



Foundational Overview of ESG & ESG-CV



Learning Objectives

- 1. Participants will be able to give an overview of the ESG Program and identify the state and federal agencies that administer their community's ESG and ESG-CV funds**
- 2. Participants will be able to identify the sources of ESG and ESG-CV program rules and regulations and how to research compliance questions (ESG Interim Rule, ESG-CV Notices, ESG and ESG-CV Waivers, CA state laws) including what federal overlay requirements apply to their ESG and ESG-CV grants**
- 3. Participants will be introduced to eligible participants and activities, including the ESG and ESG-CV eligible HUD categories of homelessness**



Training Agenda

- ESG & ESG-CV Background
- Program components and eligible activities
- Participant eligibility
- Other program and grant administration requirements



ESG Components & Eligible Costs





Emergency Solutions Grant (ESG) Program



- The ESG Program provides funding to:
 - Engage homeless individuals and families living on the street
 - Improve the number and quality of emergency shelters for homeless individuals and families
 - Operate the shelters and provide essential services to shelter residents
 - Rapidly re-house homeless individuals and families
 - Prevent families and individuals from becoming homeless

McKinney-Vento Homeless Assistance Act, as amended by the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009

- ESG Interim Rule
- Various Notices
- Defining Homeless Final Rule

- Passed in response to the COVID-19 pandemic, the **Coronavirus Aid, Relief, and Economic Security (CARES) Act** provided \$4 billion in supplemental ESG funding
- These ESG-CV funds are designed to:
 - Prevent, prepare for, and respond to COVID-19 among people experiencing homelessness
 - Support homeless assistance and homeless prevention activities to mitigate the impacts of COVID-19



ESG-CV funds mostly follow the same guidelines as regular ESG funds, but with some additional flexibilities and limitations to make it easier for ESG grantees to use ESG and ESG-CV grant funds for COVID-19 response



HUD released a series of waivers and alternative requirements which specify program requirements



Current Notice in effect: [Notice CPD-21-08: Waivers and Alternative Requirements for the ESG Program Under the CARES Act \(ESG-CV Notice, July 19, 2021\)](#)

- Flexibilities of ESG-CV Notices & Waivers Apply
- ESG Program Interim Rule applies for items not included in ESG-CV Notices

ESG-CV

Annual ESG

- Used to prevent, prepare or respond to coronavirus
- Prior to HUD FY2021

Annual ESG

This training focuses on ESG-CV & annual ESG used to prevent, prepare and respond to coronavirus.

ESG Program Interim Rule applies

More resources are available here: [ESG Program](#)

- The State of California receives ESG-CV funding from the Department of Housing and Urban Development (HUD)
- California's allocation is distributed to localities by the Department of Housing and Community Development (HCD)
- There are two rounds of funding ESG-CV1 and ESG-CV2

Why does this matter?

- Because ESG-CV funds come from the federal government and are distributed by the state of California
- Both federal and *state laws* and regulations govern the use of these funds



Where Are ESG Requirements Located?

State and Federal rules apply to state (CA) ESG-CV

- The Code of Federal Regulations (CFR) & California Code of Regulations (CCR)
 - [24 CFR 576](#) – regulations regarding eligible participants and program activities
 - [2 CFR 200](#) – admin, financial, and procurement policies
 - [25 CCR 8400-8421](#)
 - [Other federal and state statutes/regulations](#)



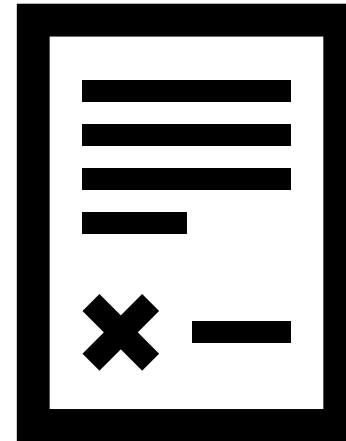
Where Are ESG-CV Grant Requirements Located?

- [The ESG-CV Notice](#) (HUD) & [CARES Act](#) (various federal departments and agencies)
- [ESG-CV1 NOFA](#) (HCD)
- [ESG-CV2 NOFA](#) (HCD)
- [HUD ESG Program Waivers](#) **



Where Are ESG-CV Grant Requirements Located?

- The community's request for proposal
- Any provisions required by your subrecipient grant agreement



- **Administrative Entity:** A unit of general-purpose government approved by HCD to administer State ESG funds.
- **Subrecipient:** means a unit of general-purpose local government or private nonprofit organization that receive ESG funds.
- **Annual ESG:** Standard ESG program funds distributed annually by HUD → HCD. Differing rules may apply to annual ESG.



Program Components for HCD ESG-CV

- Rapid Re-housing (RRH)
- Homeless Prevention (HP)
 - Only eligible for ESG-CV1
 - Eviction moratoria impact participant eligibility
 - HCD is disallowing homelessness prevention **rental assistance** to avoid duplication of benefits and make sure that beneficiaries can access the ERAP that provides up to 12 months of assistance
- Emergency Shelter (ES) & Temporary Emergency Shelter (TES)
- Street Outreach (SO)
- Homeless Management Information Systems (HMIS)
- Administration





Newly-Added Additional Eligible Activities (ESG-CV Notice CPD-21-08)



Sponsor-Based Rental Assistance

In addition to tenant-based and project-based rental assistance, funds may now be used for sponsor-based rental assistance (see p. 22-23 of the Notice for more information).



Renter's Insurance

Funding for renter's insurance for rapid re-housing and homelessness prevention program participants. Must be necessary to obtain/maintain housing (e.g., landlord requirement). Payment must be made directly to the insurance company on behalf of the program participant.



Laundry Services

Outreach funds may be used to provide laundry services (e.g., laundry trucks to outdoor locations where people reside).



Furniture & Household Furnishings

Rapid re-housing and homelessness prevention funds may be used to buy furniture and household furnishings for participant use while they are receiving assistance.



Essential Services

Services available to those receiving rapid rehousing or homelessness prevention assistance are expanded to include all listed at 24 CFR 576.102(a)(1).



Personal Protective Equipment (PPE)

Purchase of PPE (e.g., masks, hand sanitizer, etc.) for program participants as an essential service under emergency shelter and street outreach and for program participants receiving homelessness prevention and rapid rehousing.



Vaccine Incentives

Cash payments of up to \$50/dose to people experiencing homelessness as an incentive to receive the coronavirus vaccine.



Centralized/Coordinated Assessment

Additional costs to update/enhance/operate a coordinated entry system under 24 CFR 576.400(d). Documentation must show the use of funds is limited to an increase in system costs due to coronavirus. Recipient use of funds must be coordinated with the Continuum of Care (CoC).



Expanded Use of Cell phones & Internet

Costs to provide temporary cell phones for individuals and families experiencing homelessness, receiving rapid rehousing (CoC, YHDP, ESG) receiving ESG homelessness prevention, or residing in permanent supportive housing (CoC or YHDP). Cell phones must be owned by the recipient/subrecipient and loaned to participants. Wireless service plans must be the recipient/subrecipient's.



Existing Additional Eligible Activities (originally included in ESG-CV Notice CPD-20-08)



Handwashing Stations & Portable Bathrooms

Funds may be used to install and maintain handwashing stations and bathrooms in outdoor locations for people experiencing unsheltered homelessness.



Volunteer Incentives

Funds may be used to provide reasonable incentives to volunteers who have been/are currently helping to provide necessary street outreach, emergency shelter, essential services, and housing relocation and stabilization services during the coronavirus outbreak.



Training

Funds may be used for training on infectious disease prevention and mitigation for staff working directly to prevent, prepare for, and respond to coronavirus among persons who are homeless or at risk of homelessness. This training is not considered an administrative cost and is, therefore, not subject to the administrative cap on funding.



Temporary Emergency Shelters

Funds may be used to pay for the following costs related to temporary emergency shelters: leasing of real property, acquisition of real property (up to \$2.5 million per real property), renovation, shelter operations, services. Additional requirements for temporary emergency shelters are established in Section III.E.3.a of the Notice.



Landlord Incentives

Funds may be used to pay for landlord incentives for up to 3 times the rent charged for the unit, including signing bonuses, security deposits, repairing damages incurred by the program participant not covered by the security deposit or that are incurred while the program participant is still residing in the unit, and cost of extra cleaning or maintenance.



New Activities by ESG Component

ESG Activity Category in IDIS	Homeless Prevention	Rapid Rehousing	Shelter	Street Outreach	HMIS
Temporary Emergency Shelter			X		
Training	X	X	X	X	
Hazard Pay	X	X	X	X	
Handwashing Stations & Portable Bathrooms				X	
Landlord Incentives	X	X			
Volunteer Incentives	X	X			
Cell Phones & Internet				X	
Personal Protective Equipment for Program Participants	X	X	X	X	
Furniture and Household Furnishings	X	X			
Essential Services for Rapid Rehousing and Homeless Prevention	X	X			
Centralized or Coordinated Assessment				X	
Renter's Insurance	X	X			
Vaccine Incentives	X	X	X	X	
Laundry				X	
Sponsor-based Rental Assistance	X	X			
HMIS Lead					X
Expanded HMIS Costs					X

Additional Program Flexibilities



No cost limitation ES: No further limitation on costs of providing emergency shelter or temporary emergency shelter. ESG-CV funds may be used to pay for emergency shelter and temporary emergency shelter costs as needed.



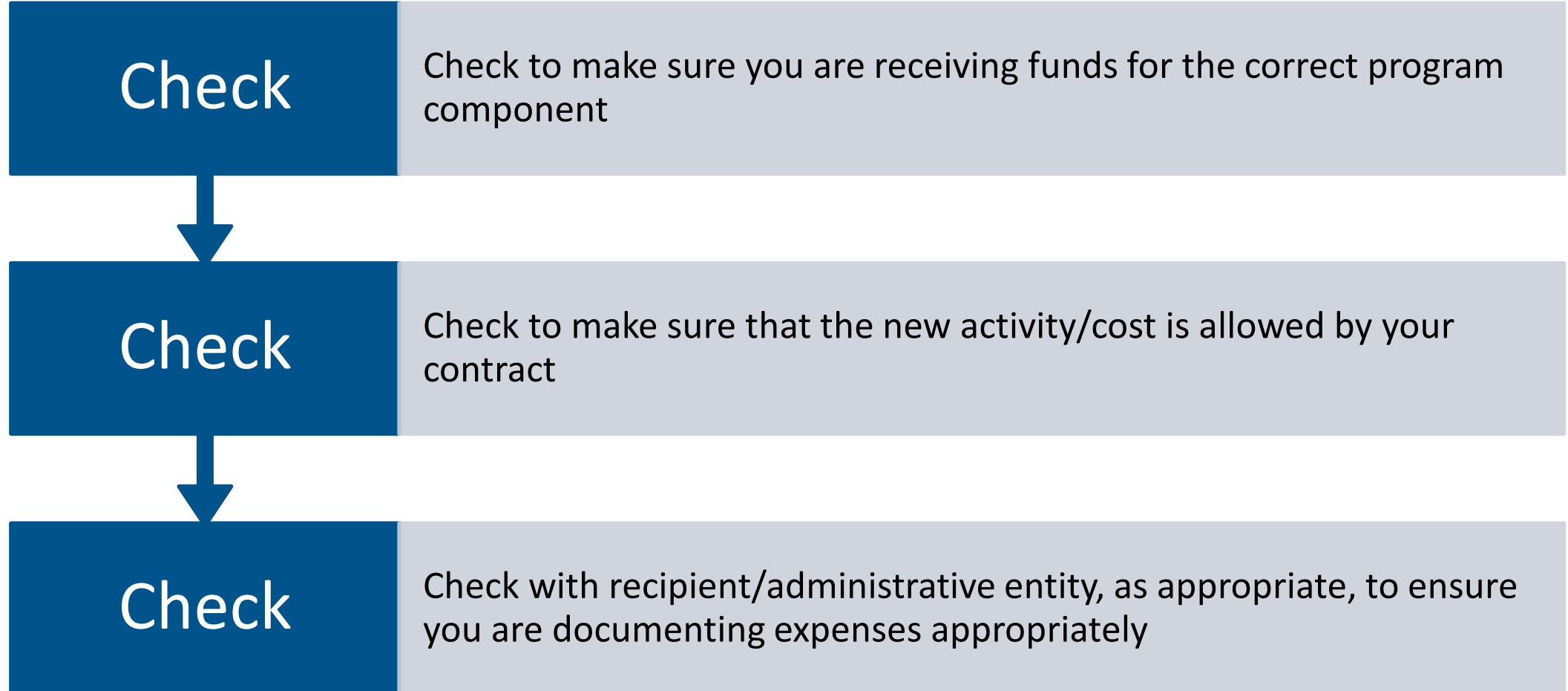
No time limit for rental assistance: No time limitation on services or rental assistance while receiving ESG-CV assistance. Rental arrears are capped at 6 months and grant funds must be expended by ESG-CV expenditure deadline.



Vacancy payment: Project-based rental assistance may pay for rent for a maximum of 30 days from the end of the month in which a unit was vacated while attempting to house another eligible program participant in that unit.



Before Spending \$ on New Eligible Activities





Additional Program Flexibilities

- **Subleases:** Participants may enter into subleases when receiving rapid re-housing or homelessness prevention assistance
- **No habitability for HP housing relocation/stabilization:** Recipients/subrecipients must ensure housing meets minimum habitability standards or Housing Quality Standards before helping a participant remain in or move into housing. Housing relocation and stabilization services for participants receiving homelessness prevention assistance may be provided without conducting a habitability or HQS inspection
- **Case management:** Recipients/subrecipients providing housing stability case management may provide those services for up to 60 days while the participant is seeking housing



Additional Program Flexibilities

- **Subawards to Indian Tribes:** No limitations on sub-awarding funds to Indian tribes and tribally-designated housing authorities
- **Temporary Emergency Shelter:** Allows conversion of Temporary Emergency Shelter acquired or improved with ESG-CV funds into Emergency Shelter without triggering disposition requirements
- **50% AMI for Homeless Prevention:** At risk of homelessness definition income limited raised from 30% of AMI to Very Low-Income limit of the area

ESG Components & Eligible Costs





Street Outreach: Overarching Principles

■ Eligible Program Participants:

- Category 1 or 4; and
- Unsheltered individuals and families, meaning those who qualify under paragraph (1)(i) of the definition of “homeless”, who are unwilling or unable to access services in emergency shelter

■ **Overview of Eligible Activities:** Essential services* to eligible participants provided on the street or in parks, abandoned buildings, bus stations, campgrounds, and in other such settings where unsheltered persons are staying. Staff salaries related to carrying out street outreach activities are also eligible.

* **Essential services** must be included under the street outreach component in the interim rule to be eligible costs with ESG funds



Street Outreach: Engagement

Activities to locate, identify and build relationships with **unsheltered homeless people** for the purpose of providing immediate support, intervention, and connections with homeless assistance programs and/or mainstream social services and housing programs

Eligible Costs

- ✓ Initial assessment of needs and eligibility
- ✓ Providing crisis counseling
- ✓ Addressing urgent physical needs
- ✓ Actively connecting and providing info and referral
- ✓ Cell phone costs of outreach workers



Street Outreach: Case Management

Assessing housing and service needs and arranging /coordinating/ monitoring the delivery of individualized services.

Eligible Costs

- ✓ Using the centralized or coordinated assessment system
- ✓ Initial evaluation / verifying and documenting eligibility
- ✓ Counseling
- ✓ Developing / securing / coordinating services
- ✓ Helping obtain Federal, state, and local benefits
- ✓ Monitoring / evaluating participant progress
- ✓ Providing information and referral to other providers
- ✓ Developing an individualized housing / service plan



Street Outreach: Emergency Health Services

Outpatient treatment of urgent medical conditions by licensed medical professionals in community-based settings (e.g., streets, parks, and campgrounds).

These services are eligible only to the extent that other appropriate health services are inaccessible/unavailable within the area

Eligible Costs

- ✓ **Assessing participants' health problems and developing treatment plans**
- ✓ **Assisting participants to understand their health needs**
- ✓ **Providing or helping participants obtain appropriate emergency medical treatment**
- ✓ **Providing medication and follow-up services**



Street Outreach: Emergency Mental Health Services

Outpatient treatment of urgent mental health conditions by licensed professionals in community-based settings (e.g., streets, parks, and campgrounds) These services are eligible only to the extent that other appropriate mental health services are inaccessible/unavailable within the area

Eligible Costs

- ✓ Crisis interventions
- ✓ Prescription of psychotropic medications
- ✓ Explain the use and management of medications
- ✓ Combinations of therapeutic approaches to address multiple problems



Street Outreach: Transportation

Travel by outreach workers, social workers, medical professionals or other service providers during the provision of eligible street outreach services

Eligible Costs

- ✓ Transporting unsheltered people to emergency shelters or other service facilities
- ✓ Cost of a participant's travel on public transit
- ✓ Mileage allowance for outreach workers to visit participants
- ✓ Purchasing or leasing a vehicle for use in conducting outreach activities, including the cost of gas, insurance, taxes and maintenance for the vehicle
- ✓ Costs of staff to accompany or assist participants to use public transportation



Street Outreach: Services to Special Populations

Otherwise, eligible Essential Services that have been tailored to address the special needs of **homeless youth, victims of domestic violence** and related crimes/threats, and/or **people living with HIV/AIDS** who are literally homeless

Eligible Costs

- ✓ **Engagement**
- ✓ **Case Management**
- ✓ **Emergency Health Services**
- ✓ **Emergency Mental Health Services**
- ✓ **Transportation**



Emergency Shelter: Overarching Principles

■ Eligible Program Participants:

- Individuals and families who are homeless (Categories 1-4 of the Homeless definition)

■ **Overview of Eligible Activities:** Essential services to persons in emergency shelters*, renovating buildings to be used as emergency shelters, and operating emergency shelters. Staff costs related to carrying out emergency shelter activities are also eligible.

* Essential services must be included under the emergency shelter component in the interim rule to be eligible costs with ESG funds



Emergency Shelter Overview





Emergency Shelter

Essential Services:

Services provided to individuals and families who are in an
Emergency shelter

- 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
- Transportation
- Services for Special Populations



Essential Services: Case Management

Assessing, arranging, coordinating, monitoring individualized services

- ✓ Using the coordinated entry system
- ✓ Initial evaluation including verifying and documenting eligibility
- ✓ Counseling
- ✓ Developing, securing and coordinating services including 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
- ✓ Developing an individualized housing and service plan



Essential Services: Child Care

Licensed childcare for program participants with children under the age of 13, or disabled children under the age of 18

Eligible Costs

- ✓ Childcare costs
- ✓ Meals and snacks
- ✓ Comprehensive and coordinated sets of appropriate developmental activities



Emergency Shelter

Essential Services: Education Services

Instruction or training to enhance participants' ability to obtain and maintain housing: literacy, ESL, GED, consumer education, health education, and substance abuse prevention

Eligible Costs

- ✓ Educational services / skill-building
- ✓ Screening, assessment and testing
- ✓ Individual or group instruction
- ✓ Tutoring
- ✓ Provision of books, supplies and instructional material
- ✓ Counseling
- ✓ Referral to community resources



Emergency Shelter

Essential Services: Employment Assistance and Job Training

Classroom, online computer, or on-the-job instruction; and services assisting participants to secure employment, acquire learning skills that can be used to secure and retain a job, and increase earning potential

Eligible Costs	<ul style="list-style-type: none">✓ Reasonable stipends in employment assistance and job training programs✓ Acquiring vocational licenses or certificates✓ Employment screening, assessment, or testing✓ Books and instructional material	<ul style="list-style-type: none">✓ Structured job-seeking support✓ Special training and tutoring, including literacy training and pre-vocational training✓ Counseling or job coaching✓ Referral to community resources
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Emergency Shelter

Essential Services: Outpatient Health Services

Direct outpatient treatment of medical conditions provided by licensed medical professionals. These services are eligible only to the extent that other appropriate health services are unavailable within the area

Eligible Costs

- ✓ Assessing health problems and developing a treatment plan
- ✓ Assisting program participants to understand their health needs
- ✓ Providing or helping participants obtain appropriate medical treatment, preventive medical care, and health maintenance services, including emergency medical services
- ✓ Providing medication and follow-up services
- ✓ Providing preventive and noncosmetic dental care



Emergency Shelter

Essential Services: Legal Services

Hourly fees and legal advice provided by licensed attorneys or staff under their supervision regarding matters that interfere with the program participant's ability to obtain and retain housing (i.e., child support, guardianship, paternity, emancipation, DV-related protective orders, appeal of public benefit claim denials, resolution of outstanding criminal warrants). These services are eligible only to the extent that other appropriate legal services are unavailable within the area

Eligible Costs

- ✓ Client intake
- ✓ Preparation of cases for trial
- ✓ Representation at hearings
- ✓ Court costs
- ✓ Filing fees
- ✓ Counseling



Emergency Shelter

Essential Services: Life Skills Training

Critical life management skills necessary to assist the program participant to function independently in the community

Eligible Costs

- ✓ Budgeting resources
- ✓ Managing money
- ✓ Managing a household
- ✓ Resolving conflict
- ✓ Shopping for food and needed items
- ✓ Improving nutrition
- ✓ Using public transportation
- ✓ Parenting



Emergency Shelter

Essential Services: Mental Health Services

Direct outpatient treatment of mental health conditions by licensed professionals. These services are eligible only to the extent that other appropriate mental health services are unavailable within the area

Eligible Costs

- ✓ **Crisis interventions**
- ✓ **Individual, family or group therapy sessions**
- ✓ **Prescription of psychotropic medications or explanations about the use and management of medications**
- ✓ **Combinations of therapeutic approaches to address multiple problems.**



Emergency Shelter

Essential Services: Substance Abuse Treatment Services

Substance abuse treatment services provided by licensed or certified professionals, designed to prevent, reduce, eliminate or deter relapse of substance abuse or addictive behaviors. These services are eligible only to the extent that other appropriate substance abuse treatment services are unavailable within the area

Eligible Costs

- ✓ **Client intake and assessment**
- ✓ **Outpatient treatment for up to thirty days**
- ✓ **Group and individual counseling**
- ✓ **Drug testing**



Emergency Shelter

Essential Services: Transportation

Costs of travel by program participants to and from medical care, employment, childcare, or other facilities that provide eligible essential services; and cost of staff travel to support provision of essential services

Eligible Costs

- ✓ Cost of a program participant's travel on public transportation
- ✓ Mileage allowance for service workers using their own vehicle to visit participants
- ✓ Purchasing or leasing a vehicle used for transport of participants and/or staff serving participants, including the cost of gas, insurance, taxes and maintenance for the vehicle
- ✓ Travel costs of staff to accompany or assist program participants to use public transportation



Emergency Shelter

Essential Services: Services for Special Populations

Otherwise, eligible essential services tailored to address the special needs of homeless youth, victims of domestic violence and related crimes/threats, and people living with HIV/AIDS in emergency shelters

Eligible Costs

- ✓ Case Management
- ✓ Child Care
- ✓ Education Services
- ✓ Employment Assistance and Job Training
- ✓ Outpatient Health Services
- ✓ Legal Services
- ✓ Life Skills Training
- ✓ Mental Health Services
- ✓ Substance Abuse Treatment Services
- ✓ Transportation



Emergency Shelter

Renovation, Rehabilitation, and Conversion

Renovating buildings to be used as emergency shelter for homeless families and individuals

Eligible Costs

- ✓ Labor
- ✓ Materials
- ✓ Tools
- ✓ Other costs for renovation, including soft costs
- ✓ Major rehabilitation of an emergency shelter
- ✓ Conversion of a building into an emergency shelter
- ✓ Renovation other than major rehab or conversion



Emergency Shelter

Renovation, Rehabilitation, and Conversion Minimum Period of Use

	Use Requirement	Building Valuation
Major Rehabilitation	10 year*	If rehab costs exceed 75% of the value of the building <u>before rehab</u>
Conversion	10 year*	If rehab costs exceed 75% of the value of the building <u>after rehab</u>
Other Renovation	3 year	If rehab costs are 75% or less of the value of the building <u>before rehab</u>

* Recorded deed or use restriction required



Emergency Shelter

Shelter Operations

Costs to operate and maintain emergency shelters and provide other emergency lodging when appropriate*

Eligible Costs

- ✓ Maintenance (including minor or routine repairs)
- ✓ Rent
- ✓ Security
- ✓ Fuel
- ✓ Insurance
- ✓ Utilities
- ✓ Food
- ✓ Furnishings
- ✓ Equipment
- ✓ Supplies necessary for the operation of the emergency shelter
- ✓ Hotel or motel voucher for family or individual*

***Hotel or motel vouchers are only eligible when no appropriate emergency shelter is available.**



Assistance required under “URA”

Assistance required under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) as described in subpart E of the interim regulations

***Eligible
Costs***

- ✓ **Costs of providing URA assistance under § 576.408, including relocation payments and other assistance to persons displaced by a project assisted with ESG funds***

*Persons that receive URA assistance are not considered “program participants” for the purposes of this part of ESG, and relocation payments and other URA assistance are not considered “rental assistance” or “housing relocation and stabilization services” for the purposes of this part under ESG.



Emergency Shelter: Essential Services Distinction

Under the emergency shelter component, ESG funds may be used for costs of providing essential services to homeless families and individuals **in emergency shelters**

- **Persons residing in an emergency shelter** can receive ESG essential services under the emergency shelter component at the shelter or at the location of an agency providing the services.
- For **unsheltered homeless individuals or walk-in clients**, essential services under the Emergency Shelter component cannot be provided at an office or other service provider outside the shelter facility.



Rapid Re-housing & Homelessness Prevention

Overarching Principles

■ Eligible Program Participants:

Homelessness Prevention: Income below 50% AMI at initial evaluation and:

- Homeless Definition: Categories 2, 3, or 4; or
- At Risk of Homelessness Definition

Rapid Re-housing:

- Homeless Definition: Category 1 or 4 (if also meeting criteria for Category 1). Individuals and families must have an income at or below 50% AMI at annual re-evaluation.

■ Overview of Eligible Activities

- Short- and medium-term rental assistance and housing relocation and stabilization services. Staff salaries related to carrying out rapid re-housing and homelessness prevention activities are also eligible

Housing Relocation and Stabilization Services (24 CFR 576.105)

Financial Assistance

- Moving costs
- Rental application fees
- Security deposit
- Last month's rent
- Utility deposit
- Utility payments

Services

- Housing search & placement
- Housing Stability Case Management
- Mediation
- Legal Services
- Credit repair



	ESG	ESG-CV
Income eligibility	At or below 30% AMI	At or below 50% AMI for Homelessness Prevention
Program participation	Can vary	Prohibits requiring clients to receive treatment or perform other activities
Landlord incentives	N/A	Maximum: 3 months' rent
Re-evaluation schedule	<ul style="list-style-type: none">• HP: 3 months• RRH: Annually	<ul style="list-style-type: none">• HP: 6 months• RRH: Annually
Match requirement	100% cash or in-kind	No match required



Short- and Medium-Term Rental Assistance (24 CFR 576.106)

<i>Types of Rental Assistance</i>	<i>Length of Assistance</i>
Short Term Rental Assistance	Up to 3 Months
Medium Term Rental Assistance	4 to 24 Months
Payment of Rental Arrears	One time payment up to 6 months, including any late fees on those arrears
Any Combination of the Three Types of Rental Assistance	For ESG-CV and annual ESG funds used to prevent, prepare for, and respond to coronavirus, the 24-month limit during any 3-year period is waived



Administrative Activities

- Recipients may use up to **10%** of its ESG grant for the payment of administrative costs related to the planning and execution of ESG activities

This does not include staff and overhead costs directly related to carrying out street outreach, emergency shelter, homelessness prevention, and rapid re-housing activities, as those costs are eligible as part of those activities.



Administrative Activities

General Management, Oversight, and Coordination

Costs of overall program management, coordination, monitoring, and evaluation

Eligible Costs

- ✓ **Travel costs incurred for monitoring of subrecipients**
- ✓ **Administrative services performed under third party contracts or agreements, including general legal services, accounting services, and audit services**
- ✓ **Other costs for goods and services required for administration of the program, including rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance (but not purchase) of office space.**
- ✓ **Staff salaries, wages, and related costs of staff engaged in eligible program administration activities**



Administrative Activities

Other Eligible Costs

Training on ESG Requirements

✓ **Costs of providing training on ESG requirements and attending HUD-sponsored ESG trainings.**

Consolidated Plan

✓ **Costs of preparing and amending the ESG and homelessness related sections of the consolidated plan in accordance with ESG requirements and 24 CFR part 91.**

Environmental Review

✓ **Costs of carrying out the environmental review responsibilities under §576.407**



Administrative Activities

Sharing Requirement

- If the recipient is a State:
 - The recipient **must** share its funds for administrative costs with subrecipients that are units of general-purpose local government.
 - The recipient **may** share its funds for administrative costs with subrecipients that are private nonprofit organizations.

- If the recipient is a territory, metropolitan city, or urban county
 - The recipient **may** share its funds for administrative costs with its subrecipients.



Indirect Costs

- ESG grant funds may be used to pay indirect costs in accordance with 2 CFR 200
- Indirect costs may be applied to each eligible activity using the direct cost base specified in the approved cost allocation plan

Indirect costs charged to an activity with an expenditure limit

Indirect Costs + Direct Costs = Total Costs

Total Costs are then compared to the Expenditure Limit





ESG-CV: Program Components and Eligibility

Components	Homeless	At Risk
Street Outreach	<ul style="list-style-type: none"> ✓ Category 1 <u>OR</u> ✓ Category 4* <u>AND</u> ✓ Must be living on the streets (or other places not meant for human habitation) and be unwilling or unable to access services in emergency shelter 	
Emergency Shelter	<ul style="list-style-type: none"> ✓ Categories 1, 2, 3, 4 	
Homelessness Prevention	<ul style="list-style-type: none"> ✓ Categories 2, 3, or 4 <u>AND</u> ✓ Below 50% AMI 	✓ (any category)
Rapid Re-housing	<ul style="list-style-type: none"> ✓ Category 1 <u>OR</u> ✓ Category 4* 	

* May qualify under Category 4 if also lives in emergency shelter or other place described in paragraph (1) of the “homeless” definition



Overview of Homeless Definition

Homeless definition has 4 categories:

- Category 1: Literally homeless individuals/families
- Category 2: Individuals/families who will imminently lose their primary nighttime residence with no subsequent residence, resources or support networks
- Category 3: Unaccompanied youth or families with children/youth who meet the homeless definition under another federal statute
- Category 4: Individuals/families fleeing or attempting to flee domestic violence





General Requirements for Grantees

- Participate in HMIS
- Participate in Coordinated Entry
- Operate programs according to Written Standards, including process for termination of assistance

All providers must set up projects and enter ESG Program data into HMIS (or a comparable database for victim service providers) and submit regular reports to the ESG recipient (additional information is available via the [HUD Exchange ESG Program HMIS Manual](#)):

- All ESG Program recipients/subrecipients are required to collect the Universal Data Elements and a select number of Program-Specific Data Elements
- These data collect requirements assist communities in completing the homeless reporting sections of the Consolidated Plan and ESG recipients in meeting annual performance reporting requirements

All ESG programs (except victim service providers*) are required to participate in and accept referrals from coordinated entry, which utilizes standardized assessment, prioritization, and referral processes for all people experiencing or at risk of homelessness within a CoC's geographic boundaries



Written Standards

Recipients/subrecipients must develop and implement **written policies and procedures** for:

- Determining and prioritizing which eligible individuals and families will receive assistance
- Determining the amount/percentage of rent and utilities each participant must pay
- Determining how long a particular participant will be provided with assistance
- Identifying whether and how the amount of assistance will be adjusted over time



Written Standards

- Recipients/subrecipients must develop and use local policies and procedures for recordkeeping
 - Create systemic approach for intake staff to screen potential applicants
 - Establish protocols for collecting and maintaining required back up documentation
 - Ensure records are maintained for ALL assisted persons, including those persons screened and found ineligible

- Policies must establish order of preference:
 - third-party documentation first
 - intake worker observations second
 - certification from the person seeking assistance third (self-cert)
- Already available documentation
 - Discharge paperwork
 - HMIS service transactions



Order of Priority for Documentation

Strength of Documentation

Third-Party	<ul style="list-style-type: none">• HMIS (or comparable database) record(s)• Written referral by another housing or service provider (incl. law enforcement, healthcare, educators, or other professionals) – only for specific instances client was encountered• Written observations by front-line staff or outreach workers• Written physical observation by community members (intake workers must use professional judgment to determine if the source is reliable) – only for specific instances was encountered• Written certification by a housing or service provider in their professional capacity	
Second-Party	<ul style="list-style-type: none">• Written physical observations by intake workers based on professional judgment	Limitations: <ul style="list-style-type: none">• Always document due diligence in attempting to obtain third-party documentation• Must include specific circumstances/conversations that led staff to believe, in their professional judgment, that the information is accurate
First-Party	<ul style="list-style-type: none">• Self-certification by the individual or head of household seeking assistance	Limitations: <ul style="list-style-type: none">• Always document due diligence in attempting to obtain third-party documentation• Must include specific locations and/or time periods



Exceptions to Preferred Order

- **Lack of Third-Party Documentation must not prevent:**
 - Immediate access to Emergency Shelter
 - Receiving Street Outreach Services
 - Immediate access to shelter or services provided by a victim services provider
 - ***To protect the safety of individuals/families fleeing or attempting to flee DV the provider should attempt to obtain a third-party referral ONLY if the safety of the individual/family would not be jeopardized.***



Evaluation of Participant Eligibility and Needs

- Recipient or subrecipient must conduct an initial evaluation of all households that present for assistance to determine:
 - Eligibility for ESG assistance
 - Amount and type of assistance necessary for household to regain stability in permanent housing
 - Income eligibility for Homelessness Prevention
- Must comply with the ESG written standards
- Must comply with CoC coordinated entry system



Evaluation of Participant Eligibility

- Income criteria do not apply to:
 - Street Outreach
 - Emergency Shelter
 - Rapid Re-Housing at Initial Evaluation
- Rapid Re-Housing Annual Re-Evaluation
 - Household income must not exceed 30% AMI
- Homelessness Prevention Initial Evaluation
 - Household income is less than 50% AMI
- Homelessness Prevention 6-Month Re-Evaluations
 - Household income must not exceed 50% AMI
- Use Annual Income, not Adjusted Income



Evaluation of Participant Eligibility and Needs

- Must use standard for calculating annual income established in **24 CFR 5.609**
- [CPD Income Eligibility Calculator](#) is allowable
- Part 5/Section 8 definition
 - Gross Income
 - Anticipated during the coming 12 months
- Definition Specifies:
 - Inclusions
 - Exclusions - 24 CFR 5.609(c)
 - Treatment of Assets

Terminating Assistance

- Recipients and subrecipients may terminate ESG assistance if participant violates the rules of the program
- Assistance to a program participant who has been terminated from a program may resume at a later date
- Must establish formal process that:
 - Recognizes individual rights
 - Allows termination in only the most severe cases



Prevent, Prepare, and Respond to COVID-19

- NOT documented for each program participant/household.
- The State of California documents at the ESG component level (i.e., street outreach, emergency shelter, rapid rehousing, homelessness prevention, and Homeless Management Information System).
- Recipients must document the PPR tieback in each activity's description in the Integrated Disbursement and Information System (IDIS).
- More information available at ESG-CV [“Prevent, Prepare, and Respond” Tieback Flexibilities Quick Guide](#)



Grant Based Accounting is used for the ESG Program and replaced the former FIFO:

- ESG Recipients track commitment/expenditures by grant allocation and the corresponding 24-month expenditure deadline
- Refer to the [HUD Exchange Grant Based Accounting ESG Fact Sheet](#) for more information



Grant Administration & Financial Management

- **Integrated Disbursement Information System (IDIS)** is used to fund activities, set up subrecipients, and draw down ESG funds (additional information is available via the [HUD Exchange IDIS Fact Sheet for ESG and ESG-CV](#))
- **Consolidated Annual Performance Evaluation Report (CAPER)** is the reporting system located in IDIS to track expenditures (not draws)
- **HUD evaluates ESG Recipients'** financial performance using data with IDIS and we recommend recipients use IDIS reports internally to:
 - Inform financial management and regular self-monitoring
 - Monitor ESG subrecipients and enhance their performance
 - Collaborate with local CoC



Thank you for listening.