to make the required payments must be the result of a sudden reduction in income; the assistance must be necessary to avoid eviction of the family or termination of services to the family; there must be a reasonable prospect that the family will be able to resume payments within a reasonable period of time; and the assistance must not supplant funding for preexisting homeless prevention activities from any other sources.

There is a cap on the amount of funds which may be used for Homeless Prevention Activities. No more than 30% of the state's allocation (or \$36,522.00) may be allocated for this purpose.

5. **Administration costs.** Eligible administrative costs include staff to operate the program and costs of preparing financial and progress reports.

Note: An applicant may apply for and receive no more than 5% of its total project budget for administrative costs.

E. DEFINITIONS

1. **“Emergency shelter”** is defined as any facility, the primary purpose of which is to provide temporary or transitional shelter for the homeless in general or for specific populations of the homeless.
2. **“Homeless” or “homeless individual”** is defined as:
 - a. An individual or family who lacks a fixed, regular, and adequate nighttime residence;
or
 - b. An individual or family who has a primary nighttime residence that is:
 - 1) A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for persons with mental illness);
 - 2) An institution that provides a temporary residence for individuals intended to be institutionalized; or
 - 3) A public or private place not designed for, or ordinarily used as a regular sleeping accommodation for human beings.

The term does not include any individual imprisoned or otherwise detained pursuant to an Act of the Congress or a State law.
3. **“Obligated”** is defined as having placed orders, awarded contracts, received services, or entered similar transactions which require payment from a grant amount.

F. SPECIAL REQUIREMENTS AND FUNDING LIMITATIONS

The following special requirements and funding limitations apply to the State of Alaska’s Emergency Shelter Grant Program. Actions necessary to address these special requirements are detailed in the Appendices and Application Packet as appropriate.

1. **Administrative Cost Limit:** An applicant may apply for and receive no more than 5% of its total project budget for administrative costs.
2. **Past Recipients:** A past recipient of Emergency Shelter Grant funds is not eligible to be considered for an award of additional ESG Grant Funds until (a) the prior year grant is 100% expended, and (b) all financial and programmatic reports have been submitted to DCCED and approved by DCCED.
3. **Maximum Grant Amount:** An applicant may apply for \$24,348.00 in ESG Funds in response to the FFY 2008 solicitation.

4. **Certification of Local Government Approval for Non-Profit Organizations:** Section 421 of the 1988 McKinney Act amended Section 413 to permit States to distribute funds to private, non-profit organizations as well as local governments. However, it should be noted, distributions to non-profit organizations are permitted only when the unit of general local government certifies its approval of the proposed project within its boundaries (see APPENDIX A of the Application Packet). This certification must be submitted to the state at the time the non-profit organization seeks funding from the state.
5. **Required Use of Building as a Shelter:** Any building for which Emergency Shelter Grant Funds are used for renovation must be maintained as a shelter for the homeless for not less than a three-year period after which such assistance is provided; or if the Emergency Shelter Grant funds are used for major rehabilitation or conversion, the building must be used for a shelter for not less than ten (10) years after which such assistance is provided.

Any building for which Emergency Shelter Grant funds are used for the provision of Essential Services or payment of maintenance, operation, rent, security, fuels, and equipment, must be maintained as a shelter for the homeless for the period during which such assistance is provided.

Use of Emergency Shelter Grant funds for Homeless Prevention activities does not trigger any period of use requirements.

6. **Environmental Review Requirements:** The environmental effects of each application must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD's implementing regulations at 24 CFR parts 50 and 58.

Environmental regulations provide certain categorical exclusions under NEPA and Part 58 sets conditions under which excluded activities may be determined exempt from all environmental review requirements. In cases where proposed assistance and matching contributions solely involve operating costs for facilities or the provision of essential services, and the structures and sites involved in the project meet the program requirements of this part, these activities are categorically excluded by regulation and may be determined fully exempt from environmental review by DCCED.

Funds may not be obligated or expended for activities in projects that have not been previously environmentally cleared. ESG funds distributed by the State to units of general local government will require that unit of general local government to assume the environmental responsibilities specified in section 104(g)(1) of the Housing and Community Development Act of 1974. The State will be responsible for providing a release of funds in accordance with the requirements of 24 CFR Part 58.

Funds distributed by the State to non-profit organizations will require the State to assume the environmental responsibilities specified in section 104(g)(1) of the Housing and Community Development Act of 1974 as amended in 1992. The State will provide the release of funds in this instance. In either case, funds may be

obligated or expended only after the Request for Release of Funds and Certification of compliance with environmental regulations at 24 CFR Part 58 have been approved for projects provided 15 calendar days have elapsed from time of receipt of the Request for Release of Funds and Certification and if no objections from the public are received.

7. **Drug and Alcohol Free Facilities:** The 1988 Amendments Act requires grantees, recipients, and project sponsors under each of the homeless housing programs authorized by Title IV of the McKinney Act, to administer in good faith, a policy designed to ensure that the homeless facility is free from the illegal use, possession or distribution of drugs or alcohol by its beneficiaries.
8. **Audit Requirements:** The financial management system of a unit of general local government which receives ESG funds must provide for audits in accordance with the requirements of 24 CFR Part 85.

A private nonprofit organization which receives ESG funds must provide for audits in accordance with the requirements of OMB Circular A-133.

9. **Other Federal Requirements:** An applicant for ESG funds must be willing to comply with all other Federal requirements as outlined in 24 CFR Part 576. Copies of 24 CFR Part 576 are available upon request from DCCED.
10. **Certifications by all Applicants:** All applicants must sign and submit Appendix B of the ESG FFY 2008 Application Packet, "Certifications by all Applicants," in order to be considered for funding.
11. **Matching Funds Requirement:** All applicants must show how they will match ESG funds requested with other funds either local, state, private, or federal.
12. **Racial/Ethnic Data:** All applicants are asked to provide total unduplicated annual aggregate counts of persons served (including residential and non-residential services). Beginning with the FFY 06 ESG application, Racial/Ethnic Characteristics (based on census categories) of persons served is also required. If a grantee does not have a process in place to track Racial/Ethnic Characteristics at present, a process will need to be developed.
13. **Certifications of Consistency with the Housing and Community Development Plan for the State of Alaska:** The *Consolidated Housing & Community Development Plan for the State of Alaska* (HCD Plan) is a long-range strategy for meeting Alaska's housing needs, as prioritized by local governments, citizens, housing industry interests, public agencies and non-profit organizations. The Plan guides the use of both state and federal housing assistance resources in the State. It is a collaborative effort of the Alaska Housing Finance Corporation (AHFC), the Department of Commerce, Community & Economic Development, the Department of Health & Social Services, and the Alaska Human Rights Commission. AHFC

manages the plan on behalf of the collaborating agencies and the State of Alaska. Under Federal law, most U.S. Department of Housing & Urban Development programs require that applicants obtain a Certification of Consistency with the HCD Plan.

Obtaining a Certification of Consistency:

☒ Complete a Program Abstract for the proposed project and file it with the HCD Plan Coordinator at least 10 working days prior to the date you must submit your application to HUD. A blank Program Abstract form is included with this application packet. You may photocopy the form. It is not necessary for you to submit a full copy of your application, but you may if you wish. To save time, consider submitting your Program Abstract while you are still completing your application package. Program Abstracts may be submitted by fax.

☒ Your Program Abstract will be reviewed for consistency with the principles, goals and strategies contained in the Plan. For your project to be consistent with the Plan, it should reflect the Plan's priorities for housing types, populations to be served and the specific programs listed in the Plan as available housing resources. If there are any questions about your project, the HCD Plan Coordinator will call you for more information.

☒ If the project is determined to be consistent, you will be issued a Certification of Consistency. You will submit this document to HUD with your application. A copy of the Certification is not sent directly to HUD by the State.

☒ If the project is not consistent with the Plan, you will be notified in writing of the determination and advised of the reasons why. If applicable, suggestions will be made to bring the project into consistency.

Note: This process applies only to applicants for projects located outside of the Municipality of Anchorage. If your project is located in Anchorage, you will need to obtain Certification of Consistency from the Municipality. Please contact: Municipality of Anchorage, Department of Community Planning and Development, P.O. Box 196650, Anchorage 99519-6650, telephone 343-4881.

Questions? Please contact:

Lona Hammer, HCD Plan Coordinator
Alaska Housing Finance Corporation
P.O. Box 101020, Anchorage 99510-1020

☎ 330-8211 (in Anchorage) or 1-800-478-AHFC (toll-free in Alaska)

Fax: 338-2585

E-mail: lhammer@ahfc.state.ak.us

G. METHOD OF FUNDING DISTRIBUTION

- 1. Grant Selection:** The application selection process will be conducted by a review team, the Application Selection Committee (ASC). Applications will be evaluated and assigned points by the ASC. Applications scoring the highest number of points will be funded. Up to five grants will be awarded in FFY 2008. Applications will be evaluated and assigned points by the ASC based on the following criteria:

1. PROJECT DESCRIPTION/NEED	25 Points
<ul style="list-style-type: none"> a. Has the applicant adequately described the characteristics of the homeless population in the area to be served? Has the applicant identified the specific number of homeless persons to be served? b. Has the applicant provided a physical description of the Shelter and indicated the length of time the Shelter has been functioning? c. Has the applicant provided an adequate description of the scope of activities proposed and how these will benefit the homeless population? d. Has the applicant, to the maximum extent practicable, involved homeless individuals and families in any construction, renovation, maintenance, and operation of the homeless facility? e. Does the applicant provide help for the homeless to make the transition from temporary shelter to permanent housing? f. Has the applicant included the required “Certification of Local Government Approval,” if appropriate? g. Is the applicant ready to proceed with the proposed project upon notification of award? h. Has the applicant included a “Certification of Consistency with the Housing and Community Development Plan for the State of Alaska”? 	
2. PROJECT IMPACT	25 Points
<ul style="list-style-type: none"> a. Will the proposed activities provide emergency shelter and relief to the homeless? b. Has the applicant demonstrated that the proposed activities will have an impact on helping the most vulnerable avoid homelessness? c. Do the proposed activities offer comprehensive services to the homeless to help them reestablish independent living? 	
3. BUDGET/MATCH/IN-KIND	25 Points
<ul style="list-style-type: none"> a. Has the applicant included a budget? 	

- b. Is the proposed budget cost effective in terms of total ESG funds requested and the number of homeless persons to be served?
- c. Has the applicant included funds or in-kind contributions from local sources, private sources, state sources, or federal sources to match the ESG request? *Local contribution levels will be considered in reviewing applications.*
- d. Are the administrative costs no more than 5% of the ESG project budget request?
- e. Has the applicant adhered to the 30% cap on Essential Services and 30% cap on Homeless Prevention activities?
- f. Is the proposed budget reasonable?

4. ADMINISTRATIVE CAPABILITIES	25 Points
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- a. Does the application packet and information provided therein support that the applicant has the Administrative Capability to manage ESG funds and comply with all Federal and State requirements?
- b. Has the applicant identified who will have the day-to-day management responsibility and oversight for this project?
- c. Has the applicant successfully administered other Federal or State grants which have had requirements similar to the ESG program?
- d. If the applicant had an FFY 07 ESG grant, or prior year ESG grant, was it managed properly? Were all required reports from FFY 07 ESG grants submitted to DCCED in a timely manner? Has the grant been successfully closed out?
- e. Does the applicant have the cash resources to administer a cost reimbursable grant or have they identified an alternative course of action which will allow this project to proceed?
- f. Has the applicant included all required certifications and appendices with the application?
- g. Did the applicant attach a copy of last year's audit or certified financial statement with the application packet if appropriate? Does the audit identify findings? Have those findings been satisfactorily resolved? Did the applicant include management letters and any other reports received by the Shelter that pertain to the audit?

TOTAL MAXIMUM SCORE FOR ALL FOUR CRITERIA	100 Points
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2. **Grant Award:** When the rating process by the Application Selection Committee is complete, applications will be listed in rank order. Applications scoring the highest number of points will be funded. Up to five grants will be awarded in FFY 2008. All applicants will receive written notification of the rating results.

An applicant may appeal the notification of the rating results to the Director of the Division of Community & Regional Affairs. The only basis for an appeal is non-adherence by the Department to the grant selection and award procedures as identified above. Appeals must be received by the Department in writing within thirty days of the date of the notification of rating results and must clearly state the basis for the appeal. The appeal will be reviewed by the Director and a final determination will be made within thirty days of the Director's receipt of the written appeal. The decision of the Director, provided to the applicant in writing, is final and conclusive.

3. **Grant Initiation:** Following notification of project selection, a grant agreement is negotiated and prepared for each funded project. Notification of project selection does not imply approval of all activities or specific costs proposed. During the grant negotiation period, proposed activities, additional resources, administrative costs, and other aspects of the project which were identified during the rating process, will be discussed and resolved.

The grant agreement, once negotiated, is the legal document which governs the administration of the grant and includes:

- The amount of ESG funds provided, as well as the amount and source of other funds committed to the project;
- A detailed project description outlining the scope of work to be completed;
- A detailed budget for implementation of project activities;
- The general and special terms and conditions associated with the grant including reporting requirements.

ESG grant agreements are administered on a *cost reimbursable* basis. Applicants are advised that if awarded an ESG grant, they will be expected to pay for expenses as they are incurred and submit a billing at the end of each month for reimbursement by the Department. This requires that the grantee have the cash resources to cover at least thirty to forty-five days cash need.

No ESG funds may be released until the grant agreement has been fully executed and the Environmental Review process has been completed.

Note: *By federal regulations, projects awarded Emergency Shelter Grant funds must meet strict time frames for obligating funds and expending funds. Because of the time frame restrictions imposed by federal law, applicants for these funds must have projects which are “ready to proceed” at the time awards are made. If funds are awarded and the applicant fails to meet these obligations and expenditure time frames, the Department will recapture the funds.*

4. Grant Monitoring: ESG Grant Agreements and project activities will be monitored on an ongoing basis by Department staff. The primary objectives of the Department's monitoring process are outlined below:

- To determine whether grantees are in compliance with all required procedures for project management, financial management and record keeping, and audit requirements;
- To determine whether the environmental review and related actions of grantees are technically adequate in determining the project's impact on the environment and the environment's impact on the project;
- To provide technical assistance to grantees in remedying problems and removing programs deficiencies;
- To determine whether the obligations and costs incurred against the project are authorized by the grant agreement and adequately documented;
- To determine whether civil rights requirements are being adequately met;
- To determine whether acquisition/relocation provisions apply and are being adequately met, if applicable;
- To determine whether projects objectives, timelines, and goals are being met in a timely and efficient manner.

5. Grant Close-out: The State of Alaska, Department of Commerce, Community and Economic Development believes that a good grant close-out system is fundamental to good grant management. The Department's grant close-out policies and procedures are outlined below:

Close-out/Termination by mutual agreement upon completion of project activities and expenditure of funds:

If the grantee successfully completes all project activities and expends funds as authorized, the grant will be closed/terminated by amendment to the original grant agreement.

Close-out/Termination by mutual agreement prior to completion of grant activities:

A grant agreement may be terminated, in whole or in part, prior to completion of the grant project activities, when both parties agree that continuation is not feasible or would not produce beneficial results commensurate with the further expenditure of funds. The Department will determine whether an environmental review of the cancellation is required under State and/or Federal law. The parties must agree on the termination conditions, including effective date and the portion of the grant activities to be terminated. The grantee shall not incur new obligations for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible. The Department shall make funds available to the grantee to pay for allowable expenses incurred before the effective date of the termination.

Close-out/Termination for cause:

If a grantee fails to comply with the terms and conditions of a grant agreement, or fails to use the grant for only those purposes set forth in the grant agreement, the Department may take the following actions:

Suspension: After notice in writing to the grantee, the Department may suspend the grant and withhold any further payment or prohibit the grantee from incurring additional obligations of grant funds pending corrective action by the grantee or a decision to terminate. Response from the grantee must be received within fifteen days of receipt of the written notice.

Termination: The Department may terminate a grant agreement in whole or in part at any time before the final grant payment is made. The Department shall promptly notify the grantee in writing of its decision to terminate; the reason for such termination; and the effective date of the termination. Payments made to the grantee or recoveries by the Department shall be in accordance with the legal rights and liabilities of the parties.

Note: All FFY 2008 ESG Grant Agreements will be effective only from approximately December 1, 2008 through June 30, 2009. All funds must be expended by June 30, 2009.