



# Department of Commerce

## GUIDELINES

FOR

## Emergency Solutions Grant (ESG)

Funded through the  
Housing Assistance Unit  
Community Services and Housing Division  
Department of Commerce

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## 1 Program Overview

The Emergency Solutions Grant (ESG) Program is funded by the Department of Housing and Urban Development (HUD) Homeless Emergency Assistance and Rapid Transitions to Housing Act of 2009 (HEARTH Act). Program regulations are established in the HUD ESG Interim Rule ([ESG Program and Consolidated Plan Conforming Amendment of 24 CFR Parts 91 and 576, Docket No. FR-5474-I-01, RIN 2506-AC29](#)). The Department of Commerce is a grantee of HUD and will administer this award for eligible counties and cities that are not direct grantees of HUD. All Commerce grantees and subgrantees must follow all applicable sections of the ESG Interim Rule as established in these Commerce ESG Guidelines. In these guidelines, the term “grantee” refers to the lead ESG grantee of Commerce and any subgrantees. While reading the HUD ESG Interim Rule it is important to note the “recipient” in this case is the Department of Commerce and the “subrecipient” is the lead ESG grantee (including any subgrantees) of Commerce. Furthermore, not every section in the HUD ESG Interim Rule applies to Commerce-administered ESG. The Commerce ESG Guidelines define eligible activities and populations to be served (including additional required documentation) which are subsets of what is listed in the ESG Interim Rule.

The purpose of the ESG program is to provide assistance to individuals and families facing homelessness. All ESG-funded projects are required to participate in the local centralized coordinated assessment system if such a system has been developed in your county.

These guidelines will be updated as necessary throughout the grant period. Check out [www.commerce.wa.gov/ESG](http://www.commerce.wa.gov/ESG) frequently to ensure you are referencing the latest version of the guidelines and program information and to access all of the attached documents for these Guidelines.

## 2 Emergency Shelter

ESG funds may be used for costs of providing case management to homeless families and individuals in emergency shelters and operating emergency shelters. Individuals and families are eligible for emergency shelter assistance if they fall under the **at-imminent risk of homelessness, literally homeless, or fleeing/attempting to flee domestic violence** definitions (see section 3 *Rapid Re-housing and Prevention* below for definitions and documentation requirements).

## **2.1 Emergency Shelter Eligible Activities**

1. Case management. The cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant is eligible. Component services and activities consist of:
  - Using the centralized or coordinated assessment system
  - Conducting the initial evaluation including verifying and documenting eligibility;
  - Counseling;
  - Developing, securing, and coordinating services and obtaining Federal, State, and local benefits;
  - Monitoring and evaluating program participant progress;
  - Providing information and referrals to other providers;
  - Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking; and
  - Developing an individualized housing and service plan, including planning a path to permanent housing stability.
2. Shelter operations. Eligible costs are the costs of maintenance (including minor or routine repairs), rent, security, fuel, equipment, insurance, utilities, food, furnishings, and supplies necessary for the operation of the emergency shelter. Where no appropriate emergency shelter is available for a homeless family or individual, eligible costs may also include a hotel or motel voucher for that family or individual.

## **2.2 Emergency Shelter Policies**

Prohibition against involuntary family separation. The age of a child under age 18 must not be used as a basis for denying any family's admission to an emergency shelter that uses Emergency Solutions Grant (ESG) funding or services and provides shelter to families with children under age 18.

Essential services and shelter operations. Where the grantee or subgrantee uses ESG funds solely for essential services or shelter operations, the grantee and subgrantees must provide services or shelter to homeless individuals and families at least for the period during which the ESG funds are provided. The grantee or subgrantee does not need to limit these services or

shelter to a particular site or structure, so long as the site or structure serves the same type of persons originally served with the assistance (e.g., families with children, unaccompanied youth, disabled individuals, or victims of domestic violence) or serves homeless persons in the same area where the grantee and subgrantees originally provided the services or shelter.

### **3 Street Outreach**

ESG funds may be used for costs of providing essential services necessary to reach out to unsheltered homeless people; connect them with emergency shelter, housing, or critical services; and provide urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility. For the purposes of this section, the term “unsheltered homeless people” means individuals and families who qualify as homeless under paragraph (1)(i) of the “homeless” definition under §576.2 (An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground)

#### **3.1 Street Outreach Eligible Activities**

*(1) Engagement.* The costs of activities to locate, identify, and build relationships with unsheltered homeless people and engage them for the purpose of providing immediate support, intervention, and connections with homeless assistance programs and/or mainstream social services and housing programs. These activities consist of making an initial assessment of needs and eligibility; providing crisis counseling; addressing urgent physical needs, such as providing meals, blankets, clothes, or toiletries; and actively connecting and providing information and referrals to programs targeted to homeless people and mainstream social services and housing programs, including emergency shelter, transitional housing, community-based services, permanent supportive housing, and rapid re-housing programs. Eligible costs include the cell phone costs of outreach workers during the performance of these activities.

*(2) Case management.* The cost of assessing housing and service needs, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant. Eligible services and activities are as follows: using the centralized or coordinated assessment system as required under §576.400(d); conducting the initial evaluation required under §576.401(a), including verifying and documenting eligibility; counseling; developing, securing and coordinating services; obtaining Federal, State, and local benefits; monitoring and evaluating program participant progress; providing information and referrals to other providers; and developing an individualized housing and service plan, including planning a path to permanent housing stability.

*(3) Emergency health services.* (i) Eligible costs are for the direct outpatient treatment of medical conditions and are provided by licensed medical professionals operating in community-

based settings, including streets, parks, and other places where unsheltered homeless people are living.

(ii) ESG funds may be used only for these services to the extent that other appropriate health services are inaccessible or unavailable within the area.

(iii) Eligible treatment consists of assessing a program participant's health problems and developing a treatment plan; assisting program participants to understand their health needs; providing directly or assisting program participants to obtain appropriate emergency medical treatment; and providing medication and follow-up services.

(4) *Emergency mental health services.* (i) Eligible costs are the direct outpatient treatment by licensed professionals of mental health conditions operating in community-based settings, including streets, parks, and other places where unsheltered people are living.

(ii) ESG funds may be used only for these services to the extent that other appropriate mental health services are inaccessible or unavailable within the community.

(iii) Mental health services are the application of therapeutic processes to personal, family, situational, or occupational problems in order to bring about positive resolution of the problem or improved individual or family functioning or circumstances.

(iv) Eligible treatment consists of crisis interventions, the prescription of psychotropic medications, explanation about the use and management of medications, and combinations of therapeutic approaches to address multiple problems.

(5) *Transportation.* The transportation costs of travel by outreach workers, social workers, medical professionals, or other service providers are eligible, provided that this travel takes place during the provision of services eligible under this section. The costs of transporting unsheltered people to emergency shelters or other service facilities are also eligible. These costs include the following:

(i) The cost of a program participant's travel on public transportation;

(ii) If service workers use their own vehicles, mileage allowance for service workers to visit program participants;

(iii) The cost of purchasing or leasing a vehicle for the grantee and subgrantees in which staff transports program participants and/or staff serving program participants, and the cost of gas, insurance, taxes and maintenance for the vehicle; and

(iv) The travel costs of grantee and subgrantees' staff to accompany or assist program participants to use public transportation.

(6) *Services for special populations.* ESG funds may be used to provide services for homeless youth, victim services, and services for people living with HIV/AIDS, so long as the costs of providing these services are eligible under paragraphs (a)(1) through (a)(5) of this section. The term *victim services* means services that assist program participants who are victims of domestic violence, dating violence, sexual assault, or stalking, including services offered by rape crisis centers and domestic violence shelters, and other organizations with a documented history of effective work concerning domestic violence, dating violence, sexual assault, or stalking.

### 3.2 Street Outreach Policies

*Minimum period of use.* The grantee and subgrantees must provide services to homeless individuals and families for at least the period during which ESG funds are provided.

*Maintenance of effort.* If the grantee or subgrantee is a unit of general purpose local government, its ESG funds cannot be used to replace funds the local government provided for street outreach and emergency shelter services during the immediately preceding 12-month period, unless HUD determines that the unit of general purpose local government is in a severe financial deficit.

## 4 Rapid Re-housing and Prevention

Based on the head of household's "Housing Status" at the time of ESG program entry in the local Homeless Management Information System (HMIS) there are two options for receiving ESG rental assistance:

1. "At-Imminent Risk of Literal Homelessness or At-Risk of Homelessness" – **Prevention Assistance**
2. "Literally Homeless" – **Rapid Re-Housing Assistance**

### 4.1 Prevention – for Households At-Risk or at Imminent-Risk of Homelessness

Prevention assistance is available for households who are at-risk or at-imminent risk of homelessness according to HUD's definition below.

Households who:

1. have annual incomes below 30% AMI; **AND**
2. do not have sufficient resources or support networks immediately available to obtain permanent housing and prevent literal homelessness; **AND**
3. Either:
  - a. will imminently lose their primary nighttime residence within 14 days; OR
  - b. are fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking or other dangerous or life threatening conditions related to violence

At-Imminent Risk



**OR**

1. have annual incomes below 30% AMI; **AND**
2. do not have sufficient resources or support networks immediately available to obtain permanent housing and prevent literal homelessness; **AND**
3. meet at least one of the following six conditions:
  - i. Moved 2 or more times due to economic reasons in 60 days prior to application for assistance
  - ii. Living in the home of another due to economic hardship
  - iii. Losing housing within 21 days after application date
  - iv. Living in a hotel/motel not paid for by charitable organizations or federal/state/local government programs
  - v. Living in severely overcrowded unit as defined by the U.S. Census Bureau (*single-room occupancy or efficiency apartment unit in which more than two persons, on average, reside or another type of housing in which there reside more than 1.5 persons per room*)
  - vi. Exiting publicly funded institution or system of care

At-Risk

**4.2 Rapid Re-Housing – for Households who are Literally Homeless:**

**Rapid Re-Housing assistance is available for persons who are literally homeless\* according to HUD's definition below.**

An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

1. An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground; **OR**
2. An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); **OR**

3. An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.

\*This includes literally homeless individuals/families fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking or other dangerous or life threatening conditions related to violence

## **5 HMIS**

Eligible costs. (1) The grantee or subgrantees may use ESG funds to pay the costs of contributing ESG (including ESG match) data to the HMIS designated by the Continuum of Care for the area, including the costs of:

- (i) Purchasing or leasing computer hardware;
- (ii) Purchasing software or software licenses;
- (iii) Purchasing or leasing equipment, including telephones, fax machines, and furniture;
- (iv) Obtaining technical support;
- (v) Leasing office space;
- (vi) Paying charges for electricity, gas, water, phone service, and high-speed data transmission necessary to operate or contribute data to the HMIS;
- (vii) Paying salaries for operating HMIS, including:
  - (A) Completing data entry;
  - (B) Monitoring and reviewing data quality;
  - (C) Completing data analysis;
  - (D) Reporting to the HMIS Lead;
  - (F) Training staff on using the HMIS or comparable database; and
  - (G) Implementing and complying with HMIS requirements;

(viii) Paying costs of staff to travel to and attend HUD-sponsored and HUD-approved training on HMIS and programs authorized by Title IV of the McKinney-Vento Homeless Assistance Act;

(ix) Paying staff travel costs to conduct intake.

(b) General restrictions. Activities funded under this section must comply with HUD's standards on participation, data collection, and reporting under a local HMIS.

The ESG Notice requires all grantees to collect data on clients receiving ESG assistance and ESG match via the Homeless Management Information System (HMIS) run by the Continuum of Care (CoC). Data collection must be compliant with HUD's HMIS Data Standards. "Income and Source" is a Program-Specific data element listed in the Standards because this data is needed to complete APRs for both ESG and CoC programs.

The HMIS standards require that grantees enter income sources and amounts and non-cash benefits received in the past 30 days during three points in time - at entry into program, at exit from the program and at least once annually if the household is in the program over a year. The amount documented through this calculation should NOT be used to determine eligibility, but rather can be used to show that the household does lack resources to maintain housing.

## 6 Documentation Requirements for Rapid Re-Housing and Prevention

**In order to receive Prevention or Rapid Re-Housing assistance, households must have the following clearly noted and documented in the household's case file:**

1. *Initial Consultation & Eligibility Determination:*

The household must receive an initial consultation and eligibility assessment to determine income and housing status eligibility and the appropriate type of assistance needed to regain stability in permanent housing.

2. *Assistance in obtaining mainstream and other resources:*

The household must receive appropriate supportive services and referrals essential to achieving independent living through other federal, state, local, and private assistance.

3. *Housing stability plan to include:*

- i. Needs assessment to include specific housing and self-sufficiency goals; and
- ii. Action steps to retain permanent housing after ESG assistance ends;

Households receiving assistance from a victim service provider may be exempted from the case management requirement.

## Prevention and Rapid Re-Housing Status

See required *ESG Household Eligibility – Prevention* and *ESG Household Eligibility – Rapid Re-Housing* forms for documentation requirements. All ESG forms can be found on the website [www.commerce.wa.gov/esg](http://www.commerce.wa.gov/esg).

## Re-Evaluation for Prevention and Rapid Re-Housing Assistance

Household eligibility and the types and amounts of assistance the household needs must be re-evaluated and documented not less than once every 3 months for households receiving homelessness prevention assistance, and not less than once annually for households receiving rapid re-housing assistance. At a minimum, each re-evaluation of eligibility must establish that:

1. The household does not have an annual income that exceeds 30 percent of median family income for the area, as determined by HUD; **AND**
2. The household lacks sufficient resources and support networks necessary to retain housing without ESG assistance.

See required *ESG Household Eligibility – Re-Evaluation* form for documentation requirements.

### 6.1 Documenting Income

#### Definition

Income is money that is paid to, or on behalf of, the head of household or spouse (even if temporarily absent) or to any other household member 18 years or older. (Persons fleeing domestic violence do not have to report the abuser's income.) Income also includes all amounts which are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date. When determining the annual income of an individual or family, the grantee must use the standard for calculating annual income under [24 CFR 5.609](#).

#### Inclusions

The following types of income “inclusions” must be counted when calculating current **gross** income:

- Earned income
- Self-Employment/Business Income
- Interest & Dividend income

- Pension/Retirement income
- Unemployment & Disability income
- TANF/Public Assistance
- Alimony and child support income
- Armed Forces income

### **Exclusions**

- Income of children (under 18)
- Inheritance and insurance income
- Medical expense reimbursement
- Income of live-in aides
- Certain state payments regarding disability
- Student financial aid
- Armed Forces Hostile Fire pay

## **6.2 Annualizing Wages and Periodic Payments**

When calculating income based on hourly, weekly, or monthly payment information, add the gross amount earned in each payment period that is documented and divide by the number of payment periods. This provides an average wage per payment period. Depending on pay periods used by the employer or the schedule of periodic payments, the following calculations convert the average wage into annual income:

- Hourly Wage multiplied by Hours Worked per Week multiplied by 52 weeks
- Weekly Wage multiplied by 52 weeks
- Bi-Weekly (every other week) Wage multiplied by 26 bi-weekly periods
- Semi-Monthly Wage (twice a month) multiplied by 24 semi-monthly periods
- Monthly Wage multiplied by 12 months

The definition of income reflects a household's income at the time they are seeking assistance. Accordingly, documents and information collected to verify income should be recent. Documentation dated within 30 days is acceptable. However, for public assistance benefits, (e.g., SSI, food stamps), a benefits statement received any time within the twelve months prior to the time of application and reflecting current benefits received by a household is allowed. This includes a printout of a client's benefits record in the DSHS Benefits Verification System (see Appendix C). A copy of a recent bank statement indicating direct deposit is also acceptable.

### **Range of Documentation Types in Order of Preference**

- Third Party – Source

- Third Party – Written
- Third Party – Oral
- Self-Certification

## 7 Rental Assistance

### 7.1 Rental Assistance for both Prevention and Rapid Re-Housing can include the following types:

- Monthly Tenant-based or Project-based Rental Assistance (see requirements below)
- Application fees that is charged by the owner to all applicants
- Security deposit that is equal to no more than 2 months' rent
- Last month's rent (paid to the owner of housing at the time of the security deposit and first month's rent are paid) that does not exceed one month's rent and must be included in calculating the program participant's total rental assistance, which cannot exceed 24 months during any 3-year period
- Utility payments - up to 24 months of utility payments per program participant, per service, including up to 6 months of utility payments in arrears, per service. A partial payment of a utility bill counts as one month. This assistance may only be provided if the program participant or a member of the same household has an account in his or her name with a utility company or proof of responsibility to make utility payments. Eligible utility services are gas, electric, water, and sewage. No program participant shall receive more than 24 months of utility assistance within any 3-year period
  - Utility-only assistance can be provided under very limited circumstances and must be documented using the *ESG Utility Assistance* form. Grantee must confirm that no other [utility assistance](#), such as [LIHEAP](#), is available to prevent the shut-off. For example, if the household is going to have to abandon the housing due to a lack of utilities and can avoid moving to a shelter by having utilities paid, then ESG funds may be used for this purpose. Under another scenario, a household's lease may include a provision requiring utilities be maintained for the unit by the tenant. As a result, a utility shut-off could constitute a lease violation, thus placing the household at risk for eviction. In both cases, it is the grantee responsibility to confirm and document in the case file that the utility company will in fact shut-off the utility if the amount due is not paid.
- Moving costs - reasonable moving costs such as truck rental and hiring a moving company are also allowable. May include payment of temporary storage fees for up to 3 months, provided that the fees are accrued after the date the program participant begins receiving assistance and before the program participant moves into permanent housing. Payment of temporary storage fees in arrears is not eligible.

- ESG is not a reunification or relocation program and assistance for moving costs related to reuniting households with family members is not eligible unless the participant can live with the family member permanently. If the ESG assisted household has been assessed and determined to meet all eligibility criteria and they have permanent affordable housing identified in another location, funds may be used to pay for reasonable moving costs to another location. However, note that transportation costs (including bus, train, and airplane tickets) for households are not eligible.

### 7.1.1 Rental Assistance Requirements

The limits on the assistance under this section apply to the total assistance an individual receives, either as an individual or as part of a family

Types and length of assistance:

<i>Type</i>	<i>Length</i>
Short Term	Up to 3 months
Medium Term	4 to 24 months
Payment of Rental Arrears	Onetime payment up to 6 months, including any late fees on arrears
Any combination of the three types above	Total not to exceed 24 months during any 3 year period, including any payment for last month's rent

**Short-term Rental Assistance** – Costs may not exceed rental costs accrued over a period of 1 to 3 months.

**Medium-term Rental Assistance** – Costs may not exceed rental costs accrued over a period of 24 months.

**Rental Arrears** – Rental assistance may also be used to pay for up to 6 months of rental arrears. Rental arrears may be paid if the payment enables the household to remain in the housing unit for which the arrears are being paid or move to another unit. In cases where an eviction cannot be prevented, rental arrears can still be paid if it satisfies the grievance with the evicting landlord and thereby allows the household to obtain different housing. If ESG funds are used to pay rental arrears, arrears must be included in determining the total period of the household's rental assistance, which may not exceed 24 months.

### 7.1.2 Use with Other Subsidies

Financial assistance cannot be provided to a household who is receiving the same type (as listed beginning on page 6 above) of assistance through other public sources.

Note: Rental arrears can be paid on behalf of a household receiving a subsidy from another

public program (e.g., Section 8) because it represents a different time period and cost type than the rental subsidy (i.e., the arrears represents a back payment of the household portion, and the current rental assistance is a forward payment).

### **7.1.3 Rental Assistance Agreement**

The grantee may make rental assistance payments only to an owner with whom the grantee has entered into a rental assistance agreement. The rental assistance agreement must set forth the terms under which rental assistance will be provided, including the requirements that apply under this section. The rental assistance agreement must provide that, during the term of the agreement, the owner must give the grantee a copy of any notice to the program participant to vacate the housing unit, or any complaint used under state or local law to commence an eviction action against the program participant.

The grantee must make timely payments to each owner in accordance with the rental assistance agreement. The rental assistance agreement must contain the same payment due date, grace period, and late payment penalty requirements as the program participant's lease. The grantee is solely responsible for paying late payment penalties that it incurs with non-ESG funds.

### **7.1.4 Lease Requirements**

Each program participant receiving rental assistance must have a legally binding, written lease for the rental unit, unless the assistance is solely for rental arrears. The lease must be between the owner and the program participant. Where the assistance is solely for rental arrears, an oral agreement may be accepted in place of a written lease, if the agreement gives the program participant an enforceable leasehold interest under state law and the agreement and rent owed are sufficiently documented by the owner's financial records, rent ledgers, or canceled checks. For program participants living in housing with project-based rental assistance (described below) the lease must have an initial term of one year.

#### ***Tenant-based Rental Assistance***

A program participant who receives tenant-based rental assistance may select a housing unit in which to live and may move to another unit or building and continue to receive rental assistance, as long as the program participant continues to meet the program requirements.

The rental assistance agreement with the owner must terminate and no further rental assistance payments under that agreement may be made if: the program participant moves out of the housing unit for which the program participant has a lease; the lease terminates and is not renewed; or the program participant becomes ineligible to receive ESG rental assistance.



### ***Project-based Rental Assistance***

If the grantee identifies a permanent housing unit that meets ESG requirements and becomes available before a program participant is identified to lease the unit, the grantee may enter into a rental assistance agreement with the owner to reserve the unit and subsidize its rent in accordance with the following requirements:

- (1) The rental assistance agreement may cover one or more permanent housing units in the same building. Each unit covered by the rental assistance agreement (“assisted unit”) may only be occupied by program participants, except as provided under paragraph (4) of this section.
- (2) The grantee may pay up to 100 percent of the first month's rent, provided that a program participant signs a lease and moves into the unit before the end of the month for which the first month's rent is paid. The rent paid before a program participant moves into the unit must not exceed the rent to be charged under the program participant's lease and must be included when determining that program participant's total rental assistance.
- (3) The grantee may make monthly rental assistance payments only for each whole or partial month an assisted unit is leased to a program participant. When a program participant moves out of an assisted unit, the grantee may pay the next month's rent, i.e., the first month's rent for a new program participant, as provided in paragraph (2) of this section.
- (4) The program participant's lease must not condition the term of occupancy to the provision of rental assistance payments. If the program participant is determined ineligible or reaches the maximum number of months over which rental assistance can be provided, the grantee must suspend or terminate the rental assistance payments for the unit. If the payments are suspended, the individual or family may remain in the assisted unit as permitted under the lease, and the grantee may resume payments if the individual or family again becomes eligible and needs further rental assistance. If the payments are terminated, the rental assistance may be transferred to another available unit in the same building, provided that the other unit meets all ESG requirements.
- (5) The rental assistance agreement must have an initial term of one year. When a new program participant moves into an assisted unit, the term of the rental assistance agreement may be extended to cover the initial term of the program participant's lease. If the program participant's lease is renewed, the rental assistance agreement may be renewed or extended, as needed, up to the maximum number of months for which the program participant remains eligible. However, under no circumstances may the grantee commit ESG funds to be expended beyond the expenditure deadline or commit funds for a future ESG grant before the grant is awarded.

### 7.1.5 Conflicts of Interest

The payment of any type or amount of ESG assistance may not be conditioned on a household's acceptance or occupancy of housing owned by the grantee or a parent or subsidiary of the grantee. No grantee may, with respect to households occupying housing owned by the grantee, or any parent or subsidiary of the grantee, carry out the initial consultation and eligibility determination or administer homelessness prevention assistance.

### 7.1.6 Allowable Rent Assistance Models

The rent assistance model must be consistent for all households within each individual program. Each program (defined by program type and location designated a unique row on the housing inventory chart) is allowed only one model, and rent assistance calculations must be documented in the client file. An agency may employ more than one model, but only one model may be used per program.

The allowable models:

1. Flat Rate: The subsidy is a set amount each month for all households (e.g., all households get a maximum of \$200 each month).
2. Household income: Household rent share is based on a specific percentage of household income (e.g., 30 percent, 40 percent, 50 percent). ESG does NOT mandate any specific tenant contribution.
3. Percentage of the rent: Household rent share is a pre-set percentage of the rent (e.g., all households must pay 75% of their rent).
4. Graduated subsidy: Whether income-based or fixed, the subsidy declines in "steps" based upon a fixed timeline or when the individual has reached specific goals, until the household assumes full responsibility for monthly housing costs. The steps are known (and documented) in advance and act as deadlines for increasing income.

Grantee ESG policies and/or procedures for *rent assistance* must include, at a minimum:

1. A clear description of the model, rent subsidy/household's share of rent and utilities and how it is calculated;
2. Any minimum lease periods (e.g., a year's lease) that may be required;
3. Provisions for handling returned deposits made on behalf of clients; and
4. An explanation of any tenant escrow accounts that may be established for clients.

When rent assistance is based on a household's income, the following ESG policies and/or procedures must include, at a minimum:

1. Minimum tenant payments (if any);
2. How utilities impact a household's subsidy; and
3. Any requirement for households to report changes in income prior to recertification and how changes in income will impact tenant rent share.

### **7.1.7 Fair Market Rent (FMR)**

Rental assistance cannot be provided unless the rent does not exceed the Fair Market Rent established by HUD (<http://www.huduser.org/portal/datasets/fmr.html>), as provided under [24 CFR part 888](#), and complies with HUD's standard of rent reasonableness, as established under [24 CFR 982.507](#).

For purposes of calculating rent under this section, the rent shall equal the sum of the total monthly rent for the unit, any fees required for occupancy under the lease (other than late fees and pet fees) and, if the tenant pays separately for utilities, the monthly allowance for utilities (excluding telephone) established by the public housing authority for the area in which the housing is located.

### **7.1.8 Rent Reasonableness**

The rental assistance paid cannot exceed the actual rental cost, which must be in compliance with HUD's standard of "rent reasonableness."

- "Rent reasonableness" means that the total rent charged for a unit must be reasonable in relation to the rents being charged during the same time period for comparable units in the private unassisted market and must not be in excess of rents being charged by the owner during the same time period for comparable non-luxury unassisted units.
- To make this determination, the Grantee should consider (a) the location, quality, size, type, and age of the unit; and (b) any amenities, housing services, maintenance and utilities to be provided by the owner. Comparable rents can be checked by using a market study, by reviewing comparable units advertised for rent, or with a note from the property owner verifying the comparability of charged rents to other units owned (for example, the landlord would document the rents paid in other units). For more information, see HUD's worksheet on rent reasonableness at: [www.hud.gov/offices/cpd/affordablehousing/library/forms/rentreasonablechecklist.doc](http://www.hud.gov/offices/cpd/affordablehousing/library/forms/rentreasonablechecklist.doc).
- A grantee must determine and document rent reasonableness for all units for which ESG rental assistance (including arrears) and/or security deposit assistance is being provided.

The requirement applies whether homelessness prevention assistance or rapid re-housing assistance is provided.

**8 Housing Relocation and Stabilization Services for both Prevention and Rapid Re-housing can Include:**

**Housing Stability Case Management**

**Housing Search and Placement**

**8.1 Housing Stability Case Management**

ESG funds may be used to pay cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a household who resides in permanent housing or to assist a household in overcoming immediate barriers to obtaining housing. This assistance cannot exceed 30 days during the period the household is seeking permanent housing and cannot exceed 24 months during the period the household is living in permanent housing. Component services and activities consist of:

- Using the centralized or coordinated assessment system to evaluate households applying for or receiving homelessness prevention or rapid re-housing assistance;
- Conducting the initial evaluation including verifying and documenting eligibility, for households applying for homelessness prevention or rapid re-housing assistance;
- Counseling;
- Developing, securing, and coordinating services and obtaining Federal, State, and local benefits;
- Monitoring and evaluating household progress;
- Providing information and referrals to other providers;
- Developing an individualized housing and service plan, including planning a path to permanent housing stability; and
- Conducting re-evaluations

While providing homelessness prevention or rapid re-housing assistance to a program participant, the grantee must: require the program participant to meet with a case manager not less than once per month to assist the program participant in ensuring long-term housing

stability; and develop a plan to assist the program participant to retain permanent housing after the ESG assistance ends, taking into account all relevant considerations, such as the program participant's current or expected income and expenses; other public or private assistance for which the program participant will be eligible and likely to receive; and the relative affordability of available housing in the area.

## **8.2 Housing Search and Placement**

Services or activities necessary to assist households in locating, obtaining, and retaining suitable permanent housing, include the following:

- Assessment of housing barriers, needs, and preferences;
- Development of an action plan for locating housing;
- Housing search;
- Outreach to and negotiation with owners;
- Assistance with submitting rental applications and understanding leases;
- Assessment of housing for compliance with ESG requirements for habitability, lead-based paint, and rent reasonableness;
- Assistance with obtaining utilities and making moving arrangements; and
- Tenant counseling.

## **9 Administrative Expenses**

Up to 7.5 percent of total reimbursed costs over the course of the grant period may be used for administration and must be shared between the Lead Grantee and any Subgrantees. This limit will be monitored on a monthly basis and must be reconciled before the end of the grant period.

Allowable administrative costs are those costs that benefit the organization as a whole. They include the following: executive director/accounting/human resources/IT salaries, benefits, office supplies and equipment; general organization insurance; organization wide audits; board expenses; organization-wide membership fees and dues. This list is not all-inclusive.

Administrative expenses cannot be billed by equal monthly distributions of the budget amount. These costs must be charged to grant cost centers by one of the three following methods:

1. They can be billed directly such as IT services that are billed by the hour;
2. They can be allocated by means of a cost allocation plan; or

3. They can be charged by use of an indirect cost rate which has been appropriately negotiated and approved.

## 10 Housing Inspections and Lead-based Paint Inspections

### 10.1 Housing Inspections

**Grantees are required to conduct initial inspections for clients receiving Emergency Shelter, Rapid Re-Housing, or Prevention Assistance, including assistance that is limited to rental arrears in current housing units.** Lead-based paint visual inspections may also be required (see below).

The unit or shelter must pass inspection before the subsidy is paid. Inspections less than 12 months old performed by other housing providers can be used. Complete records of inspections and follow-up actions must be maintained in the household file.

Grantees may adopt the [HUD Housing Quality Standards \(HQS\)](#) inspection procedures or the Habitability Standards below. If HQS is adopted, inspectors must be certified.

### 10.2 Habitability Standards:

- ✓ *Structure and materials.* The structures must be structurally sound to protect residents from the elements and not pose any threat to the health and safety of the residents.
- ✓ *Space and security.* Each resident must be provided adequate space and security for themselves and their belongings. Each resident must be provided an acceptable place to sleep.
- ✓ *Interior air quality.* Each room or space must have a natural or mechanical means of ventilation. The interior air must be free of pollutants at a level that might threaten or harm the health of residents.
- ✓ *Water supply.* The water supply must be free from contamination.
- ✓ *Sanitary facilities.* Residents must have access to sufficient sanitary facilities that are in proper operating condition, are private, and are adequate for personal cleanliness and the disposal of human waste.
- ✓ *Thermal environment.* The housing must have any necessary heating/cooling facilities in proper operating condition.
- ✓ *Illumination and electricity.* The structure must have adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There must be sufficient electrical sources to permit the safe use of electrical appliances in the structure.

- ✓ *Food preparation.* All food preparation areas must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner.
- ✓ *Sanitary conditions.* The housing must be maintained in a sanitary condition.
- ✓ *Fire safety.*
  - There must be a second means of exiting the building in the event of fire or other emergency.
  - Each unit or shelter must include at least one battery-operated or hard-wired smoke detector, in proper working condition, on each occupied level. Smoke detectors must be located, to the extent practicable, in a hallway adjacent to a bedroom. If the unit is occupied by hearing impaired persons, smoke detectors must have an alarm system designed for hearing-impaired persons in each bedroom occupied by a hearing-impaired person.
  - The public areas of all housing must be equipped with a sufficient number, but not less than one for each area, of battery-operated or hard-wired smoke detectors. Public areas include, but are not limited to, laundry rooms, community rooms, day care centers, hallways, stairwells, and other common areas.

Commerce does not exempt units or shelters from having to be compliant with local housing codes. Therefore, if there are requirements that are in both the local housing code and the Habitability Standards above, the grantee must comply with the more stringent of the two.

### 10.3 Lead-based Paint Visual Assessments

The lead-based paint visual assessment requirement exists to protect vulnerable families from potential health hazards. To prevent lead poisoning in young children, grantees must comply with the Lead-based Paint Hazard Reduction Act of 1992 and its applicable regulations found at [24 CFR 35](#), subparts A, B, H, J, K, M, and R.

A lead-based paint visual assessment must be completed for all units and shelters that meet the three following conditions:

1. The household moving into or remaining in their current unit is receiving ESG financial assistance. **AND**
2. The unit was constructed prior to 1978. **AND**
3. A child under the age of six or a pregnant woman is, or will be, living in the unit.

A visual assessment must be conducted prior to providing ESG financial assistance to the unit and on an annual basis thereafter (as long as assistance is provided). Visual assessments must be conducted by a HUD-Certified Visual Assessor and must be documented on the HQS or HSS and maintained in the client file.

#### 10.4 Exceptions to the Lead-based Paint Visual Assessment Requirement

There are certain exceptions to the requirement. Visual assessments are not triggered under the following circumstances:

1. It is a zero-bedroom or SRO-sized unit;
2. X-ray or laboratory testing of all painted surfaces by certified personnel has been conducted in accordance with HUD regulations and the unit is officially certified to not contain lead-based paint;
3. The property has had all lead-based paint identified and removed in accordance with HUD regulations;
4. The unit or shelter has already undergone a visual assessment within the past 12 months –obtain documentation that a visual assessment has been conducted; or
5. It meets any of the other exemptions described in [24 CFR Part 35.115\(a\)](#).

If any of the conditions outlined above are met, grantees need to document the condition.

#### 11 Recordkeeping and reporting requirements §576.500

*Homeless status.* The grantee and subgrantees must maintain and follow written intake procedures to ensure compliance with the homeless definition in §576.2. The procedures must require documentation at intake of the evidence relied upon to establish and verify homeless status. The procedures must establish the order of priority for obtaining evidence as third-party documentation first, intake worker observations second, and certification from the person seeking assistance third. However, lack of third-party documentation must not prevent an individual or family from being immediately admitted to emergency shelter, receiving street outreach services, or being immediately admitted to shelter or receiving services provided by a victim service provider. Records contained in an HMIS or comparable database used by victim service or legal service providers are acceptable evidence of third-party documentation and intake worker observations if the HMIS retains an auditable history of all entries, including the person who entered the data, the date of entry, and the change made; and if the HMIS prevents overrides or changes of the dates on which entries are made.

(1) If the individual or family qualifies as homeless under paragraph (1)(i) or (ii) of the homeless definition in §576.2, acceptable evidence includes a written observation by an outreach worker of the conditions where the individual or family was living, a written referral by another housing or service provider, or a certification by the individual or head of household seeking assistance.



(2) If the individual qualifies as homeless under paragraph (1)(iii) of the homeless definition in §576.2, because he or she resided in an emergency shelter or place not meant for human habitation and is exiting an institution where he or she resided for 90 days or less, acceptable evidence includes the evidence described in paragraph (b)(1) of this section and one of the following:

(i) Discharge paperwork or a written or oral referral from a social worker, case manager, or other appropriate official of the institution, stating the beginning and end dates of the time residing in the institution. All oral statements must be recorded by the intake worker; or

(ii) Where the evidence in paragraph (b)(2)(i) of this section is not obtainable, a written record of the intake worker's due diligence in attempting to obtain the evidence described in paragraph (b)(2)(i) and a certification by the individual seeking assistance that states he or she is exiting or has just exited an institution where he or she resided for 90 days or less.

(3) If the individual or family qualifies as homeless under paragraph (2) of the homeless definition in §576.2, because the individual or family will imminently lose their housing, the evidence must include:

(i)(A) A court order resulting from an eviction action that requires the individual or family to leave their residence within 14 days after the date of their application for homeless assistance; or the equivalent notice under applicable state law, a Notice to Quit, or a Notice to Terminate issued under state law;

(B) For individuals and families whose primary nighttime residence is a hotel or motel room not paid for by charitable organizations or federal, state, or local government programs for low-income individuals, evidence that the individual or family lacks the resources necessary to reside there for more than 14 days after the date of application for homeless assistance; or

(C) An oral statement by the individual or head of household that the owner or renter of the housing in which they currently reside will not allow them to stay for more than 14 days after the date of application for homeless assistance. The intake worker must record the statement and certify that it was found credible. To be found credible, the oral statement must either: (I) be verified by the owner or renter of the housing in which the individual or family resides at the time of application for homeless assistance and documented by a written certification by the owner or renter or by the intake worker's recording of the owner or renter's oral statement; or (II) if the intake worker is unable to contact the owner or renter, be documented by a written certification by the intake worker of his or her due diligence in attempting to obtain the owner or renter's verification and the written certification by the individual or head of household seeking assistance that his or her statement was true and complete;

(ii) Certification by the individual or head of household that no subsequent residence has been identified; and

(iii) Certification or other written documentation that the individual or family lacks the resources and support networks needed to obtain other permanent housing.

(4) If the individual or family qualifies under paragraph (4) of the homeless definition in §576.2, because the individual or family is fleeing domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions related to violence, then acceptable evidence includes an oral statement by the individual or head of household seeking assistance that they are fleeing that situation, that no subsequent residence has been identified and that they lack the resources or support networks, *e.g.*, family, friends, faith-based or other social networks, needed to obtain other housing. If the individual or family is receiving shelter or services provided by a victim service provider, the oral statement must be documented by either a certification by the individual or head of household; or a certification by the intake worker. Otherwise, the oral statement that the individual or head of household seeking assistance has not identified a subsequent residence and lacks the resources or support networks, *e.g.*, family, friends, faith-based or other social networks, needed to obtain housing must be documented by a certification by the individual or head of household that the oral statement is true and complete, and, where the safety of the individual or family would not be jeopardized, the domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening condition must be verified by a written observation by the intake worker or a written referral by a housing or service provider, social worker, legal assistance provider, health-care provider, law enforcement agency, legal assistance provider, pastoral counselor, or any other organization from whom the individual or head of household has sought assistance for domestic violence, dating violence, sexual assault, or stalking. The written referral or observation need only include the minimum amount of information necessary to document that the individual or family is fleeing, or attempting to flee domestic violence, dating violence, sexual assault, and stalking.

(c) *At risk of homelessness status.* For each individual or family who receives Emergency Solutions Grant (ESG) homelessness prevention assistance, the records must include the evidence relied upon to establish and verify the individual or family's "at risk of homelessness" status. This evidence must include an intake and certification form that meets HUD specifications and is completed by the grantee and subgrantees. The evidence must also include:

(1) If the program participant meets the criteria under paragraph (1) of the "at risk of homelessness" definition in §576.2:

(i) The documentation specified under this section for determining annual income;

(ii) The program participant's certification on a form specified by HUD that the program participant has insufficient financial resources and support networks; *e.g.*, family, friends, faith-based or other social networks, immediately available to attain housing stability and meets one or more of the conditions under paragraph (1)(iii) of the definition of "at risk of homelessness" in §576.2;

(iii) The most reliable evidence available to show that the program participant does not have sufficient resources or support networks; *e.g.*, family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the “homeless” definition. Acceptable evidence includes:

(A) Source documents (*e.g.*, notice of termination from employment, unemployment compensation statement, bank statement, health-care bill showing arrears, utility bill showing arrears);

(B) To the extent that source documents are unobtainable, a written statement by the relevant third party (*e.g.*, former employer, public administrator, relative) or the written certification by the grantee and subgrantees’ intake staff of the oral verification by the relevant third party that the applicant meets one or both of the criteria under paragraph (1)(ii) of the definition of “at risk of homelessness” in §576.2; or

(C) To the extent that source documents and third-party verification are unobtainable, a written statement by the grantee and subgrantees’ intake staff describing the efforts taken to obtain the required evidence; and

(iv) The most reliable evidence available to show that the program participant meets one or more of the conditions under paragraph (1)(iii) of the definition of “at risk of homelessness” in §576.2. Acceptable evidence includes:

(A) Source documents that evidence one or more of the conditions under paragraph (1)(iii) of the definition (*e.g.*, eviction notice, notice of termination from employment, bank statement);

(B) To the extent that source documents are unobtainable, a written statement by the relevant third party (*e.g.*, former employer, owner, primary leaseholder, public administrator, hotel or motel manager) or the written certification by the grantee and subgrantees’ intake staff of the oral verification by the relevant third party that the applicant meets one or more of the criteria under paragraph (1)(iii) of the definition of “at risk of homelessness”; or

(C) To the extent that source documents and third-party verification are unobtainable, a written statement by the grantee and subgrantees’ intake staff that the staff person has visited the applicant's residence and determined that the applicant meets one or more of the criteria under paragraph (1)(iii) of the definition or, if a visit is not practicable or relevant to the determination, a written statement by the grantee and subgrantees’ intake staff describing the efforts taken to obtain the required evidence.

(d) *Determinations of ineligibility.* For each individual and family determined ineligible to receive Emergency Solutions Grant (ESG) assistance, the record must include documentation of the reason for that determination.

(e) *Annual income.* For each program participant who receives homelessness prevention assistance, or who receives rapid re-housing assistance longer than one year, the following documentation of annual income must be maintained:

(1) Income evaluation form containing the minimum requirements specified by HUD and completed by the grantee and subgrantees; and

(2) Source documents for the assets held by the program participant and income received over the most recent period for which representative data is available before the date of the evaluation (*e.g.*, wage statement, unemployment compensation statement, public benefits statement, bank statement);

(3) To the extent that source documents are unobtainable, a written statement by the relevant third party (*e.g.*, employer, government benefits administrator) or the written certification by the grantee and subgrantees' intake staff of the oral verification by the relevant third party of the income the program participant received over the most recent period for which representative data is available; or

(4) To the extent that source documents and third party verification are unobtainable, the written certification by the program participant of the amount of income the program participant received for the most recent period representative of the income that the program participant is reasonably expected to receive over the 3-month period following the evaluation.

(f) *Program participant records.* In addition to evidence of homeless status or "at risk of homelessness" status, as applicable, records must be kept for each program participant that document:

(1) The services and assistance provided to that program participant, including, as applicable, the security deposit, rental assistance, and utility payments made on behalf of the program participant;

(2) Compliance with the applicable requirements for providing services and assistance to that program participant under the program components and eligible activities provisions at §576.101 through §576.106, the provision on determining eligibility and amount and type of assistance at §576.401(a) and (b), and the provision on using appropriate assistance and services at §576.401(d) and (e); and

(3) Where applicable, compliance with the termination of assistance requirement in §576.402.

(g) *Centralized or coordinated assessment systems and procedures.* The grantee and subgrantees must keep documentation evidencing the use of, and written intake procedures for, the centralized or coordinated assessment system(s) developed by the Continuum of Care(s) in accordance with the requirements established by HUD.

(h) *Rental assistance agreements and payments.* The records must include copies of all leases and rental assistance agreements for the provision of rental assistance, documentation of payments made to owners for the provision of rental assistance, and supporting documentation for these payments, including dates of occupancy by program participants.

(i) *Utility allowance.* The records must document the monthly allowance for utilities (excluding telephone) used to determine compliance with the rent restriction.

(j) *Shelter and housing standards.* The records must include documentation of compliance with the shelter and housing standards in §576.403, including inspection reports.

(k) *Services and assistance provided.* The grantee and subgrantees that are units of general purpose local government must keep records to demonstrate compliance with the maintenance of effort requirement, including records of the unit of the general purpose local government's annual budgets and sources of funding for street outreach and emergency shelter services.

(l) *Matching.* The grantee must keep records of the source and use of contributions made to satisfy the matching requirement in §576.201. The records must indicate the particular fiscal year grant for which each matching contribution is counted. The records must show how the value placed on third-party, noncash contributions was derived. To the extent feasible, volunteer services must be supported by the same methods that the organization uses to support the allocation of regular personnel costs.

(m) *Conflicts of interest.* The grantee and subgrantees must keep records to show compliance with the organizational conflicts-of-interest requirements in §576.404(a), a copy of the personal conflicts of interest policy or codes of conduct developed and implemented to comply with the requirements in §576.404(b), and records supporting exceptions to the personal conflicts of interest prohibitions.

(n) *Faith-based activities.* The grantee and subgrantees must document their compliance with the faith-based activities requirements under §576.406.

(o) *Other Federal requirements.* The grantee and subgrantees must document their compliance with the Federal requirements in §576.407 and §576.409, as applicable, including:

(1) Records demonstrating compliance with the nondiscrimination and equal opportunity requirements under §576.407(a) and the affirmative outreach requirements in §576.407(b), including: data concerning race, ethnicity, disability status, sex, and family characteristics of persons and households who are applicants for, or program participants in, any program or activity funded in whole or in part with ESG funds.

(2) Records demonstrating compliance with the uniform administrative requirements in 2 CFR part 200.

(3) Records demonstrating compliance with the environmental review requirements, including flood insurance requirements.

(4) Certifications and disclosure forms required under the lobbying and disclosure requirements in 24 CFR part 87.

(5) Data on emergency transfers requested under §576.409, pertaining to victims of domestic violence, dating violence, sexual assault, or stalking, including data on the outcomes of such requests.

(p) *Relocation.* The records must include documentation of compliance with the displacement, relocation, and acquisition requirements in §576.408.

*Confidentiality.* (1) The grantee and subgrantees must develop and implement written procedures to ensure:

(i) All records containing personally identifying information (as defined in HUD's standards for participation, data collection, and reporting in a local HMIS) of any individual or family who applies for and/or receives ESG assistance will be kept secure and confidential;

(ii) The address or location of any domestic violence, dating violence, sexual assault, or stalking shelter project assisted under the ESG will not be made public, except with written authorization of the person responsible for the operation of the shelter; and

(iii) The address or location of any housing of a program participant will not be made public, except as provided under a preexisting privacy policy of the grantee and subgrantees and consistent with state and local laws regarding privacy and obligations of confidentiality.

(2) The confidentiality procedures of the grantee and subgrantees must be in writing and must be maintained in accordance with this section.

(q) *Period of record retention.* All records pertaining to each fiscal year of ESG funds must be retained for the greater of 5 years or the period specified below. Copies made by microfilming, photocopying, or similar methods may be substituted for the original records. Documentation of each program participant's qualification as a family or individual at risk of homelessness or as a homeless family or individual and other program participant records must be retained for 5 years after the expenditure of all funds from the grant under which the program participant was served.

(r) *Access to records.* (1) *Federal Government rights.* Notwithstanding the confidentiality procedures established under paragraph (x) of this section, the grantee and subgrantees must comply with the requirements for access to records in 2 CFR 200.336.

## 12 Data Collection

Federal rules require each grantee to enter ESG (including match) client data into a Homeless Management Information System (HMIS). Data must be collected in accordance with the Data Collection Directives (Appendix A) and the Agency Partner HMIS Agreement (see Appendix B).

Each grantee must follow all state and federal laws governing HMIS, including collecting informed written consent from program participants, not denying service based solely on program participant refusal to provide data to an HMIS, protecting program participant confidentiality, not collecting personally identifying information from program participants that are victims of domestic violence, and other requirements defined in [RCW 43.185C.030](#), [43.185C.180](#), and [VAWA Reauthorization Section 605](#).

Program participant data collected by HMIS systems will be transmitted to Commerce and then sent to DSHS for additional analysis. Written program participant consent forms should reflect this data transmittal. Program participant data will be used for research purposes only and only viewed by research staff and HMIS system administrators. Program participant data will not be disclosed to staff involved in determining program eligibility, or used in any way to determine program eligibility.

## 13 Termination of Participation, Denial and Grievance Procedures

Grantees must have written termination, denial, and grievance policies and/or procedures. The policies and/or procedures should be readily available to households either in written information or by posting the policy in a public place. It is important to effectively communicate these policies and/or procedures to households and ensure that they are fully understood.

### 13.1 Termination of Participation and Grievance

Causes for termination may include, but are not limited to, failure to abide by any agreed upon requirements and client fraud. A grievance procedure must include:

1. Written notice to the household containing a clear statement of the reasons for termination;
2. A review of the decision, in which the household is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision. This may include the household's right to question or confront staff involved; and
3. Prompt written notice of the final decision.

## **13.2 Denial and Grievance**

Causes of denial of assistance include, but are not limited to, the household's ineligibility or failure to provide verifiable evidence of eligibility, etc. Established procedures should describe:

1. Circumstances in which a household may not qualify or would be denied;
2. Notification of denial; and
3. A household's right to review a grantee's decision.

## **14 Confidentiality of Client Records**

Grantees must have policies and/or procedures to ensure that client records are maintained in a confidential manner as per RCW 43.185C.030 and keep written records or files pertaining to households under lock and key with designated personnel granted access to those files.

## **15 Summary List of Required Policies and Procedures**

- ✓ For coordination among homeless housing and assistance providers and mainstream service providers in their service area.
- ✓ For admission, diversion, referral and discharge by emergency shelters including length of stay, special needs populations and individuals and families with high barriers to housing
- ✓ For determining and prioritizing which households will receive Rapid Re-Housing and Prevention Assistance
- ✓ Standards for determining amount of rent assistance, length of assistance and if there will be any adjustments over time
- ✓ Standards for determining type, amount, and duration of housing relocation and stabilization services
- ✓ Termination of participation, denial, and grievance procedures
- ✓ Confidentiality of client records

## **16 Billing Procedures**



Lead Grantees must bill Commerce on a monthly or quarterly basis for reimbursement of allowable costs using an ESG Invoice Form. Exceptions to the single billing per month can be made by Commerce on a case-by-case basis. Invoices are due on the 20th of month following the provision of services. (Final invoices for a biennium may be due sooner than the 20th for the final report month.) If the Lead Grantee fails to file an invoice within a three-month period without a reasonable explanation Commerce will suspend payments, notify the Lead Grantee and take follow-up action that may include terminating the grant agreement.

## **17 Match**

Lead Grantee is responsible for matching 100% of grant expenditures (1 to 1 ratio). The match requirement may be met using any source (other than ESG) including state Consolidated Homeless Grant (CHG), local or private funding for any eligible activity described in these guidelines. Match expenditures will be represented on each invoice.

Matching contributions must meet all requirements that apply to ESG funds provided by HUD (excluding expenditure limits outlined in the grant agreement). This includes requirements such as documentation requirements, eligibility requirements, and eligible costs. All clients served with matching contributions must be entered in HMIS in accordance with these guidelines. The Lead Grantee and sub grantees are not required to differentiate between clients served with matching contributions and those served with regular ESG funds. However, grantees must be able to identify all clients served by ESG funds (match or otherwise).

## **18 Appendix A - Data Collection Directives**

### **Client Records and Record Retention**

Grantees must enter a record for every client served with ESG funds in the state homeless data warehouse (usually referred to as "HMIS") or in a local data collection system that meets HUD/HMIS data standards. The client record may contain personally identifying data or it may not, depending on whether the client provided informed, written consent to have their identifiers stored in HMIS. As a general rule, Commerce does not want personal identifiers for any client who identifies themselves as a victim of domestic violence, sexual assault, dating violence or stalking.

Agencies must develop and adopt policies governing the retention of paper records containing personally identifying information derived from a Homeless Management Information system. The policy must define how long paper records are retained after they are no longer being actively utilized, and the process that will be used to destroy the records to prevent the release of personally identifying information. The policy must require the destruction of the paper records derived from an HMIS no longer than seven years after the last day the person was served by the organization.

## Funding Decisions & Data Collection

Lead Grantees must not make funding or resource allocation decisions of ESG funds based on whether a Subgrantee enters *personal identifiers* for victims of domestic violence, sexual assault, dating violence or stalking or other clients who have not provided informed, written consent. The intent of this guideline is to ensure that clients do not feel coerced into providing consent to share data at any time in any local jurisdiction receiving CHG funds and participating in HMIS.

Data quality is of high concern for purposes of accurate reporting out of HMIS. Commerce recommends that local jurisdictions continue to strive for increased data quality including 1) monitoring completeness of required data elements and 2) monitoring responsible use of HMIS at local agencies. Some suggestions for how to appropriately include data quality in HMIS as a part of local funding decisions include, but are not limited to:

- ✓ Completeness of required data elements:
  - Exclude clients who “refused consent” from the equation  
e.g.: Instead of  $\frac{\# \text{ NULL values}}{\text{All client records}} = \%$  use  $\frac{\# \text{ NULL values}}{\text{Clients who DIDN'T refuse consent}} = \%$
  
- ✓ Responsible use of HMIS at local agencies:
  - Develop a “baseline” rate of “refused consent” locally using HMIS data
  - Determine each agency’s rate of “refused consent” as a % deviation from the standard
  - Add or subtract points for less or more deviation from the standard rate, depending on reasonableness
  - Further training, technical assistance, or other guidance may be more appropriate in this situation instead of, or in addition to, penalties assessed during funding competitions

All local jurisdictions interested in including a measure of HMIS data quality as part of a local funding decision for CHG funding are required to submit a proposal to Commerce for final approval prior to being used in local applications/competitions for funding.

**Informed Consent** – According to RCW 43.185C.180, personally identifying information about homeless individuals for the Washington homeless client management information system may only be collected after having obtained informed, reasonably time limited, (i) written consent from the homeless individual to whom the information relates, or (ii) telephonic consent from the homeless individual, provided that written consent is obtained at the first time the individual is physically present at an organization with access to the Washington homeless client management information system. Safeguards consistent with federal requirements on data collection must be in place to protect homeless individuals’ rights regarding their personally identifying information. Data collection under this subsection shall be done in a manner consistent with federally informed consent guidelines regarding human research which, at a minimum, require that individuals receive: (i) information about the expected duration of their participation in the Washington homeless client management information system; (ii) an explanation of whom to contact for answers to pertinent questions about the data collection and their rights regarding their personal identifying information; (iii) an explanation regarding whom to contact in the event of injury to the individual related to the Washington homeless client management information system; (iv) a description of any reasonably foreseeable risks to the homeless individual; and (v) a statement describing the extent to which confidentiality of records identifying the individual will be maintained.

### **Personal Identifiers – “Personally Identifying Data”**

Individually identifying information for or about an individual including information likely to disclose the location of a victim of domestic violence, dating violence, sexual assault, or stalking, could include:

- ✓ A first and last name;
- ✓ A home or other physical address;
- ✓ Contact information (including a postal, e-mail or Internet protocol address, or telephone or facsimile number);
- ✓ A social security number; and
- ✓ Any other information, including date of birth, racial or ethnic background, or religious affiliation that, in combination with any other non-personally identifying information, would serve to identify any individual collecting “non-identified” client records.

### **Data Entry for “Non-identified” Client Records**

- ✓ Leave the “Name” fields NULL (blank). Do not write in names *such as “Anonymous” or “Refused” as that will compromise data quality at the state level.*
- ✓ *If there are no personal identifiers* for a client record, there needs to be an “Agency Unique ID” of some sort created and stored in the system that can be used by the

agency to access the record at a later time (and should not be an algorithm of elements that can lead to the client's identification).

- ✓ Enter an approximate year of birth – subtract or add one to three years to the actual year of birth.
- ✓ Enter “Refused” for gender, race, and ethnicity when the real answers to those questions, in combination with other data, can potentially lead to identification of the client.
- ✓ Enter any additional answer to the universal, program-specific and optional data elements (from the March 2010 HMIS Data Standards) only if the answers to those questions, in combination with other data, will not lead to the identification of the client.
- ✓ Program Entry Date, Program Exit Date and Service Date are generally required unless those elements can be used in combination with other elements to identify the client. If this is the case, please enter an approximate Program Entry Date, Program Exit Date and Service Date by adding one to three months to the actual dates and keeping the “Length of Stay” (the number of days between program entry and program exit) consistent with reality. Keeping the approximate service date, if used, within the actual service date's reporting period is also recommended.

Submitting data to the state data warehouse – If a grantee is not entering data directly into the state data warehouse, the data being entered into the local HMIS must be submitted on a quarterly basis no later than the 10<sup>th</sup> day following the end of each quarter to the state data warehouse via the HUD Standard 3.0 XML schema.

## **19 Appendix B – Agency Partner HMIS Agreement**

The Homeless Management Information System (“HMIS”) is a client management system that maintains information regarding the characteristics and service needs of Clients for a variety of reasons, including the provision of more effective and streamlined services to Clients and the creation of information that communities can use to determine the use and effectiveness of services.

Ultimately, when used correctly and faithfully by all involved parties, the HMIS is designed to benefit multiple stakeholders, including provider agencies, persons who are homeless, funders and the community through improved knowledge about people who are homeless, their services and service needs and a more effective and efficient service delivery system.

The Homeless Housing and Assistance Act of 2005 requires the Department of Commerce to collect HMIS data in the form of a data warehouse. Each homeless service provider will submit

HMIS data to Commerce.

Agency and the Department of Commerce agree as follows:

General Understandings:

In this Agreement, the following terms will have the following meanings:

"Client" refers to a consumer of services;

"Partner Agency" refers generally to any Agency participating in HMIS.

"Agency staff" refers to both paid employees and volunteers.

"HMIS" refers to the HMIS system administered by Commerce.

"Enter(ing)" or "entry" refers to the entry of any Client information into HMIS.

"Shar(e)(ing)," or "Information Shar(e)(ing)" refers to the sharing of information which has been entered in HMIS with another Partner Agency.

"The Balance of State Continuum of Care Steering Committee" or "Steering Committee" refers to a Commerce advisory body that serves in a consultative and counseling capacity to Commerce as the system administrator. The Steering Committee is comprised of representatives from the State, the Balance of State Continuum of Care regions and at large members.

"Identified Information" refers to Client data that can be used to identify a specific Client. Also referred to as "Confidential" data or information.

"De-identified Information" refers to data that has specific Client demographic information removed, allowing use of the data **without identifying** a specific Client. Also referred to as "non-identifying" information.

Agency understands that when it enters information into HMIS, such information will be available to Commerce staff who may review the data to administer HMIS; to conduct analysis in partnership with the Research and Data Analysis (RDA) division at the Department of Social and Health Services (DSHS); and to prepare reports that may be submitted to others in de-identified form **without** individual identifying Client information.

Agency understands that Agency will have the ability to indicate whether information Agency entered into HMIS may be shared with and accessible to Partner Agencies in HMIS system. Agency is responsible for determining and designating in HMIS whether information may or may not be shared.

Confidentiality:

Agency will not:

enter information into HMIS which it is not authorized to enter; and

will not designate information for sharing which Agency is not authorized to share, under any relevant federal, state, or local confidentiality laws, regulations or other restrictions applicable to Client information. By entering information into HMIS or designating it for sharing, Agency represents that it has the authority to enter such information or designate it for sharing.

If Agency is a "covered entity" whose disclosures are restricted under HIPAA (45 CFR 160 and 164) or is subject to Federal Drug and Alcohol Confidentiality Regulations (42 CFR Part 2), a fully executed Business Associate or Business Associate/Qualified Service Organization Agreement must be attached to this agreement before information may be entered. Sharing of information will not be permitted otherwise. More information about "covered entities" can be found here: <http://www.hhs.gov/ocr/privacy/hipaa/understanding/coveredentities/index.html>.

If Agency is subject to any laws or requirements which restrict Agency's ability to either enter or

authorize sharing of information, Agency will ensure that any entry it makes and all designations for sharing fully comply with all applicable laws or other restrictions. Agency shall comply with the Violence Against Women and Department of Justice Reauthorization Act of 2005 (VAWA) and Washington State RCW 43.185C.030. No Identified Information may be entered into HMIS for Clients in licensed domestic violence programs or for Clients fleeing domestic violence situations.

To the extent that information entered by Agency into HMIS is or becomes subject to additional restrictions, Agency will immediately inform Commerce in writing of such restrictions.

Information Collection, Release and Sharing Consent:

**Collection of Client Identified information:** An agency shall collect client identified information only when appropriate to the purposes for which the information is obtained or when required by law. An Agency must collect client information by lawful and fair means and, where appropriate, with the knowledge or consent of the individual.

**Obtaining Client Consent:** In obtaining Client consent, each adult Client in the household must sign the *HMIS Client Release of Information* (or a Commerce-approved equivalent release document) to indicate consent to enter Client identified information into HMIS. If minors are present in the household, at least one adult in the household must consent minors by writing their names on the *HMIS Client Release of Information*. If any adult member of a household does not provide written consent, identifying information may not be entered into HMIS for *anyone* in the household. An unaccompanied youth may sign the consent form for themselves. Do not enter personally identifying information into HMIS for clients who are in licensed domestic violence agencies or currently fleeing or in danger from a domestic violence, dating violence, sexual assault or stalking situation.

Telephonic consent from the individual may temporarily substitute written consent provided that written consent is obtained at the first time the individual is physically present at Agency. A Client may withdraw or revoke consent for Client identified information collection by signing the *HMIS Revocation of Consent*. If a Client revokes their consent, Agency is responsible for immediately contacting Commerce and making appropriate data modifications in HMIS to ensure that Client's personal identified information will not be shared with other Partner Agencies or visible to the Agency staff within the system.

This information is being gathered for the collection and maintenance of a research database and data repository. The consent is in effect until the client revokes the consent in writing.

**No Conditioning of Services:** Agency will not condition any services upon or decline to provide any services to a Client based upon a Client's refusal to allow entry of identified information into HMIS.

**Re-release Prohibited:** Agency agrees not to release any Client identifying information received from HMIS to any other person or organization without written informed Client consent, or as required by law.

**Client Inspection/Correction:** Agency will allow a Client to inspect and obtain a copy of his/her own personal information except for information compiled in reasonable anticipation of, or for use in, a civil, criminal or administrative action or proceeding. Agency will also allow a Client to correct information that is inaccurate. Corrections may be made by way of a new entry that is in addition to but is not a replacement for an older entry.

**Security:** Agency will maintain security and confidentiality of HMIS information and is

responsible for the actions of its users and for their training and supervision. Among the steps Agency will take to maintain security and confidentiality are:

**Access:** Agency will permit access to HMIS or information obtained from it only to authorized Agency staff who need access to HMIS for legitimate business purposes (such as to provide services to the Client, to conduct evaluation or research, to administer the program, or to comply with regulatory requirements). Agency will limit the access of such staff to only those records that are immediately relevant to their work assignments.

**User Policy:** Prior to permitting any user to access HMIS, Agency will require the user to sign a **User Policy, Responsibility Statement & Code of Ethics** (“User Policy”), which is found on the Commerce web page ([www.commerce.wa.gov/hmiswa](http://www.commerce.wa.gov/hmiswa)) and is incorporated into this agreement and may be amended from time to time by Commerce. Agency will comply with, and enforce the User Policy and will inform Commerce immediately in writing of any breaches of the User Policy

**Computers:** Security for data maintained in HMIS depends on a secure computing environment. Computer security is adapted from relevant provisions of the Department of Housing and Urban Development’s (HUD) “Homeless Management Information Systems (HMIS) Data and Technical Standards Notice” (Docket No. FR 4848-N-01; see <http://www.hud.gov/offices/cpd/homeless/hmis/standards/index.cfm>). Agencies are encouraged to directly consult that document for complete documentation of HUD’s standards relating to HMIS.

Agency agrees to allow access to HMIS only from computers which are:

- owned by Agency or approved by Agency for the purpose of accessing and working with HMIS.
- protected from viruses by commercially available virus protection software.
- protected with a software or hardware firewall.
- maintained to insure that the computer operating system running the computer used for the HMIS is kept up to date in terms of security and other operating system patches, updates, and fixes.
- accessed through web browsers with 128-bit encryption (e.g., Internet Explorer, version 6.0). Some browsers have the capacity to remember passwords, so that the user does not need to type in the password when returning to password-protected sites. This default shall **not** be used with respect to Commerce’ HMIS; the end-user is expected to physically enter the password each time he or she logs on to the system.
- staffed at all times when in public areas. When computers are not in use and staff is not present, steps should be taken to ensure that the computers and data are secure and not publicly accessible. These steps should minimally include: logging off the data entry system, physically locking the computer in a secure area, or shutting down the computer entirely.

**Passwords:** Agency will permit access to HMIS only with use of a User ID and password, which the user may not share with others. Written information pertaining to user access (e.g. username and password) shall not be stored or displayed in any publicly accessible location. Passwords shall be at least eight characters long and meet industry standard complexity requirements, including, but not limited to, the use of at least one of each of the following kinds of characters in the passwords: Upper and lower-case letters, and numbers and symbols. Passwords shall not be, or include, the username, or the HMIS name. In addition, passwords should not consist entirely of any word found in the common dictionary or any of the above spelled backwards. The use of default passwords on initial entry into the HMIS application is allowed so long as the .default password is changed on first use. Passwords and user names shall be consistent with guidelines issued from time to time by HUD and/or Commerce.

**Training/Assistance:** Agency will permit access to HMIS only after the authorized user receives appropriate confidentiality training including that provided by Commerce. Agency will also conduct ongoing basic confidentiality training for all persons with access to HMIS and will train all persons who may receive information produced from HMIS on the confidentiality of such information. Agency will participate in such training as is provided from time to time by Commerce. Commerce will be reasonably available during Commerce defined weekday business hours for technical assistance (i.e. troubleshooting and report generation).

**Records:** Agency and Commerce will maintain records of any disclosures of Client identifying information either of them makes of HMIS information for a period of **seven** years after such disclosure. On written request of a Client, Agency and Commerce will provide an accounting of all such disclosures within the prior **seven**-year period. Commerce will have access to an audit trail from HMIS so as to produce an accounting of disclosures made from one Agency to another by way of sharing of information from HMIS.

**Retention of paper copies of personally identifying information:** Agencies must develop and adopt policies governing the retention of paper records containing personally identifying information derived from a Homeless Management Information system. The policy must define how long paper records are retained after they are no longer being actively utilized, and the process that will be used to destroy the records to prevent the release of personally identifying information. The policy must require the destruction of the paper records derived from an HMIS no longer than seven years after the last day the person was served by the organization.

**Information Entry Standards:**

Information entered into HMIS by Agency will be truthful, accurate and complete to the best of Agency's knowledge.

Agency will **not** solicit from Clients or enter information about Clients into the HMIS database unless the information is required for a legitimate business purpose such as to provide services to the Client, to conduct evaluation or research, to administer the program, or to comply with regulatory requirements.

Agency will only enter information into HMIS database with respect to individuals that it serves or intends to serve, including through referral.

Agency will enter all data for a particular month into HMIS database by the 5<sup>th</sup> business day of the following month. Additionally, Agency will make every attempt enter all data for a particular week by the end of that week.

Agency will not alter or over-write information entered by another Agency.



**Use of HMIS:**

Agency will not access identifying information for any individual for whom services are neither sought nor provided by the Agency. Agency may access identifying information of the Clients it serves and may request via writing access to statistical, non-identifying information on both the Clients it serves and Clients served by other HMIS participating agencies.

Agency may report non-identifying information to other entities for funding or planning purposes. Such non-identifying information shall not directly identify individual Clients.

Agency and Commerce will report only non-identifying information in response to requests for information from HMIS unless otherwise required by law.

Agency will use HMIS database for legitimate business purposes only.

Agency will not use HMIS in violation of any federal or state law, including, but not limited to, copyright, trademark and trade secret laws, and laws prohibiting the transmission of material, which is threatening, harassing, or obscene.

Agency will not use the HMIS database to defraud federal, state or local governments, individuals or entities, or conduct any illegal activity.

**Proprietary Rights of the HMIS:**

Agency shall not give or share assigned passwords and access codes for HMIS with any other Agency, business, or individual. Each user shall request their own login and password.

Agency shall take due diligence not to cause in any manner, or way, corruption of the HMIS database, and Agency agrees to be responsible for any damage it may cause.

Steering Committee: Commerce will consult with the Steering Committee from time to time regarding issues such as revision to the form of this Agreement. Written Agency complaints that are not resolved may be forwarded to the Steering Committee, which will try to reach a voluntary resolution of the complaint.

Limitation of Liability and Indemnification: No party to this Agreement shall assume any additional liability of any kind due to its execution of this agreement of participation in the HMIS. It is the intent of the parties that each party shall remain liable, to the extent provided by law, regarding its own acts and omissions; but that no party shall assume additional liability on its own behalf or liability for the acts of any other person or entity except for the acts and omissions of their own employees, volunteers, agents or contractors through participation in HMIS. The parties specifically agree that this agreement is for the benefit of the parties only and this agreement creates no rights in any third party.

Limitation of Liability. Commerce shall not be held liable to any member Agency for any cessation, delay or interruption of services, nor for any malfunction of hardware, software or equipment.

Disclaimer of Warranties. Commerce makes no warranties, express or implied, including the warranties or merchandise ability and fitness for a particular purpose, to any Agency or any other person or entity as to the services of the HMIS to any other matter.

**Additional Terms and Conditions:**

Agency will abide by such guidelines as are promulgated by HUD and/or Commerce from time to time regarding administration of the HMIS.

Agency and Commerce intend to abide by applicable law. Should any term of this agreement be inconsistent with applicable law, or should additional terms be required by applicable law, Agency and Commerce agree to modify the terms of this agreement so as to comply with

applicable law.

Neither Commerce nor Agency will transfer or assign any rights or obligations regarding HMIS without the written consent of either party.

Agency agrees to indemnify and hold Commerce and its agents and staffs harmless from all claims, damages, costs, and expenses, including legal fees and disbursements paid or incurred, arising from any breach of this Agreement or any of Agency's obligations under this Agreement. This Agreement will be in force until terminated by either party. Either party may terminate this agreement at will with 20 days written notice. Either party may terminate this agreement immediately upon a material breach of this Agreement by the other party, including but not limited to the breach of the Commerce Security Policy by Agency.

If this Agreement is terminated, Agency will no longer have access to HMIS. Commerce and the remaining Partner Agencies will maintain their right to use all of the Client information previously entered by Agency except to the extent a restriction is imposed by Client or law. Copies of Agency data will be provided to the Agency upon written request of termination of this agreement. Data will be provided on CDs or media. Unless otherwise specified in writing, copies of data will be delivered other mutually agreed upon to Agency within fourteen (14) calendar days of receipt of written requests for data copies.

## 20 Appendix C – Data Security Requirements

1. **Definitions.** The words and phrases listed below, as used in this Appendix, shall each have the following definitions:
  - a. "Authorized User(s)" means an individual or individuals with an authorized business requirement to access DSHS Confidential Information.
  - b. "Hardened Password" means a string of at least eight characters containing at least one alphabetic character, at least one number and at least one special character such as an asterisk, ampersand or exclamation point.
  - c. "Unique User ID" means a string of characters that identifies a specific user and which, in conjunction with a password, passphrase or other mechanism, authenticates a user to an information system.
  - d. "Contractor" means CHG Lead/subgrantees.
2. **Data Transport.** When transporting DSHS Confidential Information electronically, including via email, the Data will be protected by:
  - a. Transporting the Data within the (State Governmental Network) SGN or Contractor's internal network, or;
  - b. Encrypting any Data that will be in transit outside the SGN or Contractor's internal network. This includes transit over the public Internet.
3. **Protection of Data.** The Contractor agrees to store Data on one or more of the following media and protect the Data as described:
  - a. **Hard disk drives.** Data stored on local workstation hard disks. Access to the Data will be

restricted to Authorized User(s) by requiring logon to the local workstation using a Unique User ID and Hardened Password or other authentication mechanisms which provide equal or greater security, such as biometrics or smart cards.

- b. **Network server disks.** Data stored on hard disks mounted on network servers and made available through shared folders. Access to the Data will be restricted to Authorized Users through the use of access control lists which will grant access only after the Authorized User has authenticated to the network using a Unique User ID and Hardened Password or other authentication mechanisms which provide equal or greater security, such as biometrics or smart cards. Data on disks mounted to such servers must be located in an area which is accessible only to authorized personnel, with access controlled through use of a key, card key, combination lock, or comparable mechanism.

For DSHS Confidential Information stored on these disks, deleting unneeded Data is sufficient as long as the disks remain in a Secured Area and otherwise meet the requirements listed in the above paragraph. Destruction of the Data as outlined in Section 5. Data Disposition may be deferred until the disks are retired, replaced, or otherwise taken out of the Secured Area.

- c. **Optical discs (CDs or DVDs) in local workstation optical disc drives.** Data provided by DSHS on optical discs which will be used in local workstation optical disc drives and which will not be transported out of a Secured Area. When not in use for the contracted purpose, such discs must be locked in a drawer, cabinet or other container to which only Authorized Users have the key, combination or mechanism required to access the contents of the container. Workstations which access DSHS Data on optical discs must be located in an area which is accessible only to authorized personnel, with access controlled through use of a key, card key, combination lock, or comparable mechanism.
- d. **Optical discs (CDs or DVDs) in drives or jukeboxes attached to servers.** Data provided by DSHS on optical discs which will be attached to network servers and which will not be transported out of a Secured Area. Access to Data on these discs will be restricted to Authorized Users through the use of access control lists which will grant access only after the Authorized User has authenticated to the network using a Unique User ID and Hardened Password or other authentication mechanisms which provide equal or greater security, such as biometrics or smart cards. Data on discs attached to such servers must be located in an area which is accessible only to authorized personnel, with access controlled through use of a key, card key, combination lock, or comparable mechanism.
- e. **Paper documents.** Any paper records must be protected by storing the records in a Secured Area which is only accessible to authorized personnel. When not in use, such records must be stored in a locked container, such as a file cabinet, locking drawer, or safe, to which only authorized persons have access.
- f. **Remote Access.** Access to and use of the Data over the State Governmental Network (SGN) or Secure Access Washington (SAW) will be controlled by DSHS staff who will issue authentication credentials (e.g. a Unique User ID and Hardened Password) to Authorized Users on Contractor staff. Contractor will notify DSHS staff immediately whenever an Authorized User in possession of such credentials is terminated or otherwise leaves the employ of the Contractor, and whenever an Authorized User's duties change such that the Authorized User no longer requires access to perform work for this Contract

**g. Data storage on portable devices or media.**

(1) Except where otherwise specified herein, DSHS Data shall not be stored by the Contractor on portable devices or media unless specifically authorized within the terms and conditions of the Contract. If so authorized, the Data shall be given the following protections:

(a) Encrypt the Data with a key length of at least 128 bits

(b) Control access to devices with a Unique User ID and Hardened Password or stronger authentication method such as a physical token or biometrics.

(c) Manually lock devices whenever they are left unattended and set devices to lock automatically after a period of inactivity, if this feature is available. Maximum period of inactivity is 20 minutes.

Physically Secure the portable device(s) and/or media by

(d) Keeping them in locked storage when not in use

(e) Using check-in/check-out procedures when they are shared, and

(f) Taking frequent inventories

(2) When being transported outside of a Secured Area, portable devices and media with DSHS Confidential Information must be under the physical control of Contractor staff with authorization to access the Data.

(3) Portable devices include, but are not limited to; smart phones, tablets, flash memory devices (e.g. USB flash drives, personal media players), portable hard disks, and laptop/notebook/netbook computers if those computers may be transported outside of a Secured Area.

(4) Portable media includes, but is not limited to; optical media (e.g. CDs, DVDs), magnetic media (e.g. floppy disks, tape), or flash media (e.g. CompactFlash, SD, MMC).

**h. Data stored for backup purposes.**

(1) DSHS data may be stored on portable media as part of a Contractor's existing, documented backup process for business continuity or disaster recovery purposes. Such storage is authorized until such time as that media would be reused during the course of normal backup operations. If backup media is retired while DSHS Confidential Information still exists upon it, such media will be destroyed at that time in accordance with the disposition requirements in Section 5. Data Disposition

(2) DSHS Data may be stored on non-portable media (e.g. Storage Area Network drives, virtual media, etc.) as part of a Contractor's existing, documented backup process for business continuity or disaster recovery purposes. If so, such media will be protected as otherwise described in this exhibit. If this media is retired while DSHS Confidential Information still exists upon it, the data will be destroyed at that time in accordance with the disposition requirements in Section 5. Data Disposition.

**4. Data Segregation.**

a. DSHS Data must be segregated or otherwise distinguishable from non-DSHS data. This is to ensure that when no longer needed by the Contractor, all DSHS Data can be identified for return or destruction. It also aids in determining whether DSHS Data has or may have been compromised in the event of a security breach. As such, one or more of the following methods will be used for data segregation.

- b. DSHS Data will be kept on media (e.g. hard disk, optical disc, tape, etc.) which will contain no non-DSHS data. And/or,
- c. DSHS Data will be stored in a logical container on electronic media, such as a partition or folder dedicated to DSHS Data. And/or,
- d. DSHS Data will be stored in a database which will contain no non-DSHS data. And/or,
- e. DSHS Data will be stored within a database and will be distinguishable from non-DSHS data by the value of a specific field or fields within database records.
- f. When stored as physical paper documents, DSHS Data will be physically segregated from non-DSHS data in a drawer, folder, or other container.
- g. When it is not feasible or practical to segregate DSHS Data from non-DSHS data, then both the DSHS Data and the non-DSHS data with which it is commingled must be protected as described in this exhibit.

**5. Data Disposition.** When the contracted work has been completed or when no longer needed, except as noted in Section 3. Protection of Data b. Network Server Disks above, Data shall be returned to DSHS or destroyed. Media on which Data may be stored and associated acceptable methods of destruction are as follows:

<b>Data Stored On:</b>	<b>Will be Destroyed By:</b>
Server or workstation hard disks, or  Removable media (e.g. floppies, USB flash drives, portable hard disks) excluding optical discs	Using a “wipe” utility which will overwrite the Data at least three (3) times using either random or single character data, or  Degaussing sufficiently to ensure that the Data cannot be reconstructed, or  Physically destroying the disk
Paper documents with sensitive or Confidential Information	Recycling through a contracted firm provided the contract with the recycler assures that the confidentiality of Data will be protected.
Paper documents containing Confidential Information requiring special handling (e.g. protected health information)	On-site shredding, pulping, or incineration
Optical discs (e.g. CDs or DVDs)	Incineration, shredding, or completely defacing the readable surface with a coarse abrasive
Magnetic tape	Degaussing, incinerating or crosscut shredding

**6. Notification of Compromise or Potential Compromise.** The compromise or potential compromise of DSHS shared Data must be reported to the Department of Commerce Contact designated in the Grant Agreement within one (1) business day of discovery.

**Data shared with Subcontractors.** If DSHS Data access provided under this Contract is to be shared with a subcontractor, the Contract with the subcontractor must include all of the data security provisions within this Contract and within any amendments, attachments, or exhibits within this Contract.

**Statement of Work**

The Contractor shall provide the services and staff, and otherwise do all things necessary for, or incidental to the performance of work as set forth below:

The Contractor will work with the DSHS contact listed on page one (1) of this Contract to ensure personnel who specifically require access to the Data in the performance of their assigned duties, are granted access to the appropriate BVS Housing Profile in accordance with the terms and conditions of this Contract.

**Consideration**

DSHS will provide the information under this Contract at no charge to the Contractor.

Each party to this Contract shall be responsible for any expenses incurred in providing or receiving the Data.

This includes any costs for hardware/software upgrades, and costs to improve any systems or processors that will enable the Contractor to access the Data.

In exchange for the receipt of Data, the Contractor agrees to abide by the Terms and Conditions in this Contract.

The Contractor shall be responsible for any charges for Data loss.

**Data Sharing.**

Purpose:

Activity for which the Data is needed:

To allow the Contractor's Housing Program Providers to verify public assistance eligibility, improve access to housing assistance for recipients of CSD programs, and improve HEN Referral program efforts.

Description of Data

Data Elements:

The Housing Profile consists of the following BVS data elements:

- i. Client First Name
- ii. Client Middle Initial
- iii. Client Last Name
- iv. CSO, HCS, or HCA office
- v. Living Arrangement

- vi. Month of the Year (up to the past 12-months)
- vii. Program Type
- viii Household Number
- ix. DSHS Benefit
- x. Earned Income
- xi. Unearned Income
- xii. WorkFirst Sanction Amount
- xiii Intentional Overpayment Amount
- xiv. HEN Eligibility

Time frames(s) for Data disclosure or exchange:

The duration of the Contract or as amended.

Conditions under which, if any, that Data disclosed or exchanged can be linked to other data:

There are no conditions that permit linking of the Data with other data.

Data Access or Transfer

Method.

The Contractor shall access information via the DSHS BVS secure website.

Access to this website requires the user to have an email address approved by DSHS. DSHS will provide the initial password and the strong password must be changed to a unique strong password.

Requirement for Access.

Access to data shall be limited to the Contractor, who specifically requires access to the Data to perform their assigned duties.

The Contractor shall provide the DSHS Contact listed on page one (1) of this Contract, with the names, email addresses, and other contact information as required by DSHS, for all Contractor personnel requesting BVS access.

The Contractor must report within one (1) business day to the DSHS Contact person listed on page one (1) of this Contract after receiving notice that any Contractor personnel with access to the Data is terminated from employment or when their job duties no longer require access to the Data.

Prior to making Data available to their personnel, the Contractor shall notify all personnel of the use, confidentiality, and nondisclosure requirements.



The Contractor shall complete and sign a DSHS Notice of Nondisclosure form and agree to adhere to the use and disclosure requirements before accessing the Data.

The signed DSHS Notice of Nondisclosure forms shall be maintained by the Contractor and be submitted to DSHS upon request.

Frequency of Exchange.

Daily Access

Limitations on Use of Data

The Contractor will access client information specific only to the Contractor's caseload.

CSD is the sole authority for any BVS system changes, suspension to BVS access, or BVS data enhancements.

If the Data and analyses generated by the Data Recipient contain personal information about DSHS clients, any and all reports utilizing this Data shall be subject to review and approval by the Data Provider prior to publication in any medium or presentation in any forum.

Any and all reports using confidential DSHS data must have all personal identifying information removed.

### **Confidentiality and Nondisclosure**

Both parties may use Personal information and other information or Data gained by reason of this Contract only for the purposes of this Contract.

Neither party shall disclose, transfer, or sell any such information to any party, except as provided by law or, in the case of Personal information, without the prior written consent of the person to whom the Personal information pertains.

The Data to be shared under this Contract is confidential in nature and is subject to state and federal confidentiality requirement that bind the Contractor to protect the confidentiality of the personal information contained in Economic Services Administration data. The Contractor may use personal data and other data gained by reason of this Contract only for the purpose of this Contract.

The Contractor shall maintain the confidentiality of personal data in accordance with state and federal laws, and shall have adequate policies and procedures in place to ensure compliance with confidentiality requirements, including restrictions on re-disclosure. The Contractor agrees to keep client information according to DSHS policy and procedures.

Neither party shall link the Data with Personal information or individually identifiable data from any other source, nor re-disclose or duplicate the Data unless specifically authorized to do so in this Contract or by the prior written consent of the other party.

The Contractor shall take reasonable precautions to secure against unauthorized physical and electronic access to client data, which shall be protected in a manner that prevents unauthorized persons, including the general public, from retrieving data by means of computer, remote terminal, or other means.

#### Contract Suspension:

DSHS may take certain actions in the event the Contractor is investigated by a local, county, state, or federal agency, for a matter which DSHS determines may adversely affect the access to or use of, Data provided under this Contract. DSHS May, without prior notice, suspend the access to or use of Data, and disallow the person(s) involved in the allegation(s) from providing services or having contact with clients pending final resolution of the investigation.

#### Disputes

Either party may submit a request for resolution of a Contract dispute (rates set by law, regulation, or DSHS policy are not disputable). The requesting party shall submit a written statement identifying the issue(s) in dispute and the relative positions of the parties. A request for a dispute resolution must include the Contractor's name, address, and Contract number, and be mailed to the address listed below within thirty (30) calendar days after the party could reasonably be expected to have knowledge of the issue in dispute.

DSHS/Community Services Division/Attn: Contracts Unit  
PO Box 45440  
Olympia, WA 98504-5440

- 1. Data Transport.** When transporting DSHS Confidential Information electronically, including via email, the data will be protected by:
  - a. Transporting the data within the (State Governmental Network) SGN or contractor's internal network, or;
  - b. Encrypting any data that will be in transit outside the SGN or contractor's internal network. This includes transit over the public Internet.
- 2. Protection of Data.** The Grantee agrees to store data on paper only, no electronic storage is allowable:
  - a. **Paper documents.** Any paper records must be protected by storing the records in a secure area which is only accessible to authorized personnel. When not in use, such records must be stored in a locked container, such as a file cabinet, locking drawer, or safe, to which only authorized persons have access.
- 3. Data Disposition.** When the contracted work has been completed or when no longer needed, data shall be returned to DSHS or destroyed. Media on which data may be stored and associated

acceptable methods of destruction are as follows:

<b>Data stored on:</b>	<b>Will be destroyed by:</b>
Paper documents with sensitive or confidential data	Recycling through a contracted firm provided the contract with the recycler assures that the confidentiality of data will be protected.
Paper documents containing confidential information requiring special handling (e.g. protected health information)	On-site shredding, pulping, or incineration
Magnetic tape	Degaussing, incinerating or crosscut shredding

**4. Notification of Compromise or Potential Compromise.** The compromise or potential compromise of DSHS shared data must be reported to Commerce within one (1) business day of discovery.

This Agreement will be in force until terminated by either party. Either party may terminate this agreement at will with 20 days written notice. Either party may terminate this agreement immediately upon a material breach of this Agreement by the other party, including but not limited to the breach of the Commerce Security Policy by Agency.

If this Agreement is terminated, Agency will no longer have access to HMIS. Commerce and the remaining Partner Agencies will maintain their right to use all of the Client information previously entered by Agency except to the extent a restriction is imposed by Client or law. Copies of Agency data will be provided to the Agency upon written request of termination of this agreement. Data will be provided on CDs or other mutually agreed upon media. Unless otherwise specified in writing, copies of data will be delivered to Agency within fourteen (14) calendar days of receipt of written requests for data copies.