

**Substantial Amendment to the
2010 – 2015 New Mexico Consolidated Plan
and the
2011 and 2012 New Mexico Annual Action Plan
for Housing and Community Development**

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Substantial Amendment to the 2010 – 2015 New Mexico Consolidated Plan and the 2011 and 2012 New Mexico Annual Action Plan for Housing and Community Development

1. SF-424

Amendment for the Emergency Solutions Grant Program, as amended by the HEARTH Act of 2009

2. Summary of Consultation Process

The State of New Mexico consulted the New Mexico Coalition to End Homelessness (NMCEH), which coordinates the Balance of State Continuum of Care, and assists the City of Albuquerque to coordinate the Albuquerque Continuum of Care, the only CoCs in New Mexico. First, staff has met periodically since the passage of the HEARTH Act to determine how to allocate ESG funds for eligible activities. NMCEH also provided review of the draft Requests for Proposals for ESG-funded programs. Second, NMCEH staff has reviewed proposed ESG performance standards with MFA, and performance standards have been revised accordingly. The State of New Mexico has similarly been involved in the development of performance standards for the CoCs, and supports those standards through the State-funded CoC Performance Program. Finally, NMCEH, the State of New Mexico, and the City of Albuquerque, have developed the funding, policies and procedures for NM HMIS, through the HMIS Governing Committee and the preceding entity, the HMIS Management Team. This has included procuring new HMIS software, currently in place for ESG agencies.

3. Summary of Citizen Participation Process

The State of New Mexico is committed to keeping all interested groups and individuals informed of each phase of the Consolidated Planning process and of activities being proposed or undertaken under HUD formula grant programs. Opportunities to comment on or participate in planning community development and affordable housing activities and projects will be publicized and disseminated throughout the state.

An amendment to the Consolidated Plan is required whenever the jurisdiction determines to:

- Substantially change the allocation priorities or its method of distributing HUD formula grant funds;
- Utilize formula grant funds (including program income) to carry out an activity not previously described in the action plan; or
- Change the purpose, scope, location or beneficiaries of an activity.

Such changes, prior to their implementation, are reviewed under various federal or local requirements, particularly rules on procurement and/or policies on the allocation of public resources. Substantial amendments to the Consolidated Plan are, in addition, subject to a formal citizen participation process. Notice and the opportunity to comment will be given to citizens through public notices in local newspapers and other appropriate means, such as direct mail or public meetings. A public comment period of not less than 30 days will be provided prior to implementing any substantial amendment to the Consolidated Plan. MFA staff will prepare a summary of all comments received in writing and, in cases where any citizens' views are not accepted, provide reasons for the decision. This documentation will be attached to the substantial amendment, which will be available to the public and submitted to HUD.

Notice of the hearing and notification of the public comment period was published in the *Albuquerque Journal*, *Santa Fe New Mexican*, *Carlsbad Current-Argus*, *Las Cruces Sun News*, and the *Farmington Daily Times* on March 29, 2012. The hearing was held April 30, 2012. Comments were received as shown below, along with their responses or where the changes were made in the Amendment.

Received via telephone Monday, April 2, 2012

Comment: HUD Continuum of Care rules limit the use of the alternate definition of youth homelessness under other Federal statutes. If these rules apply to ESG, there may be further limitations needed.

Response: Current HUD guidance in Notice CPD-12-001 applies to programs governed by 24 CFR Parts 582 and 583 and 42 U.S.C. 11381 et seq. HUD has not yet provided guidance on this definition for ESG programs. If an additional limitation applies, eligibility will follow HUD guidance.

Received via telephone Monday, April 2, 2012

Comments: The performance standards of 70% (EHAP) and 90% (RAP) of persons exiting to housing seem high. What is the source of these standards and can they realistically be met by providers?

Response: The amendment has been modified to include the source of these performance standards, which is performance data from existing ESG and Homelessness Prevention and Rapid Re-Housing Program providers.

Received via email Wednesday, April 4, 2012

Comment: Rapid rehousing for survivors of domestic violence has proven to be the single most effective approach to resolving the multiple problems that women who are survivors of domestic violence must overcome. A CDC funded study shows astounding declines in alcohol and substance abuse in survivors as well as marked reductions in PTSD symptomology and clinical depression markers. Their children do better in school and also experience a reduction in mental health problems. This is a powerful tool to assist survivors of domestic violence and I urge MFA to develop a way to make this funding quickly available to rehouse survivors.

Response: We will take this into consideration as we structure this and future funds. Currently, domestic violence shelters may apply for re-housing funds through the Rental Assistance Program (RAP).

Received via email Friday, April 6, 2012

Comment: It is not clear in the standards whether the ESG shelter funds and the Homeless Prevention funds will still be separate in the next grant cycle. Will a provider be able to apply for both in the next cycle?

Response: The current RFPs for EHAP and RAP are not mutually exclusive. Applicants for RAP are required to have minimum experience with income verification, rent calculation and housing inspections.

Received via email Thursday, April 19, 2012

Comment: The plan shows most of the funding from ESG and the State Homeless Programs is going to support emergency shelters. While there will be a need for emergency shelters for the foreseeable future, it seems that we should have a plan to slowly move as much of this funding as possible to the more effective programs of rapid rehousing and those that are part of the CoC match, transitional housing and permanent supportive housing. Planning to make such a move should include the agencies involved so that they can transition their programs as much as possible to these more effective models. Perhaps we can make this part of our state planning to end homelessness.

Response: The MFA supports all efforts to assist agencies in moving to best practices. Given the present needs in the state and local agency capacity, the MFA finds the proposed plan allocations to be balanced, at nearly even allocations for emergency shelters and rental assistance. The breakdown is as follows: 39% of total funds for emergency shelters, 31% for rental assistance & associated services, 13% for HMIS, 11% for Continuum of Care Performance, and 6% for administrative costs. MFA provided the proposed fund allocations to NMCEH to solicit their input.

Received via email Thursday, April 19, 2012

Comment: We are interested in working with MFA on a centralized or coordinated assessment system. We are currently waiting for further guidance from HUD about what is expected and we expect this to be made clear by the forthcoming HEARTH regulations.

Response: The MFA concurs on waiting to develop a centralized or coordinated assessment system until the planning entities for the Continuums of Care have sufficient information to begin this process.

Received via email Monday, April 23, 2012

Comment: Regarding pg. 10 - "If a shelter has a mission to provide victim services, but does not have appropriate accommodations on site for men, the shelter may contact MFA for approval to use ESG funds for motel vouchers for men." COMMENT - this is very welcome especially in rural areas of the state. Logistically, if this section is retained, I hope the process is as easy as this sounds.

Response: The MFA will make every effort to facilitate efficient provision of services, and anticipates incorporating approval of motel vouchers in the contract approval process, with contract budget and agency policy review.

Received via email Monday, April 23, 2012

Comment: Regarding pg 10 - "Emergency Homeless Assistance Program providers shall establish internal policies and procedures to assess, prioritize, and reassess needs for essential services related to emergency shelter. All providers shall make an initial assessment of needs within 7 days of shelter entry, and reassess needs within 30 days." COMMENT - what if the ESG recipient is not utilizing funds for essential services? While our agency provides essential services, ESG funds are not the stream we utilize to pay for this service. Requirement for this type of assessment and reassessment may place undue burden on the agency.

Response: The Substantial Amendment has been revised to reflect that the assessment requirements are only for those subrecipients using ESG funds for Essential Services.

Received via email Monday, April 23, 2012

Comment: Regarding pg 11 - 6c. "Have experienced two or more moves during last 60 days; AND" COMMENT - the requirement to have moved twice, in light of 6a, b and d, seems extraordinarily excessive. While this may be an excellent way to eliminate people from program funding, this requirement seems to place an even greater hardship on homeless families who cannot afford to move once let alone twice.

Response: This policy is from 24 CFR 576.2, the HUD definition of homelessness and as such cannot be revised by the MFA. This particular section is for unaccompanied youth under 25 or families with children who do not otherwise qualify as homeless but meet the criteria outlined. This section broadens the definition of homelessness or at risk of homelessness which includes families who have moved at least twice in the past 60 days.

Received via email Monday, April 23, 2012

Comment: Regarding pg 11 - 7a. "Have identified no subsequent residence; AND" COMMENT - this section is speaking about those fleeing or attempting to flee from domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions related to violence. There may be identified "subsequent residence(s)" but none of them may be safe. I would suggest re-writing this to state "Have identified no subsequent safe residence..." During the interview process for application of RAP assistance, there should be adequate discovery as to why other options are not "safe".

Response: The MFA recognizes the importance of an appropriate interview for RAP eligibility for persons fleeing domestic violence, and the need to identify appropriate subsequent residences. This policy is from 24 CFR 576.2, the HUD definition of homelessness and as such cannot be revised by the MFA; however, agency guidance on documenting subsequent residences will include these concerns.

4. Match

The ESG program in New Mexico has historically met its match requirements by over 200%, from private and public sources. The State of New Mexico last year provided \$483,203 in funds for ESG-

eligible activities. All remaining match is provided by the subrecipient agencies. The next four highest sources are: donations (cash or in-kind); NM Children Youth and Families Department, which supports domestic violence shelters; NAHASDA, which supports a shelter largely serving the off-reservation Native American population; San Juan United Way, which supports shelters and rental assistance programs in San Juan County; and the City of Albuquerque, which supports shelters and rental assistance programs in the City of Albuquerque. All match resources support the operations of ESG programs in the local communities. In the upcoming year, additional match resources are anticipated from HOME Tenant Based Rental Assistance, which will be used to support rental assistance for ESG-eligible clients. Full details on match from calendar year 2011 are in Figure 1, below; as match is determined by individual agencies, the future match sources and amounts may vary, but are expected to be similar in scope.

Match by Source and Activity for Calendar Year 2011					
Match Sources	Admin	Emergency Shelter Operations	Essential Services	Homeless Prevention	Total
CDBG			1,200	13,882	15,082
City of Albuquerque		83,489		39,734	123,223
City of Las Cruces Health and Human Services funds			5,317		5,317
City of Santa Fe	127	6,030		1,598	7,755
Department of Health			1,100	1,742	2,842
Development income (non-profit)			12,298		12,298
Donated building rent, City of Alamogordo	159	47,091			47,250
Donated building rent, City of Carlsbad		6,328			6,328
Donated building rent, City of Las Cruces	653	46,393	31,794	8,298	87,137
Donations: cash or in-kind	1,884	241,624	47,608	17,174	308,290
FEMA EFSP		2,112			2,112
Frances Thaxton Ash Endowment			3,354		3,354
Good Samaritan			239	400	639
HOME TBRA			822	12,650	13,472
McKinley County Liquor Excise Tax	477	18,100			18,577
Medicaid			16,229		16,229
NAHASDA		171,560			171,560
Navajo Way		12,623			12,623
NM Children Youth and Families Department (CYFD)	2,488	181,791	19,564	8,754	212,597
NM Veterans Services				5,968	5,968
Program fees (client rent)			16,954		16,954
San Juan United Way	1,260	85,368	6,972	-	93,600
Staff salaries			1,937	500	2,437
United Way of Central NM			65,741	6,999	72,740
United Way of Northern NM		16,247			16,247
VOCA		72,238			72,238
Volunteer time			7,886	2,067	9,953
Total	7,047	990,994	239,013	119,766	1,356,821

Table 1 Match Sources for ESG

5. Proposed Activities and Overall Budget

a. Proposed Activities

The proposed activities will be undertaken from July 1, 2012 to June 30, 2013. The proposed activities are as follows:

Objective Category: Decent housing

Outcome Category: Affordability

- i. Rapid Re-Housing Rental Assistance: Rapid re-housing: rental assistance provides literally homeless individuals and families with rental assistance for up to 11 months during a program year or no more than 24 months during a 3 year period. The goal is to serve 20 chronically homeless individuals.
- ii. Rapid Re-Housing Housing Relocation and Stabilization Services: Rapid re-housing: housing relocation and stabilization services provides literally homeless individuals and families with services to help them locate and stabilize their housing with any of the following activities: financial assistance (fees and deposits), housing search and placement, housing stability and case management, mediation between client and landlord, legal services and, credit repair. The goal is to serve 85 chronically homeless individuals.
- iii. Homelessness Prevention Rental Assistance: Homeless Prevention: Rental Assistance provides individuals and families at-risk of homelessness with rental assistance for up to 11 months during a program year or no more than 24 months during a 3 year period. The goal is to serve 176 At-Risk individuals.
- iv. Homelessness Prevention – Housing Relocation and Stabilization Services: Homeless Prevention: Housing Relocation and Stabilization Services provides individuals and families at-risk of homelessness with services to help them locate and stabilize their housing with any of the following activities: financial assistance (fees and deposits), housing search and placement, housing stability and case management, mediation between client and landlord, legal services and, credit repair. The goal is to serve 397 At-Risk individuals.

Objective Category: Suitable living environment

Outcome Category: Availability/accessibility

- i. Emergency Shelter Operations: Emergency Shelter Operations provides emergency overnight shelter to people experiencing homelessness, including people fleeing domestic violence and homeless and runaway youth, through funds for shelters. The goal is to serve 8000 individuals in 5000 households, through emergency overnight shelters, domestic violence shelters, and youth shelters.
- ii. Emergency Shelter Essential Services: Emergency Shelter Operations provides essential services to people experiencing homelessness, including people fleeing domestic violence and homeless and runaway youth, through funds for shelters. Shelters may provide any of the following activities: case management, child care, education services, employment assistance and job training, legal services, life skills, mental health services, outpatient health services, substance abuse treatment services, and transportation. The goal is to serve 700 individuals residing in shelters.

HMIS (Homeless Management Information System): HMIS provides funding to emergency shelters and rental assistance providers to enter participant data into the State's Homeless Management Information System. HMIS also provides funding to the HMIS lead agency, NMCEH, to operate the HMIS, including implementing a comparable database for victims services providers. The goal is to establish a comparable database for victim's services providers, and achieve an 80% data quality rating across all ESG and State funded agencies.

b. Discussion of Funding Priorities

Rapid Re-Housing is a funding priority, as demonstrated in the budget and policies on determining and prioritizing eligible families and individuals. Based on lessons learned from HPRP, rapid re-

housing funding will be divided between tenant based rental assistance (80%) and housing relocation and stabilization services (20%).

Currently, based on agency operations across the state, maintaining existing shelter operations is a priority. While increasing re-housing efforts is essential, there is no replacement for emergency shelters for people experiencing homelessness and fleeing domestic violence, especially as communities approach how to make re-housing work at the local level.

A final priority for the current funding year is establishing an effective comparable database system for victim’s services providers, 17 of which are currently funded by ESG, and transitioning to high-quality participation by remaining ESG recipients, including several larger scale shelters. It is anticipated that this transitional year will require significant up front resources, which can subsequently be scaled back to provided additional support for re-housing activities.

There are a few obstacles to addressing underserved needs in the community. One of the most pressing is finding quality housing that both passes Housing Quality Standards (HQS) inspection and meets the Fair Market Rent. The 2012 Fair Market Rents were lowered in many counties; this creates an additional obstacle to serving very-low income families when they qualify for rapid re-housing and homeless prevention assistance. An additional obstacle is the lack of qualified homeless services providers in all parts of the state, which limits the reach of the funds.

c. Detailed Budget

The overall budget proposed is based on a combination of FY2011 ESG funds, FY2012 ESG funds, and estimated 2012 State Homeless funds. These combined budgets include only the new activities allowable for FY2011 and the statutory limit of 60% for emergency shelters and street outreach for FY 2012. Amounts budgeted by specific activity are based on previous allocations and experience gained through administering the American Recovery and Reinvestment Act Homelessness Prevention and Rapid Re-Housing Program (HPRP). Summary budgets are in Table 2, below.

Total ESG and State Homeless Funds Summary	
Activity Type	Estimated Amount
Continuum of Care Performance	\$245,270.00
Homeless Assistance	\$2,026,810.33
Homelessness Prevention	\$408,009.67
Data Collection (HMIS)	\$279,755.00
Administrative Activities	\$220,373.00
Total	\$3,180,218.00
FY 2011 Emergency Shelter/Solutions Grant Summary	
Activity Type	Estimated Amount
Homeless Assistance	\$769,839.33
Homelessness Prevention	\$166,243.67
Data Collection (HMIS)	\$120,750.00
Administrative Activities	\$85,689.00
Total	\$1,142,522.00

FY 2012 Emergency Solutions Grant Summary	
Activity Type	Estimated Amount
Homeless Assistance	\$955,272.00
Homelessness Prevention	\$168,075.00
Data Collection (HMIS)	\$90,250.00
Administrative Activities	\$98,399.00
Total	\$1,311,996.00
State Homeless Funds Summary	
Activity Type	Estimated Amount
Continuum of Care Performance	\$245,270.00
Homeless Assistance	\$301,699.00
Homelessness Prevention	\$73,691.00
Data Collection (HMIS)	\$68,755.00
Administrative Activities	\$36,285.00
Total	\$725,700.00

Table 2 Overall Proposed Budget

Detailed budgets for each funding source follow on the attached pages as Tables 3, 4 and 5. These detailed budgets are for planning purposes only; the MFA will use the funds in the aggregate as indicated, but may reallocate among funding sources to ensure that expenditure deadlines are met.

ESG FY 2011 Detailed Budget Table					
First Allocation		\$731,214.00	FY 2011		
Second Allocation		\$411,308.00	Emergency Shelter Grants /		
Grant Amount		\$1,142,522.00	Emergency Solutions Grants		
Administration		\$85,689.00	Program Allocations		
		First Allocation		Second Allocation	Total Fiscal Year 2011
	Eligible Activities	Activity Amount	Reprogrammed Amount	Activity Amount	Activity Amount
Emergency Shelter Grants	Homeless Assistance	\$666,904.33	\$0.00		\$728,214.00
	Operations	\$565,457.82	\$0.00		\$565,457.82
	Essential Services	\$101,446.51	\$0.00		\$101,446.51
	Homelessness Prevention	\$63,309.67	\$0.00		\$63,309.67
	Administration	\$1,000.00	\$0.00		\$1,000.00
	Emergency Shelter Grants Subtotal	\$731,214.00	\$0.00		\$731,214.00
Emergency Solutions Grants Program	Emergency Shelter**			\$0.00	\$0.00
	Street Outreach - Essential Services**			\$0.00	\$0.00
	HMIS		\$0.00	\$120,750.00	\$120,750.00
	Rapid Re-housing		\$0.00	\$102,935.00	\$102,935.00
	Housing Relocation and Stabilization Services		\$0.00	\$0.00	\$0.00
	Tenant-Based Rental Assistance		\$0.00	\$102,934.00	\$102,934.00
	Project-Based Rental Assistance		\$0.00	\$0.00	\$0.00

Homelessness Prevention		\$0.00	\$102,934.00	\$102,934.00
<i>Housing Relocation and Stabilization Services</i>		\$0.00	\$0.00	\$0
<i>Tenant-Based Rental Assistance</i>		\$0.00	\$102,934.00	\$102,934.00
<i>Project-Based Rental Assistance</i>		\$0.00	\$0.00	\$0.00
Administration			\$84,689.00	\$84,689.00
Emergency Solutions Grants Subtotal		\$0.00	\$411,308.00	\$411,308.00
Total Grant Amount:				\$1,142,522.00

Table 3 Detailed Budget for FY2011 ESG

ESG FY 2012 Detailed Budget Table		
		FY 2012
Grant Amount		\$1,311,996.00
Administration		\$98,399.00
		Emergency Solutions Grant Program Allocation
		Total Fiscal Year 2012
Emergency Solutions Grants Program	Emergency Shelter	\$787,197.00
	<i>Operation</i>	\$728,157.00
	<i>Essential Service</i>	\$59,040.00
	HMIS	\$90,250.00
	Rapid Re-housing	\$168,074.00
	<i>Housing Relocation and Stabilization Services</i>	\$50,422.00
	<i>Tenant-Based Rental Assistance</i>	\$117,652.00
	<i>Project-Based Rental Assistance</i>	\$0.00
	Homelessness Prevention	\$168,076.00
	<i>Housing Relocation and Stabilization Services</i>	\$50,423.00
	<i>Tenant-Based Rental Assistance</i>	\$117,653.00
	<i>Project-Based Rental Assistance</i>	\$0.00
	Administration	\$98,399.00
	Total Grant Amount:	\$1,311,996.00

Table 4 Detailed Budget for FY2012 ESG

State Homeless FY 2012 Detailed Budget Table		
		FY 2012
Grant Amount		\$725,700.00
Administration		\$36,285.00
		State Homeless Program Allocation
		Total Fiscal Year 2012
Continuum of Care Performance Program		\$245,270.00
Emergency Solutions Grants Program	Emergency Shelter	\$228,007.00
	<i>Operation</i>	\$228,007.00
	<i>Essential Service</i>	\$0.00
	HMIS	\$68,755.00
	Rapid Re-housing	\$73,692.00
	<i>Housing Relocation and Stabilization Services</i>	\$22,108.00

<i>Tenant-Based Rental Assistance</i>	\$51,584.00
<i>Project-Based Rental Assistance</i>	\$0.00
Homelessness Prevention	\$73,691.00
<i>Housing Relocation and Stabilization Services</i>	\$22,107.00
<i>Tenant-Based Rental Assistance</i>	\$51,584.00
<i>Project-Based Rental Assistance</i>	\$0.00
Administration	\$36,285.00
Total Grant Amount:	\$725,700.00

Table 5 Detailed Budget for FY2012 State Homeless

6. Written Standards for Provision of ESG Assistance

The State of New Mexico will have two standard policies and procedures, one for the Emergency Homeless Assistance Program, which funds emergency overnight shelters, and one for the Rental Assistance Program, which provides rental assistance.

Policies and procedures for the Emergency Homeless Assistance Program

a. Standard policies and procedures for evaluating individuals' and families' eligibility for assistance under ESG.

Emergency Homeless Assistance Program providers will evaluate individuals' and families' eligibility to be consistent with the definition of homeless 24 CFR 576.2 and recordkeeping requirements in 24 CFR 576.500(b), (c), (d) and (e). All persons served must be in one of the four categories of homelessness:

- (1) individuals and families who lack a fixed, regular, and adequate nighttime residence and includes a subset for an individual who resided in an emergency shelter or a place not meant for human habitation and who is exiting an institution where he or she temporarily resided;
- (2) individuals and families who will imminently lose their primary nighttime residence;
- (3) unaccompanied youth and families with children and youth who are defined as homeless under other federal statutes who do not otherwise qualify as homeless under this definition. The other Federal statutes are: These statutes are: the Runaway and Homeless Youth Act (42 U.S.C. 5701 et seq.), the Head Start Act (42 U.S.C. 9831 et seq.), subtitle N of the Violence Against Women Act of 1994 (42 U.S.C. 14043e et seq.) (VAWA), section 330 of the Public Health Service Act (42 U.S.C. 254b), the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.), section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), and subtitle B of title VII of the McKinney-Vento Act (42 U.S.C. 11431 et seq.). Providers using this category must obtain a certification from an entity which administers the qualifying statute.
- (4) individuals and families who are fleeing, or are attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member.

All emergency shelters are required to comply with Fair Housing and Equal Housing Opportunity, as established in Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, which prohibits discrimination in the provision of housing and housing-related services based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), and handicap (disability).

All emergency shelters are required to comply with HUD's rule on Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity, as published in the Federal Register, Docket No. FR 5359-F-02. This rule prohibits considering a person's marital status, sexual orientation, or gender identity (a person's internal sense of being male or female) in the provision of housing and housing-related services.

Emergency shelters which have in their organizational bylaws an explicit mission to women, men, children, or youth may limit intake and eligibility by those specific categories. If a shelter has a mission to provide victim services, but does not have appropriate accommodations on site for men, the shelter may contact MFA for approval to use ESG funds for motel vouchers for men.

Emergency Homeless Assistance Program providers shall establish internal policies and procedures on evaluating eligibility for ESG assistance, and shall provide a copy of these policies and procedures for approval prior to beginning program services with FY 2011 second allocation funds.

b. Policies and procedures for coordination among emergency shelter providers, essential service providers, homelessness prevention and rapid re-housing assistance, providers, other homeless assistance providers, and mainstream service and housing providers.

Emergency Homeless Assistance Program and Rental Assistance Program recipients operate in collaboration with local shelters, essential service providers, homelessness prevention and rapid re-housing providers, other homeless assistance providers and mainstream service and housing providers. Frequently, the only services available in the community are through the recipient and small, volunteer run organizations. The State of New Mexico encourages coordination and monitors for services referrals, and allows each recipient to develop its own mechanism for accomplishing effective local coordination. Subgrantees should clearly document their collaboration plan within their service area and document referrals.

All Emergency Homeless Assistance Program and Rental Assistance Program providers shall establish internal policies and procedures on coordination, and provide a copy of these policies and procedures for approval prior to beginning program services with FY 2011 second allocation funds.

c. Policies and procedures for admission, diversion, referral and discharge by emergency shelters assisted under ESG, including standards regarding length of stay, if any, and safeguards to meet the safety and shelter needs of special populations and persons with the highest barriers to housing.

Emergency Homeless Assistance Program providers shall establish internal policies and procedures on admission, diversion, referral, discharge, length of stay, safety, the safety and shelter needs of special populations and persons with the highest barriers to housing, and grievances. The length of stay may not exceed 4 months.

Each agency shall provide a copy of these policies and procedures for approval prior to beginning program services with FY 2011 second allocation funds.

d. Policies and procedures for assessing, prioritizing, and reassessing individuals' and families' needs for essential services related to emergency shelter.

Emergency Homeless Assistance Program providers that use ESG funds for Essential Services shall establish internal policies and procedures to assess, prioritize, and reassess needs for essential services related to emergency shelter. All providers shall make an initial assessment of needs within 7 days of shelter entry, and reassess needs at least every 30 days.

Each agency shall provide a copy of these policies and procedures for approval prior to beginning program services with FY 2011 second allocation funds.

Policies and procedures for the Rental Assistance Program

a. Standard policies and procedures for evaluating individuals' and families' eligibility for assistance under ESG.

The Rental Assistance Program will evaluate individuals' and families' eligibility to be consistent with definitions of homeless and at risk of homeless in 24 CFR 576.2 and recordkeeping requirements in 24 CFR 576.500(b), (c), (d) and (e), as outlined below:

Definition of Homeless and At Risk of Homeless

Households must meet the HUD definition of homeless or at-risk of homelessness. Homeless is defined by meeting one of the following categories:

1. Literally homeless individuals/families
2. In places not meant for human habitation, such as cars, parks, sidewalks, abandoned buildings, or on the street;
3. In an emergency shelter;
4. Exiting an institution where they resided for 90 days or less AND were residing in emergency shelter or place not meant for human habitation immediately before entering institution;
5. Individuals/families who will imminently lose their primary nighttime residence within 14 days AND
 - a. No subsequent residence has been identified AND the person lacks the resources and support networks needed to obtain other permanent housing
6. Unaccompanied youth under 25 or families with children and youth who do not otherwise qualify as homeless, but who:
 - a. Meet homeless definition under another federal statute; AND
 - b. Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time in the last 60 days; AND
 - c. Have experienced two or more moves during last 60 days; AND
 - d. Can be expected to continue in such status for an extended period of time because of:
 - i. Chronic disabilities, OR
 - ii. Chronic physical health or mental health conditions, OR
 - iii. Substance addiction, OR
 - iv. Histories of domestic violence or childhood abuse (including neglect) OR
 - v. Presence of a child or youth with disability, OR
 - vi. Two or more barriers to employment
7. Individuals/family fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions related to violence, who:
 - a. Have identified no subsequent residence; AND
 - b. Lack the resources and support networks needed to obtain other permanent housing.

"At Risk of Homelessness" Definition

MFA plans to serve individuals and/or families that are "at risk of homelessness", as defined under 24 CFR 576.2 based on the risk factor, "otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness."

At-risk of homelessness is defined by meeting one of the following definitions:

- a. Individuals/families have annual incomes below 30% AMI; AND
- b. Do not have sufficient resources or support networks immediately available to prevent literal homelessness; AND
- c. Meet at least one of 7 conditions:

- i. Moved two or more times due to economic reasons in 60 days prior to application for assistance
- ii. Living in home of another due to economic hardship
- iii. Losing housing within 21 days after application date
- iv. Live in hotel/motel not paid for by charitable organizations or Federal/state/local government programs
- v. Lives in severely overcrowded unit as defined by the US Census Bureau
- vi. Exiting publicly funded institution or system of care
- vii. Lives in housing associated with instability and increased risk or homelessness, as defined in the Consolidated Plan
- d. Children/youth who qualify under other federal statutes
 - i. Does not include children/youth who qualify under the homeless definition
 - ii. Does not include parents or guardians
 - iii. Regulations include the list of applicable other applicable other federal statutes.
- e. Children/youth who qualify as homeless under the Education for Children and Youth Program (725(2) of the McKinney-Vento Act) and the parents or guardians of that child/youth if living with him/her.

Recordkeeping Requirements

In accordance with 24 CFR 576.500(b), (c), (d) and (e)

The following outline intake procedures and required documentation at intake of the evidence relied upon to establish and verify homeless status. These 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.

The 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 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 changes 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 the homeless definition, as previously defined, acceptable evidence including 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, as previously defined, because he or she is 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 1 and one of the following:
 - a. 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
 - b. Where the evidence in paragraph (a) above is not obtainable, a written record of the intake worker's due diligence in attempting to obtain the evidence described in paragraph (a) above 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 resides for 90 days or less.

- c. If the individual or family qualifies as homeless under section a(5) of the homeless definition because the individual or family will imminently lose their housing, the evidence must include:
 - i. 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;
 - ii. 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
 - iii. 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:
 1. Be verified by the owner or renter of the housing in which the individual or family resides at the time of the 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
 2. 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;
 - iv. Certification by the individual or head of household that no subsequent residence has been identified; and
 - v. Certification of other written documentation that the individual or family lacks the resources and support networks needed to obtain other permanent housing.
3. If the individual or family qualifies as homeless under section a (6) of the homeless definition, because the individual or family does not otherwise qualify as homeless under the homeless definition but is an unaccompanied youth under 25 years of age, or homeless family with one or more children or youth, and is defined as homeless under another Federal statute or section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)), the evidence must include:
 - a. For section a (6)(a) of the homeless definition, certification of homeless status by the local private nonprofit organization or state or local governmental entity responsible for administering assistance under the Runaway and Homeless Youth Act (42 U.S.C. 5701 *et seq.*), the Head Start Act (42 U.S.C. 9831 *et seq.*), subtitle N of the Violence Against Women Act of 1994 (42 U.S.C. 14043e *et seq.*), section 330 of the Public Health Services Act (42 U.S.C. 254b), the Food and Nutrition Act of 2008 (7 U.S.C. 2011 *et seq.*), section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), or subtitle B of the title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 *et seq.*), as applicable;
 - b. For section a. (6)(b) of the homeless definition, referral by a housing service provider, written observation by an outreach worker, or certification by the homeless individual or head of household seeking assistance;
 - c. For section a. (6)(c) of the homeless definition, certification by the individual or head of household and any available supporting documentation that the individual or

family moved two or more times during the 60-day period immediately preceding the date of application for homeless assistance, including: recorded statements or records obtained from each owner or renter of housing, provider of shelter or housing, or a social worker, case worker, or other appropriate official of a hospital or institution in which the individual or family resided; or where these statements or records are unobtainable, a written record of the intake worker's due diligence in attempting to obtain these statements or records. Where a move was due to the individual or family fleeing domestic violence, dating violence, sexual assault, or stalking, then the intake worker may alternatively obtain a written certification from the individual or head of household seeking assistance that they were fleeing that situation and that they resided at that address; and

- d. For section a. (6)(d) of the homeless definition written diagnosis from a professional who is licensed by the state to diagnose and treat that condition (or intake staff recorded observation of disability that within 45 days of date of the application for assistance is confirmed by a professional who is licensed by the state to diagnose and treat that condition); employment records; department of corrections records; literacy, English proficiency tests; or other reasonable documentation of the conditions required under For section a. (6)(e) of the homeless definition.
4. If the individual or family qualifies under section a. (7) of the homeless definition, 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 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.

b. Policies and procedures for coordination among emergency shelter providers, essential service providers, homelessness prevention and rapid re-housing assistance, providers, other homeless assistance providers, and mainstream service and housing providers.

Emergency Homeless Assistance Program and Rental Assistance Program recipients operate in collaboration with local shelters, essential service providers, homelessness prevention and rapid re-housing providers, other homeless assistance providers and mainstream service and housing providers. Frequently, the only services available in the community are through the recipient and small, volunteer run organizations. The State of New Mexico encourages coordination and monitors for services referrals, and allows each recipient to develop its own mechanism for accomplishing effective local coordination. Subgrantees should clearly document their collaboration plan within their service area and document referrals.

All Emergency Homeless Assistance Program and Rental Assistance Program providers shall establish internal policies and procedures on coordination, and provide a copy of these policies and procedures for approval prior to beginning program services with FY 2011 second allocation funds.

c. Policies and procedures for determining and prioritizing which eligible families and individuals will receive homelessness prevention assistance and which eligible families and individuals will receive rapid re-housing assistance.

The Rental assistance program priority is to help individuals and families overcome their immediate housing obstacles and connecting them with the resources they need to stay housed when the program ends through case management and assistance creating a housing stability plan. Prioritization to receive rapid re-housing and homeless prevention assistance is as follows:

1. Currently homeless
 - a. Homeless families with children
 - b. Single or couples without children
2. Living in a shelter
 - a. Families with children
 - b. Single or couples without children
3. Facing Eviction
 - a. Received a court ordered Judgment for Eviction
 - i. Families with children
 - ii. Single or couples without children
 - b. Received a 3-day notice for eviction from landlord
 - i. Families with children
 - ii. Single or couples without children
4. Other homeless or risk of homelessness

The subgrantee should clearly document its procedures for prioritizing applications based on urgency, and should document in the applicant file the basis for prioritizing that application. The subgrantee should also include in its procedures a safeguard to ensure that applications are not continually assigned a lesser priority.

d. Standards for determining the share of rent and utilities costs that each program participant must pay, if any, while receiving homelessness prevention or rapid rehousing assistance.

The Rental Assistance Program will calculate annual income as used in HUD programs like Section 8 and TBRA, as defined in 24 CFR 5.609 to determine the share of rent and utility costs that each program participant must pay, if any, while receiving homeless prevention or rapid re-housing assistance. Income documentation will be verified in accordance with HUD's Part 5 definition of income. Each household receiving assistance must pay a minimum monthly rent payment. The rent payment will be the greater of:

1. 30% of monthly adjusted gross income, or
2. 10% of monthly gross income, or
3. Minimum contribution of \$1.00

e. Standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time.

Rental Assistance Program standards:

1. Program Participants receiving project-based rental assistance must have a lease that is for a period of 1-year or less, regardless of the length of rental assistance;

2. Program participants receiving rapid re-housing assistance must be re-evaluated at least once every year and program participants receiving homeless prevention assistance are required to be evaluated at least once every 3 months;
3. No program participant may receive more than 24 months of assistance in a 3-year period.
4. Program participants may be re-evaluated sooner than every 3 months under the following criteria:
 - a. Household composition change
 - b. Sudden reduction in income

f. Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the program participants receives assistance; or the maximum number of times the program participants may receive assistance.

1. Subgrantees may provide rapid re-housing or homeless prevention assistance for a maximum of 11 months.
2. If a client returns after the 11 months maximum, the subgrantee may determine if they will provide an additional 11 months of assistance since HUD allows for a maximum of 24 months of ESG assistance within 3 years.

7. Describe Process for Making Sub-awards

Sub-awards are made for the Emergency Homeless Assistance Program using a competitive request for proposal process and a renewal process. Each year, a competitive RFP is issued to identify new providers. The RFP includes minimum threshold items and scoring criteria based on financial capacity, experience, and community need in the proposed service area. Once proposals are received, MFA has an internal team review and score each proposal. Current recipients are provided the opportunity to renew annually and are requested to send updates to the proposal qualifications previously submitted. The funding formula is primarily based on shelter occupancy, with a portion determined by a minimum award per provider, a portion based on performance in helping residents exit to housing, and a portion based on meeting minimum contract benchmarks. Awards are approved by MFA's Board of Directors. If there are any protests to the awards determined, MFA's RFP outlines a protest procedure. Once awards are determined, MFA and the Sub-grantee enter into a contract for the determined award amount.

Sub-awards are made for the Rental Assistance Program using a competitive request for proposal process which includes minimum threshold items and scoring criteria based on capacity, program/project readiness, finance, experience, community need in the proposed service area. Once proposals are received, MFA has an internal team review and score each proposal. The awards will be determined based on organizations that meet the minimum threshold, scoring and community need. Awards are approved by MFA's Board of Directors. If there are any protests to the awards determined, MFA's RFP outlines a protest procedure. Once awards are determined, MFA and the Sub-grantee enter into a contract for the determined award amount.

8. Homeless Participation Requirement

While the Homeless Participation requirement does not apply to states, all subrecipients are required to consult and coordinate with people who have experienced homelessness on their program policies. This may include a person on the agency's Board of Directors, or may be through a process outlined in policies and procedures. Policies and procedures, and record of compliance, on this pre-existing State requirement must be available for monitoring.

9. Performance Standards

All ESG programs will be evaluated on their success in placing people into housing on program exit. This rating will determine in part the amount of funds provided to specific programs. Standards for the upcoming year have been developed based current performance by Emergency Shelter Grant and Homelessness Prevention and Rapid Re-Housing Program providers. The Emergency Homeless Assistance Program's performance standard is to transition 70% of program participants to transitional or permanent housing on exit from shelter. The Rental Assistance Program's performance standards goal is to transition 90% of program participants to permanent housing.

10. Certifications

All required Certifications are attached to this amendment.

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

The State of New Mexico is not eligible to use any portion of the second allocation of FY 2011 funds for emergency shelter and street outreach activities.

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

MFA plans to serve individuals and/or families that are "at risk of homelessness", as defined under 24 CFR 576.2 based on the risk factor, "otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness." The definition of "at risk of homelessness" is also outlined in the policies above in Section a.

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

1. Centralized or Coordinated Assessment System

The Continuums of Care in New Mexico have not yet developed a centralized or coordinated assessment system. The State of New Mexico will collaborate with both Continuums of Care in the development of a system that will be appropriate for use by ESG programs.

2. Monitoring

The State of New Mexico will utilize its existing monitoring procedures, cited in its 2012 Action Plan on page 66. These monitoring procedures are currently in use to monitor existing programs utilizing State funds, HOME funds and HPRP funds with requirements similar to the new ESG rules.

Amendment for the HOME Investment Partnerships Program

In response to significant reductions in HOME funds for FY12, MFA's Policy Committee requested that each HOME Program Manager provide suggested changes to their respective programs. The recommended changes are intended to curtail program activities as well as provide future program income.

SINGLE FAMILY DEVELOPMENT: The current policy for HOME Single Family Development is: "Subsidies combined cannot exceed \$20,000 per unit for permanent financing. In addition, up to \$40,000 may be allowed for interim (acquisition and/or construction financing) as long as it is paid down to no more than \$20,000 for permanent financing. These funds may be recovered or

converted to “junior” homebuyer loans when an eligible buyer purchases the house. Alternatively, funds can be drawn down initially at the time of sale to an eligible buyer.”

The policy will be revised to say that in the Single Family Development projects: “HOME funds may be used in combination with other down payment and closing cost assistance programs. However, all HOME subsidies combined cannot exceed \$15,000 per unit for permanent financing. Projects must demonstrate that HOME funds are needed and will enhance affordability. These funds will be drawn at the time of sale to an eligible buyer and be in the form of non-forgivable “junior” homebuyer loans.”

DOWN PAYMENT ASSISTANCE: In response to significant reductions in HOME funds for FY12, MFA’s Policy Committee requested that each HOME Program Manager provide suggested changes to their respective programs. The recommended changes are intended to curtail program activities as well as provide future program income. The suggested changes to the PaymentSaver, Helping Hand and Smart Choice programs are as follows:

- Revise PaymentSaver, Helping Hand and Smart Choice program policies regarding recapture to remove the affordability period for each loan program, which will make the loans repayable and due following the sale or refinance of the loan.
- Revise program policies regarding recapture to specify that the recapture amount from the homebuyer cannot exceed the net gain on the sale or refinance of the property, regardless if the original loan exceeds the net gain on sale or refinance.
- Revise program policies to reflect FY12 HOME income and sales price limits, if applicable.

OWNER-OCCUPIED REHABILITATION: As a result of the substantially reduced HOME funding to MFA, Management and Staff have determined that MFA cannot support two Owner Occupied Home Rehabilitation Programs; the competitive block grant and the House by House Program. In previous years, between both programs, MFA rehabilitated over 80 homes. With the reduction of HOME funds in 2012, MFA will only be able to rehabilitate approximately 45 homes.

In order to potentially service a larger portion of the state, MFA intends to modify the House by House Program, and release a Notice of Funds Availability (NOFA). Agencies will apply to become Eligible Partners and will reserve funds on a project by project basis. The 2011 block grant recipients will be allowed upwards to five (5) open projects at one time whereas new agencies or current House by House providers will be allowed up to three (3) open projects. This is the most substantial change to the existing program and there will likely be other minor changes as well. The program is still being designed for 2012.