

# THDA's Emergency Solutions Grant (ESG) Program Basics

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# Objectives

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- ✓ What is THDA's Emergency Solutions Grants (ESG) Program?
- ✓ Who can apply to THDA's ESG Program?
- ✓ Who is eligible for ESG services?
- ✓ What are the Eligible Components and Costs of ESG?
- ✓ What are the Ineligible Costs with ESG funding?
- ✓ What needs to be included in ESG Participant Files?
- ✓ Additional ESG resources

# What is THDA's ESG Program?

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- THDA receives approximately \$3 million annually in ESG federal funding from U.S Department of Housing and Urban Development (HUD) to administer across Tennessee.
- ESG Program Objectives:
  1. Reduce the length of time program participants experience homelessness
  2. Exit program participants to permanent housing
  3. Limit returns to homelessness one year after exiting the program
  4. Based on the activity, all ESG resources must be used to benefit individuals who are defined by HUD as “homeless” in the ESG Regulation

# What is THDA's ESG Program?

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- ESG provides shelter and services to help persons experiencing homelessness or persons at-risk of homelessness regain housing stability with six ESG components:




- All program guidance can be found in [THDA's ESG Program Guide](#)

# THDA's Allocation of ESG Funds

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Of the approximate \$3 million from HUD:



THDA will spend 7.5%  
of allocation to  
administration &  
planning expenses

\$125,000 to each Set-  
Aside City

Remaining funds  
awarded to  
Competitive  
Applicants

# Who can apply for THDA's ESG Program?

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- THDA does not work directly with person's experiencing homelessness or who are at-risk of homelessness
- THDA awards funds to local governments and non-profit agencies across TN who then work in their community to serve the eligible participants of ESG
- Awards are selected on a competitive basis
- Application will not be automatically renewed and must be applied for each year
- ESG Application always opens in the first quarter of the year

# What is a Set-Aside City?

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- Chattanooga, Clarksville, Murfreesboro & Johnson City are HUD appointed Set-Aside Cities
- Each of these jurisdictions have either recently lost their direct ESG allocation from HUD or are the location of a major entity serving veterans
- THDA will allocate \$125,000 each to Set-Aside Cities on a non-competitive basis
- Set-Aside Cities are responsible for the monitoring of their sub-recipients

# Competitive Applicants

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- Maximum award is \$125,000
- Non-profit and local government agencies are eligible and must apply through THDA each year.
- See THDA's ESG website for Application Workshop & application window at the beginning of the year for exact dates.
- Eligible Applicants with a main office inside the jurisdictional boundaries of a Set-Aside City may apply for funding under the THDA Competitive Allocation & as a sub-recipient of a Set-Aside City
  - However, the total of the funds received by an Eligible Applicant under both the Set-Aside and THDA Competitive Allocations may not exceed \$125,000



# ESG Application Workshop

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**ESG Application Workshop is held prior to the application window opening and outlines requirements of the ESG application**



**Reviews requirements of each agency to apply**



**Reviews documentation needed to submit with application**



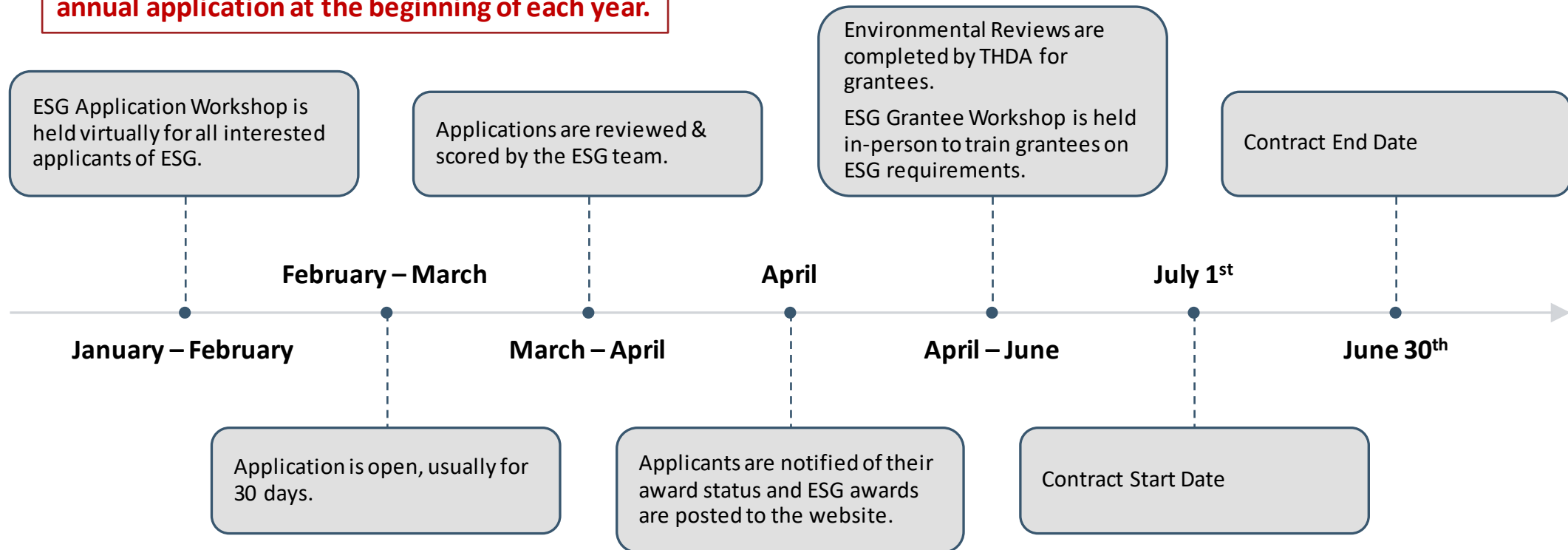
**Discusses application scoring**



**Q&A for applicants**

# ESG Timeline from Application to Award

**Please note that exact dates change year to year. Look on THDA's ESG website for notification of ESG annual application at the beginning of each year.**



# Housing First

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- HUD strongly encourages ESG recipients to adopt Housing First practices and remove unnecessary barriers to receiving assistance, including criminal histories.
- Housing First is a proven approach in which all people experiencing homelessness are believed to be housing ready and are provided with permanent housing immediately and with few to no preconditions, behavioral contingencies, or barriers.
- Effectively implementing a Housing First approach involves prioritizing people with the highest needs and vulnerabilities, engaging more landlords and property owners, and making projects client-centered spaces without barriers to entering and remaining in the project.

# Contract Requirements

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- Grantees should have written policies and procedures (also known as “Written Standards” for program activities funded by ESG.
  - Policies and Procedures must correspond with CoC’s ESG policies & followed consistently by agency.
  - Written Standards Checklist is on THDA’s ESG Website which outlines the exact requirements needed to be approved.
- Applicants must be able to match their award dollar for dollar with other funding sources, volunteer hours and/or donations.
- Applicants are required to utilize their Coordinated Entry system set forth by their CoC. Only two exceptions: Victim Service Providers and Legal Service Providers may use a comparable database.
- Listed above are **SOME not ALL** program requirements. Be aware grantees must comply with ALL ESG requirements outlined in - [THDA'S EMERGENCY SOLUTIONS GRANTS PROGRAM GUIDE](#)

# Eligible Participants of ESG

## Category 1- Literally Homeless

- Street Outreach
- Emergency Shelter
- Rapid Re-housing

## Category 2- Imminent Risk of Homelessness

- Emergency Shelter
- Homelessness Prevention

## Category 3- Homeless under other Federal statutes

- Emergency Shelter
- Homelessness Prevention

## Category 4- Fleeing/ Attempting to Flee DV

- Emergency Shelter
- Rapid Re-housing
- Homelessness Prevention

## At-Risk of Homelessness

- Emergency Shelter
- Homelessness Prevention

# Category 1 - Literally Homeless

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- An Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
  - Has a primary nighttime residence that is a public or private place not meant for human habitation;
  - Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state and local government programs); or
  - Is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution
- This category is eligible for Emergency Shelter, Street Outreach and Rapid Rehousing

# Category 2 - Imminent Risk of Homelessness

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- An individual or family who will imminently lose their primary nighttime residence, provided that:
  - Residence will be lost within 14 days of the date of application for homeless assistance;
  - No subsequent residence has been identified; and
  - The individual or family lacks the resources or support networks needed to obtain other permanent housing
  
- This category is eligible for Emergency Shelter and Homelessness Prevention. If they are entering a Homelessness Prevention project, income must be below 30% AMI.

# Category 3 - Homeless under other Federal statutes

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- An unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:
  - Are defined as homeless under the other listed federal statutes;
  - Have not had a lease, ownership interest, or occupancy agreement in permanent housing during the 60 days prior to the homeless assistance application;
  - Have experienced persistent instability as measured by two moves or more during in the preceding 60 days; and
  - Can be expected to continue in such status for an extended period of time due to special needs or barriers
  
- This category is eligible for Emergency Shelter & Homelessness Prevention. If client is entering a Homelessness Prevention project, income must be below 30% AMI



# Category 4 - Fleeing / Attempting to Flee DV

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- Any individual or family who:
  - Is fleeing, or is attempting to flee, domestic violence;
  - Has no other residence; and
  - Lacks the resources or support networks to obtain other permanent housing
  
- This category is eligible for Emergency Shelter, Rapid Re-housing and Homelessness Prevention. If entering a Homelessness Prevention project, clients must have income below 30% AMI.

# At-Risk of Homelessness

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➤ An individual or family who:

- (1)** (i) Has an annual income below 30 percent of median family income for the area, as determined by HUD;  
(ii) Does not have sufficient resources or support networks, e.g., family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the “homeless” definition in this section; and  
(iii) Meets one of the following conditions:  
(A) Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;  
(B) Is living in the home of another because of economic hardship;  
(C) Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;  
(D) Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by Federal, State, or local government programs for low-income individuals;  
(E) Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 persons reside per room, as defined by the U.S. Census Bureau;  
(F) Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or  
(G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan;
- (2)** A child or youth who does not qualify as “homeless” under this section, but qualifies as “homeless” under section 387(3) of the Runaway and Homeless Youth Act (42 U.S.C. 5732a(3)), section 637(11) of the Head Start Act (42 U.S.C. 9832(11)), section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 14043e–2(6)), section 330(h)(5)(A) of the Public Health Service Act (42 U.S.C. 254b(h)(5)(A)), section 3(m) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(m)), or section 17(b)(15) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(15)); or
- (3)** A child or youth who does not qualify as “homeless” under this section but qualifies as “homeless” under section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)), and the parent(s) or guardian(s) of that child or youth if living with her or him.

➤ This category is only eligible for Homelessness Prevention

# Eligible ESG Components

## **Street Outreach**

24 CFR 576.101

## **Emergency Shelter**

24 CFR 576.102

## **Homelessness Prevention**

24 CFR 576.103

## **Rapid Re-housing**

24 CFR 576.104

## **Homeless Management Information System (HMIS)**

24 CFR 576.107

## **Administration**

only available to set-aside cities & local governments

24 CFR 576.108

# Street Outreach Component

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- Services are provided on the street, or in parks, abandoned buildings, bus stations, campgrounds, and other unsheltered settings.
- Costs of providing essential services necessary to reach out to unsheltered homeless people; connect them with emergency shelter, housing, or critical services; and provide urgent, nonfacility-based care to **unsheltered homeless people** who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility.
- Eligible to Category 1 – Literally Homeless participants

# Eligible Costs of Street Outreach

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Engagement

Case Management

Emergency Health Services

Emergency Mental Health Services

Transportation

All Street Outreach costs are broken down here - [24 CFR 576.101](#)

It is your agency's responsibility to know the limitations of each cost.

# Emergency Shelter Component

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- ESG funds may be used for costs of providing essential services to families and individuals experiencing homelessness in emergency shelters and operating emergency shelters.
- THDA does not allow for conversion or major rehabilitation of Emergency Shelters under ESG.
- Eligible to all Categories 1-4 of Homelessness

# Eligible Costs of Emergency Shelter

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**Essential Services** Case management, Child Care, Education, Employment Assistance / Job Training, Outpatient Health and Mental Health Services, Legal Services, Life Skills Training, Outpatient Substance Abuse Services, Transportation

**Shelter Operations** Costs of maintenance, minor repairs, rent, security, fuel, equipment, insurance, utilities, food, furnishings, hotel/motel vouchers when shelter is not available & supplies necessary to operate the shelter

All Emergency Shelter costs are broken down here - [24 CFR 576.102](#)  
It is your agency's responsibility to know the limitations of each cost.

# Homelessness Prevention & Rapid Re-housing Components

## Homelessness Prevention

- Funds may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance necessary to **prevent an individual or family from moving into an emergency shelter or a place not meant for human habitation**
- Participants must also be below 30% AMI for their area, as determined by HUD
- Eligible to Category 2 At-risk of Homelessness, Category 3 Other Federal Statutes, Category 4 Fleeing Domestic Violence & At-Risk of Homelessness

## Rapid Re-housing

- Funds may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance as necessary to help a **homeless individual or family move as quickly as possible into permanent housing and achieve stability in that housing**
- No income requirement at project entry
- Eligible to Category 1 Literally Homeless and Category 4 Fleeing Domestic Violence



# Eligible Costs of HP & RRH Activities

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**Rental Assistance** Short-Term Rental Assistance, Medium-Term Rental Assistance & Rental Arrears

**Housing Relocation and Stabilization Services**

Financial Assistance & Services Costs

All HP & RRH costs are broken down here - [24 CFR 576.105](#) & [24 CFR 576.106](#)

It is your agency's responsibility to know the limitations of each cost.

# Rental Assistance Costs for HP & RRH

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➤ Short & Medium-term Rental Assistance:

- Short-Term (up to 3 months)
- Medium-Term (>3 months, <24 months)
- Cannot be used with any other subsidies

➤ Arrears

- One-time payment can be up to six months of rent (includes late fees)
- Arrears count toward total amount of rental assistance available
- Includes Tenant-Based and Project-Based arrears

# Requirements for Rental Assistance under HP & RRH

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- Rental assistance for units paid with ESG HP or RRH funds must:
  - Comply with Fair Market Rent limits
  - Comply with Rent Reasonableness requirements
  - Comply with Minimum Habitability Standards, including lead-based paint requirements
  - Have a Rental Assistance Agreement with specific lease stipulations between the Grantee and the landlord (property manager or owner)
  - Have a legally binding, written lease agreement between tenant and landlord
  - Not be used with other subsidies of the same type

# Financial Assistance Costs under HP & RRH

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- Financial Assistance funds may be used to pay housing owners, utility companies, and other third-parties for the following costs:
  - Rental Application Fee
  - Security Deposits up to 2 months of rent
  - Last month's rent
  - Utility Deposits/Payments
  - Moving Costs
  - Temporary storage fees up to 3 months

# Homeless Management Information System (HMIS) Component

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- Costs associated coordinating and contributing data to the HMIS CoC
- If the subrecipient is a victim services provider or a legal services provider, they may use funds to establish and operate a comparable database that collects client-level data over time (i.e., longitudinal data) and generates unduplicated aggregate reports based on the data.
  - Information entered into a comparable database must not be entered directly into or provided to an HMIS.
- Activities funded under this component must comply with HUD's standards on participation, data collection, and reporting under a local HMIS.

# Eligible Costs of HMIS

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Hardware, Equipment and Software Costs

Staffing

Training and Overhead Costs

All eligible HMIS costs are found here - [24 CFR 576.107](#)

It is your agency's responsibility to know the limitations of each cost.

# Administrative Component

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- This component is only eligible to local governments and set-aside entities
- These costs are specifically tied to administration of the ESG program
- Admin award amount is an additional 7.5% of total ESG award
  - If a local government or set-aside is awarded \$125,000 then their Admin award would be an additional \$9,375 for a total of \$134,000 in ESG funding

# Eligible Costs of Administrative

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General Management, Oversight and Coordination

Training on ESG Requirements

Environmental Review

All Administrative costs are broken down here - [24 CFR 576.108](#)

It is your agency's responsibility to know the limitations of each cost.



# Ineligible Costs under ESG

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- ✗ Acquisition of real property
- ✗ New construction
- ✗ Rehabilitation of structures to the extent that those structures are used for inherently religious activities
- ✗ Legal services for immigration and citizenship matters, and issues relating to mortgages
- ✗ Inpatient detoxification and other inpatient drug or alcohol treatment
- ✗ Mortgage payments
- ✗ State tax
- ✗ Rent in a transitional housing program for program participant

# Participant Files

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- Agency will be responsible for keeping individual client files for the following ESG components:
  - Emergency Shelter, Street Outreach, Homelessness Prevention & Rapid Re-housing
- Requirements vary based on ESG component
- See specific requirements for each client file checklist on THDA's ESG website under **“ESG Program Self Audit Forms”**

# Contact Information

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If you have any application or programmatic questions about THDA's ESG program, please contact our team at

**[ESG@thda.org](mailto:ESG@thda.org)**

# Resources

## **THDA's ESG Website**

<https://thda.org/government-nonprofit-partners/emergency-solution-grants-esg-program>

## **THDA's ESG Program Guide**

<https://thda.org/pdf/1.-ESG-Guide.pdf>

## **ESG HUD Exchange**

<https://www.hudexchange.info/programs/esg/>

## **ESG Code of Federal Regulations (24 CFR 576)**

<https://www.ecfr.gov/current/title-24/subtitle-B/chapter-V/subchapter-C/part-576>

## **Housing First**

<https://www.huduser.gov/portal/periodicals/em/spring-summer-23/highlight1.html#:~:text=Housing%20First%20is%20a%20flexible%20and%20adaptable%20service,offering%20voluntary%20supportive%20services%20to%20meet%20individuals%E2%80%99%20needs>