#### SUBSTANTIAL AMENDMENT

to

## **ACTION PLAN, 7/1/2011 - 6/30/2012**

for

## **EMERGENCY SOLUTIONS GRANT (ESG) PROGRAM**

New Castle County, Delaware has prepared a substantial amendment to its FY2012 Action Plan (7/1/2011 – 6/30/2012) for the Emergency Solutions Grant (ESG) Program to submit to the U.S. Department of Housing and Urban Development (HUD) in order to receive the second allocation of funding. Specifically, there were two funding allocations for the Emergency Shelter Grant now retitled the Emergency Solutions Grant program. New Castle County's first allocation of \$104,107 was subject to Emergency Shelter Grant Program regulations. New Castle County's second allocation of \$58,560 is subject to the requirements of the Emergency Solutions Grant program. This substantial amendment is organized by the categories that HUD requires be included in the ESG substantial amendment. These include:

- Summary of the consultation process;
- Summary of the Citizen Participation process;
- Matching funds;
- Proposed activities for Round 2 ESG and eligible funding/budget;
- Written standards for ESG Round 2 awards;
- Homeless Participation requirements;
- Required performance standards;
- Information on the Centralized or Coordinated Assessment System; and,
- Monitoring

The HUD-required SF-424 and ESG certifications are submitted to HUD with the final document.

#### **Summary of Consultation Process**

In January 2012, the Homeless Planning Council (HPC) that serves as the coordinator for the statewide Continuum of Care (CoC) requested homeless service providers in Delaware survey their clients to gauge the need for homeless prevention and rapid rehousing services in Delaware. The survey information was collected to be used as a guide for ESG funded jurisdictions in how to allocate ESG funds for eligible activities.

As a part of the survey, there were also questions related to the ease of finding services, the availability of services, and if services were focused on housing placement.

Also, as part of the consultation process, the HPC collected and analyzed a comprehensive set of data elements that described Delaware 's homeless population, our system's ability to move people to permanent housing quickly, and our system's cost-efficiency. The HPC also

qualitatively analyzed the state's system by surveying community leaders, providers, executive directors and front-line staff, and consumers.

On February 28 and 29, 2012, New Castle County participated in the HEARTH Academy organized by the Homeless Planning Council of Delaware and facilitated by the National Alliance to End Homelessness. The HEARTH Academy was the statewide planning process that culminated in a 1.5 day Implementation Clinic to determine how critical federal funds like ESG for homeless populations should be spent and to develop performance standards for activities funded under these federal programs. The HEARTH Academy Implementation Clinic also assisted policy makers in developing funding, policies and procedures for the operation and administration of the HMIS system and began to develop the central intake system required by the ESG program.

There were four main tasks of the planning process that were included in the HEARTH Academy:

- Performance Evaluation: Evaluate our community's performance on key HEARTH performance measures.
- **System Assessment:** Assess the degree to which our current service and governance infrastructures support HEARTH Act implementation.
- **Goal Setting:** Determine system-appropriate goals and benchmarks based on the HEARTH Act.
- **Planning & Implementation:** Create and implement a plan to improve system performance.

As follow-up to the HEARTH Academy, ESG funded jurisdictions met with the HPC on March 15, 2012 and determined from the survey data and planning and implementation process that the funding for the second allocation would go towards rapid rehousing services, HMIS and administration. The absence of rapid rehousing services within the continuum, the need for this assistance as identified through the homeless client survey and the proactive guidance from HUD, clearly established the most beneficial eligible use for ESG funding. Additionally, with guidance from the Continuum, ESG funded jurisdictions agreed to work together to work on similar guidance, parameters and performance measures when ESG funding is made available upon approval of the jurisdiction's substantial amendment.

#### **Summary of Citizen Participation Process**

In accordance with New Castle County's approved Citizen Participation Plan, the New Castle County Department of Community Services scheduled a public hearing for April 16, 2012 to allow for public review and comment on the proposed substantial amendment. The Notice of Public Hearing to review the proposed substantial amendment was published in the state-wide publication, the News Journal on April 2, 2012 and the Spanish language monthly publication, Hoy En Delaware for the month of April. The notice specified the nature of the proposed substantial amendment and indicated the locations where citizens may examine a completed

copy of the proposed substantial amendment. The notice regarding the substantial amendment was also posted at New Castle County libraries and emailed to approximately 190 housing and community development stakeholders. The public will be afforded a thirty (30) day period to review and comment on the proposed substantial amendment which commenced upon publication of the Notice on Monday, April 2, 2012.

#### **Matching Funds**

New Castle County ESG Round 2 funding will use match from a variety of federal, state and private sources. Agencies currently receiving funds through the first allocation of ESG funds use significant non-federal funding to meet the ESG 50% match requirement. New Castle County expects to fund sub-recipients with the second allocation of FY 2011-2012 ESG funds by using a Request for Proposal process. The RFP will require successful applicants to identify community resources willing to commit services and cash assistance. Proposed uses of match resources will be for the proposed rapid re-housing activities funded through the Request for Proposal process.

New Castle County, in partnership with the CoC, and the other jurisdictions that receive ESG funds in the State, are working to identify other sources of rapid rehousing funds that could be used by the agency or agencies selected to carry out rapid rehousing activities, including direct assistance for rent, security deposit and utility deposits.

#### Proposed activities for Round 2 ESG and eligible funding/budget

New Castle County proposes to use the FY 2011- 2012 second allocation of ESG for Rapid Rehousing Services. New Castle County will target the entire second allocation of ESG funds and ESG funding for Federal Fiscal Year 2012 to focus as much of the funding as possible on rapidly rehousing persons who are literally homeless in order to reduce the numbers of persons who are living in shelters and on the streets. With limited funding available, New Castle County's strategy is to maximize the ESG funds that are used to serve individuals and families with the most urgent housing crisis.

This ESG activity corresponds directly with the New Castle County's 2011-2012 Annual Action Plan defined priority to assist homeless populations by providing stability and opportunity to the County's homeless populations through work with nonprofit organizations and other public agencies.

New Castle County anticipates only serving persons who meet the definition of homeless. Within 90 days of receiving HUD approval of New Castle County's substantial amendment, New Castle County will announce a Request for Proposal for eligible nonprofit agencies to provide rapid rehousing relocation and rehousing services and rental assistance. Funding available for this RFP will be the entire second allocation of New Castle County ESG funds and 2012-2013 ESG funds specifically designated for rapid rehousing services. New Castle County anticipates serving 30 clients in permanent housing within 90 days of their identification in the shelter system.

New Castle County's initial requirement in the RFP will be that the client meets the definition of homeless. Working with the CoC, and the other jurisdictions that receive ESG funds, New Castle County has also selected the following target populations for assistance with rapid rehousing services:

### **Target Populations**

- Families
- Veterans (please note- Connections CSP, a statewide nonprofit, has applied for federal funding through the Supportive Services to Veterans and their Families (SSVF); if funded, SSVF should be the first resource of funding for homeless veterans).
- Recently released incarcerated (90 days or less); and
- Disabled individuals

#### **Discussion of Funding Priorities**

In January 2012, the Homeless Planning Council (HPC) that serves as the coordinator for the statewide Continuum of Care (CoC) requested homeless service providers in Delaware survey clients to gauge the need for homeless prevention and rapid rehousing services in Delaware. The survey information was collected to be used as a guide for ESG funded jurisdictions in how to allocate ESG funds for eligible activities.

As a part of the survey, there were also questions related to the ease of finding services, the availability of services, and if services were focused on housing placement.

#### **Consumer Survey Results**

- There were 276 consumers who completed surveys during January 2012. 109 consumers who completed the survey were not in permanent housing at the time of the survey (i.e. they were on the streets, in emergency shelters or in transitional housing programs). 167 consumers are currently in permanent housing programs.
- Of the 109 consumers who are not in permanent housing, 46.5% of them do not know when they will be permanently housed. This is probably due to a lack of planning for housing placement for those clients who are on the street or in emergency shelters.
- Of the 167 consumers who are currently housed in permanent housing, 70% of those consumers were not housed in 30 days of becoming homeless. Similar to the answers above for those who are not permanently housed, this is probably due to a lack of planning while consumers were on the street or in emergency shelters.
- Of the 276 consumers, 189 (69%) do not currently have a job. Of those who are permanently housed 70% do not have a job. Of those who not in permanent housing, 66% do not have a job. Although the majority of consumers do not have jobs, they can still be permanently housed as is evident by the numbers who are permanently housed without jobs.

 There were multiple questions asked about what type of services consumers needed while they were homeless, while they are in permanent housing, and what type of services they actually received. Below are tables of the highest frequency answers for each of the questions.

What services or assistance do you or did you need the most to get permanent housing?

Service Type	# of Those Not Housed	# of Those Housed	Total #
Rental Assistance	54	68	122
Other Financial Assistance	56	65	121
Help Finding an Apartment	49	40	89
Help Finding a Job	49	34	83
Case Management	17	65	82
Health Care	17	48	65
Budgeting Assistance	11	45	56

What services or help were you offered to help you get housing?

Service Type	# of Those Not Housed	# of Those Housed	Total #
Shelter / Transitional Housing	54	67	121
Rental Assistance	22	80	102
Case Management	26	54	80

Thinking about the most recent time you became homeless, what could have PREVENTED you from becoming homeless?

Service Type	# of Those Not Housed	# of Those Housed	Total #
Rental Assistance	38	55	93
Help Finding a Job	45	44	89
Other Financial Assistance	41	46	87
Case Management	16	50	76
Mental Health Treatment	17	54	71
Help Finding an Apartment	23	41	64

If you are in permanent housing now, what resources or services do you need to keep your housing?

Service Type	# of Those Housed
Mental Health Supports	80
Case Management	69
Help Finding a Job	65
Help with Budgeting / Money Management	65
Rent Subsidy	57
Other Financial Assistance	56
Help getting training or upgrading my education	55

It was easy for me to find services to help me when I became homeless.

Disagree = 86 persons (31%)

Neither Disagree or Agree = 89 persons (32%)

Agree = 101 persons (37%)

My community has all the services needed to help someone find and keep good housing.

Disagree = 72 persons (26%)

Neither Disagree or Agree = 89 persons (32%)

Agree = 115 persons (42%)

I felt that the services I received while homeless were focused on helping me get into permanent housing as quickly as possible.

Disagree = 58 persons (21%)

Neither Disagree or Agree = 97 persons (35%)

Agree = 121 persons (44%)

Although the majority of the consumers agree with these three questions, there are still a large number of consumers who disagree with these questions. Therefore, it is necessary for us to examine our system to ensure that needed services are offered and accessible for our consumers. The consumers were also asked whether they agree or disagree that Delaware can end homelessness within the next 10 years. Forty five percent of the clients disagreed that Delaware can end homelessness.

Directly correlated to the January 2012 survey, the Homeless Planning Council of Delaware's Point-in-Time Survey conducted on January 25, 2011 showed that 1,028 of the 1,405 homeless people in Delaware, were in New Castle County. For homeless households with children in New Castle County, the Point-in-Time survey showed the type of living place at the time, there was a 92% utilization rate in Emergency Shelters with 114 beds; 64% utilization rate of transitional shelters with 217 beds and a 114% utilization rate of permanent housing with only 37 beds available.

Lastly, New Castle County reviewed 2011 HMIS data which showed that a total of 481 of the 3,114 clients (15%) included in the HMIS 2011 report stayed in more than one HMIS participating shelter during FY 2011. The number of shelter stays ranged from two to six. The majority of the clients with multiple stays were adults (331 or 69%) but 62 children under the age of 5 and 87 children between the ages of 5 and 17 had multiple shelter stays. While more than one shelter stay during a 12 month period does not necessarily indicate a negative outcome (for example moving directly from an emergency to transitional program). There were, however, clear indications that some clients with multiple stays were not moving towards a permanent living situation (for example, repeated stays in an emergency shelters, or stays in transitional programs followed by stays in an emergency shelters). Since this analysis is only looking at a 12 month period, this phenomenon is likely underreported.

New Castle County's plan to provide rapid rehousing funds for ESG eligible participants with an emphasis on families, veterans, those recently incarcerated and disabled individuals directly support the funding priorities established in the national publication, "Opening Doors: the Federal Strategic Plan to Prevent and End Homelessness" This Federal Strategic Plan is focused on four key goals: (1) Finish the job of ending chronic homelessness in five years; (2) Prevent and end homelessness among Veterans in five years; (3) Prevent and end homelessness for families, youth, and children in ten years; and (4) Set a path to ending all types of homelessness.

In partnership with the Delaware's Continuum of Care and the other ESG funded jurisdictions, New Castle County's strategy to maximize resources towards rapid rehousing services directly aligns with these Federal strategic goals.

The major obstacle for addressing underserved needs in the community is the lack of financial resources to implement the recommendations from the HEARTH Academy Implementation Plan. The Action Plan has been developed and it is the financial resources and collaboration between providers and funders that will be required in the future to execute the plan.

#### Overall budget:

Rapid Rehousing Services (\$58,560) – see attached budget spreadsheet for details

#### Written standards for ESG Round 2 awards

New Castle County, in collaboration with Delaware's CoC, and other ESG funded jurisdictions, will use as a foundation and build upon the Statewide Homeless Prevention and Rapid Rehousing Program implemented as part of the HPRP Recovery Act Programs.

Additionally, New Castle County will work with Delaware's CoC and other ESG funded jurisdictions to establish similar written standards across all jurisdictions for the ESG funded programs.

With this caveats, New Castle County will develop a Request for Proposal that outlines the written standards for awarded eligible nonprofit agencies for proposed eligible activities with ESG funding.

The initial written standards will include the following provisions:

- All households seeking assistance from ESG must meet a baseline of eligibility. This
  criteria is defined clearly by HUD. For all households deemed eligible, documentation
  supporting their status must be maintained on file by the ESG non-profit grantee.
  Baseline criteria includes:
  - Must willingly engage with an Initial Assessment, once implemented, with a Case Manager for a consultation and assessment to determine ESG eligibility and be referred to appropriate ESG or related services

- Must be a household at or below 30 percent of Area Median Income (AMI) and must follow the new definition of homelessness and serve only those meeting the definition
- Program will only serve those who are currently on the street or in emergency shelters
- Clients should pay no more than 30% of their income towards their rent while in the program;
- Sub recipients must meet with their clients at least once per month
- Sub recipients will be required to re-evaluate clients at least once a year
- No more than 24 months of assistance can be provided. Assistance will be determined by the case manager.
- All sub recipients will be required to submit client data into HMIS

#### **Describe Process for Making Sub-Awards**

New Castle County Department of Community Services is the lead agency that oversees the HUD approved Annual Plan. This includes an annual Request for Proposal process where over 50 eligible grantees are provided Community Development Block Grant Program, HOME Program Investment Program (HOME) and ESG funding for eligible activities.

ESG funding would be made available to interested applicants through a Request for Proposal (RFP). The RFP will be sent electronically to 190 housing and community development stakeholders, advertised in the statewide newspaper, on the County's website and in the Spanish monthly publication, En Hoy. A public meeting will be held to discuss the program requirements and eligibility.

New Castle County plans to fund eligible sub recipients using the 2011 - 2012 ESG second allocation and funding provided for ESG for 2012-2013 Program Year.

ESG funds will be approved for rapid rehousing activities to include relocation and stabilization services as well as rental and utility assistance; data collection and reporting through HMIS and administration costs.

Sub recipients will be required to submit proposed performance outcomes.

Proposals will be reviewed and ranked by the CDBG/ESG Grant Committee which is a panel consisting of New Castle County Department of Community Services staff, County staff and volunteers. Committee recommendations will be forwarded to the Department of Community Services General Manager and then to the County Executive for final recommendation and review. Funding awards will also be subject to review and approval by New Castle County Council. Performance monitoring is an important component in the long-term success of the County's CDBG, HOME, and ESG programs. The Department of Community Services is responsible for ensuring that the recipients of federal funds meet the purposes of the appropriate legislation and regulations, and that funds are disbursed in a timely manner.

#### **Homeless Participation requirements**

The Homeless Planning Council of Delaware which is the statewide coordinator of the CoC requires homeless participation on their board of directors. The HPC has worked collaboratively with New Castle County as well as the other ESG funded jurisdictions to develop the most impactful use of ESG funding. Additionally, ESG shelter operation grantees also require homeless participation on their boards. The substantial amendment will be reviewed by these representatives during the public comment period.

#### **Required Performance Standards**

New Castle County ESG second allocation will compliment and contribute to the statewide Continuum of Care program performance measures by providing permanent supportive housing assistance to eligible clients.

New Castle County's goals and objectives promote moving homeless individuals and families through a continuum that offers a wide variety of housing options to ensure individuals and families remain permanently housed.

Because of limited funding, and again in conjunction and partnership with the Continuum and the other ESG funded jurisdictions, New Castle County will limit assistance to the following targeted eligible clients:

- Families who are homeless and individuals who are homes
- Veterans
- Recently released offenders
- Individuals with disabilities

The HEARTH defined performance measures for rapid rehousing will be aligned with New Castle County's rapid rehousing program and for the other ESG funded jurisdictions. HEARTH defined Performance Measures that rapid rehousing should address are:

- Reduce the length of time that persons are homeless
  - Baseline: Average Length of time in emergency shelters or transitional housing for people who exited in 2011 was 61 days.
    - Limitations:
      - Does not including time unsheltered
      - Is only based on length of stay in a program in HMIS
  - Benchmark: 50 days or less- Same limitations as above
- Reduce the returns to homelessness after permanently housed
  - Baseline after 1 year of being permanently housed:
    - Singles in Shelter 11%
    - Singles in Transitional Housing 44%

- Families in Shelter 19%
- Families in Transitional Housing 0%
- Benchmark: No more than 10% return to homelessness in 2 years after permanently housed
- Decrease the number of persons homeless (New Castle County)
  - o Baseline: 132 families in 2011
  - Benchmarks for Families: 120 homeless families in 2012; 100 homeless families in 2016

Additionally, New Castle County will require 100% participation in the HMIS system for sub recipients.

#### **Certifications**

The HUD-required SF-424 and ESG certifications are submitted to HUD with the final document.

# Written standards required for recipients who are eligible and decide to use part of the second allocation of FY2011 funds for emergency shelter and street outreach activities.

New Castle County does not plan to use part of the second allocation of FY2011 funds for emergency shelter and street outreach activities.

# Requirement for recipients who plan to use the risk factor under paragraph (1) (iii)(G) of the "at risk of homelessness" definition

New Castle County does not plan to serve persons "at risk of homelessness".

### **Centralized or Coordinated Assessment System**

Delaware's Continuum of Care (CoC) does not currently have a Centralized Assessment system. In 2009, jurisdictions in Delaware that received Homeless Prevention and Rapid Rehousing funding required that sub recipients that managed HPRP programs were required to participate in a limited coordinated assessment system. This involved a centralized intake sheet and the requirement that all client data and outcome data was submitted to the Homeless Planning Council before assistance was granted. Data was entered by the Homeless Planning Council into HMIS.

At the HEARTH Academy implementation clinic in February, an action item was identified by participants to develop and begin implementation of a centralized intake system by January 1, 2013. The Homeless Planning Council which is the lead coordinator of the Continuum of Care along with ESG funded jurisdictions will work with homeless providers and ESG sub recipients to execute this goal.

#### Monitoring

New Castle County believes that current monitoring and staffing will be sufficient for the annual monitoring required of the ESG Program.

Performance monitoring is an important component in the long-term success of the County's CDBG, HOME, and ESG programs. The Department of Community Services is responsible for ensuring that the recipients of federal funds meet the purposes of the appropriate legislation and regulations, and that funds are disbursed in a timely manner.

The New Castle County Department of Community Services will have the primary responsibility of monitoring the ESG Program. DCS will keep records on the progress toward meeting the goals and on the statutory and regulatory compliance of each activity.

Sub-grantees are monitored for regulatory compliance. Each agency is monitored, both on- and off-site, on an annual basis. The County's monitoring procedures are as follows:

- Pre-visit review of sub-grantee case file This visit involves review of available data, including contracts, correspondence; draw forms, and personnel forms. DCS staff also reviews sub-grantee scope of business and results during this step. In addition, DCS staff reviews environmental impact and financial management. At the end of this step, staff decides what is important and establishes what areas will be monitored. If Davis-Bacon wages apply, the staff will coordinate a visit with the code inspector.
- On-site visit to review project descriptions, budget, status, eligibility, and
  accomplishments DCS staff conducts interviews with members of the sub-grantee
  staff about the program. It may be necessary to visit related project sites (i.e.
  construction sites) to ensure work is as specified. Once the visit is complete, DCS staff
  presents preliminary conclusions to assure that the information is correct.
- Post-visit status report detailing monitoring results and specific steps for corrective
  action as needed Following the on-site visit, a letter is sent to the sub-grantee
  agency's contact person. This letter outlines the results of the visit and contains
  monitoring conclusions, both positive and negative. Negative conclusions are clearly
  labeled as a finding or concern. Staff provides the sub-grantee with specific steps, or
  corrective actions, they can take to resolve the findings and concerns as well as a due
  date of corrective action for each finding.
- Corrective action follow up, if needed The corrective action is designed to prevent the continuance of the identified deficiency, to mitigate any adverse effects of consequences of the deficiency, and to prevent a reoccurrence of the same or similar deficiency. Regarding follow up action, the County's protocol is as follows:
  - If the sub-grantee fails to meet the target date for completion, a telephone call and letter documenting non-compliance and consequences for failure to comply will be immediately executed to ensure necessary activity from the sub-grantee.
  - When the sub-grantee response is received, their proposed corrective action should be reviewed within 15 days. The review should state if further action is needed in the case that the proposed action was not acceptable.
  - o The sub-grantee may then establish a new date subject to good faith.

- Certification by written correspondence of final outcome of program service When the review indicates satisfactory corrective action, a letter is sent stating that the finding is closed.
- **Documentation** All correspondence pertaining to a sub-grantee is retained in the designated binder. Upon completion of the monitoring visit, a completion form is completed. A copy is signed by the agency and the staff member that performed the monitoring.

Table 3: PY 2011 Detailed Budget Table

First Allocation	\$ 104,107		PY 2011	
Second		FY 2011		
Allocation	\$ 58,560	Emergency Shelter Grant/Emergency Solutions Grant		
Total Grant				
Amount	\$ 162,667	Program Allocations		
Total				
Administration	\$ 12,200			
		First Allocation	Second Allocation	Total PY 2011
		FIISt Allocation	Amount	Total Amt.
	Eligible Activities	Amount Allocated	Allocated	Allocated
	Homeless Assistance			
Emergency	Homeless Assistance			
Shelter	Rehab/conversion			
	,	\$		\$
Grant Program	Operations	100,000		100,000
1	Essential Services			
		\$		
	Homelessness Prevention	-		
		\$		\$
	Administration	4,107		4,107
	Unbudgeted			
	<b>Emergency Shelter Grant</b>	\$		\$
	Subtotal	104,107		104,107
	Emergency Shelter			
	Renovation			
	Operations			
Emergency				
Solutions	Essential Services			
Grant Program	URA Assistance			
	Street Outreach - Essential			
	Services			
	HMIS			\$ -
			\$	\$
	Rapid Re-Housing		58,560.00 **	58,560.00
	Housing Relocation &			
	Stabilization Services			
	Tenant-Based Rental Assistance			
	Project-based Rental			
	Assistance			
	Homelessness Prevention			
	Housing Relocation &			
	Stabilization Services			
	Tenant-Based Rental			
	Assistance			
	Project-based Rental			
	Assistance			
	Administration		\$ -	\$ -
	Total Grant Amount	\$ 104,107	\$ 58,560.00 **	\$ 162,667

\*\*To be awarded for Rapid Re-housing through RFP process for FY13

"Total Amt. Allocated" in next column.