

Emergency Solutions Grants Program Basics

Objectives

- Provide an understanding of Emergency Solutions Grants (ESG):
 - Definition
 - Connection with Continuum of Care (CoC) Organizations
 - Eligible uses
 - ESG Coronavirus Aid, Relief, and Economic Security (CARES)

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What is the Emergency Solutions Grants Program?

ESG provides shelter and services to help persons experiencing homelessness or persons at-risk of homelessness regain housing stability.



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ESG and THDA

- **Federal funding:**
 - U.S. Department of Housing and Urban Development (HUD) Program
- **Tennessee Housing Development of Housing Agency funds local organizations to provide services**
 - Program participants apply to THDA directly

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ESG and THDA (con't)

- **ESG Annual Allocation:**
 - THDA receives approximately \$3 million annually
- **ESG CARES:**
 - THDA received approximately \$11 million in one-time funding to prepare for, prevent, and respond to COVID-19 in the CARES First Allocation, and 22 million in the CARES Second Allocation.
 - ESG CARES has special conditions and guidelines different from ESG

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Eligible Uses of ESG

1. Street Outreach (SO)
2. Emergency Shelter (ES)
3. Homelessness Prevention (HP)
4. Rapid Re-housing (RRH)
5. Homeless Management Information System (HMIS)
6. Administration*

Only local governments receive Administration

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ESG Eligible Uses Street Outreach

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ESG Eligible Uses

Street Outreach - Engagement

- Locate, identify, and build relationships with unsheltered homeless people
 - initial assessment of needs and eligibility;
 - providing crisis counseling;
 - addressing urgent physical needs, such as providing meals, blankets, clothes, or toiletries;
 - and actively connecting and providing information and referrals to programs targeted to homeless people and mainstream social services and housing programs.
- Includes cell phone for outreach.

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ESG Eligible Uses

Street Outreach – Case Management

- Assessing housing/service needs:
 - Using the centralized/coordinated assessment;
 - Initial evaluation
 - Counseling;
 - Referrals to other service providers;
 - Obtaining Federal, State, and local benefits;
 - Monitoring/evaluating progress;
 - Developing housing and service plan to stability.

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ESG Eligible Uses**Street Outreach – Emergency Health Services**

- Licensed medical professionals go to persons experiencing homelessness when services are unavailable/inaccessible without outreach:
 - Assessing a participant's health problems and developing a treatment plan
 - Assisting participants to understand their health needs
 - Providing directly or assisting program participants to obtain appropriate emergency medical treatment
 - Providing medication and follow-up services

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ESG Eligible Uses**Street Outreach – Emergency Mental Health Services**

- Licensed medical professionals go to persons experiencing homelessness when services are unavailable/inaccessible without outreach:
 - Crisis interventions
 - The prescription of psychotropic medications
 - Explanation about the use and management of medications
 - Combinations of therapeutic approaches to address multiple problems.

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ESG Eligible Uses**Street Outreach – Transportation**

- Outreach workers, social workers, medical professionals
 - Unsheltered persons to emergency shelters or services
 - Participants travel on public transit/Costs of staff to accompany participants on public transportation
 - Mileage for staff to visit participants
 - Purchasing/leasing vehicle for staff use in conducting outreach activities

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ESG Eligible Uses
Emergency Shelter

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Eligible ESG Uses**Emergency Shelter - Essential Services – Case Management**

- Use of centralized/coordinated assessment system;
- Evaluation, verifying/documenting eligibility;
- Counseling;
- Developing/securing/coordinating services;
- Obtaining Federal, State, and local benefits;
- Monitoring/evaluating participant progress;
- Information and referrals to other providers;
- Ongoing risk assessment and safety planning with victims of domestic violence...; and
- Individualized housing/service plan to stability.

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Eligible ESG Uses**Emergency Shelter - Essential Services – Child Care**

- Child care costs
- Meals/snacks
- Cost of developmental activities
 - Children under 13, or children with disabilities under 18.

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Eligible ESG Uses**Emergency Shelter - Essential Services – Education**

- Education, when necessary to obtain/maintain housing:
 - Screening, assessment, and testing;
 - Individual or group instruction;
 - Tutoring;
 - Provision of books, supplies, and instructional materials;
 - Counseling;
 - Referral to community resources.

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Eligible ESG Uses**Emergency Shelter - Essential Services – Employment/Training**

- Classroom, online, and/or computer instruction
- On-the-job instruction
- Assistance in securing employment, acquiring learning skills, increasing earning potential
- Employment screening, assessment, or testing
- Structured job skills and job-seeking skills
- Special training and tutoring, including literacy training and prevocational training
- Books and instructional material
- Counseling or job coaching
- Referral to community resources.

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Eligible ESG Uses**Emergency Shelter - Essential Services – Outpatient Health Services**

- Available to the extent unavailable within the community:
 - Assessing and developing treatment plan
 - Assisting in understanding health needs
 - Medical treatment, preventive medical care, health maintenance services
 - Medication and follow-up services
 - Preventive and non-cosmetic dental care

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Eligible ESG Uses**Emergency Shelter - Essential Services – Legal Services**

- Hourly fees for legal advice
- Preparation for trial
- Provision of legal advice
- Representation at hearings
- Counseling
- Filing fees and court costs

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Eligible ESG Uses**Emergency Shelter - Essential Services – Life Skills Training**

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

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Eligible ESG Uses**Emergency Shelter - Essential Services – Mental Health Services**

- Licensed medical professionals provide clients at emergency shelter the following when services are unavailable/inaccessible:
 - Crisis interventions,
 - The prescription of psychotropic medications,
 - Explanation about the use and management of medications,
 - Combinations of therapeutic approaches to address multiple problems.

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Eligible ESG Uses**Emergency Shelter - Essential Services – Substance Abuse Treatments**

- Licensed or certified professionals provide treatment to prevent, reduce, eliminate, or deter relapse:
 - Client intake and assessment
 - Outpatient treatment for up to thirty (30) days
 - Group and individual counseling
 - Drug testing

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Eligible ESG Uses**Emergency Shelter - Essential Services – Transportation**

- Used by program participants to and from medical care, employment, child care, or other facilities:
 - Participants travel on public transit/Costs of staff to accompany participants on public transportation
 - Mileage for staff to visit participants
 - Purchasing/leasing vehicle for staff use in conducting outreach activities

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Eligible ESG Uses**Emergency Shelter - Essential Services – Services Special Populations**

- Essential services tailored for:
 - Homeless youth
 - Victims of Domestic Violence & Related crimes/threats
 - People living with HIV/AIDS

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Eligible ESG Uses**Emergency Shelter – Rehab/Renovations**

- Renovation or conversion of a building into emergency shelter:
 - Labor
 - Materials
 - Tools
 - Other costs for renovation
- Cannot be used for new construction

* Rehab/Renovations is not and eligible activity under THDA- annual ESG program*

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Eligible ESG Uses
Emergency Shelter - Operations

- Maintenance
- Shelter rent or lease payments
- Security services
- Fuel
- Equipment
- Insurance
- Utilities
- Food for clients
- Furnishings (beds, tables, etc)
- Supplies
- Hotel/motel voucher

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Eligible ESG Uses
Emergency Shelter - Assistance under Uniform Relocation Act

- When shelters are renovated or building are converted:
 - Relocations payments to persons displaced by a project assisted by ESG funds
- * Rehab/Renovations is not and eligible activity under THDA-ESG program*

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ESG Eligible Uses
Homelessness Prevention
and Rapid Re-Housing

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Eligible ESG Uses
Homelessness Prevention and Rapid Re-Housing - Housing Relocation
and Stabilization Services

- **Financial Assistance**
 - Rental Application Fee
 - Security Deposits up to 2 months
 - Last month's rent
 - Utility Deposits/Payments
 - Moving Costs
 - Temporary storage fees up to 3 months
 - No duplication of benefits

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Eligible ESG Uses**Homelessness Prevention and Rapid Re-Housing - Housing Search and Placement Costs**

- Assessment of housing barriers/needs/preferences
- Plan for locating housing
- Housing search
- Outreach to and negotiation with owners
- Submitting rental applications/understanding leases
- Assessment for habitability, lead based paint, fair market rent and rent reasonableness
- Making moving arrangements
- Tenant counseling

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Eligible ESG Uses**Homelessness Prevention and Rapid Re-Housing - Housing Stability Case Management**

- Use of centralized/coordinated assessment system
- Initial evaluation and re-evaluations
 - Re-evaluations 3 months for HP and 1 year for RRH
- Counseling
- Connecting with Federal, state, and local benefits
- Monitoring/evaluating program participant progress
- Information and referrals to other providers
- Developing housing/service plan

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Eligible ESG Uses**Homelessness Prevention and Rapid Re-Housing: Mediation/Legal Services**

- Mediation
 - between client and owner/person with whom the program participant is living
- Legal costs
 - Hourly fees for legal advice or fee for service if under hourly rate
 - Preparation for trial
 - Provision of legal advice
 - Representation at hearings
 - Counseling
 - Filing fees and court costs

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Eligible ESG Uses**Homelessness Prevention and Rapid Re-Housing: Credit Repair**

- Credit Counseling
 - Household budgeting
 - Managing money
 - Accessing credit score
 - Resolving credit problems
- Cannot pay credit card debt or collection accounts

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Eligible ESG Uses**Homelessness Prevention and Rapid Re-Housing: Short- and Medium-Term Rental Assistance**

- Rental Assistance:
 - Short-Term (up to 3 months)
 - Medium-Term (>3 months, <24 months)
 - Arrears (6 months)
 - Arrears count toward total amount of rental assistance available
 - Includes Tenant-Based Rental Assistance and Project-Based Rental Assistance
 - ESG cannot be used to renovate buildings for affordable housing

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**ESG Eligible Uses
HMIS or Comparable Database**

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Eligible ESG Uses**HMIS - Hardware, Equipment and Software costs**

- Purchasing or leasing:
 - computer hardware
 - equipment, including telephones, faxes and furniture
- Purchasing software/software licenses

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Eligible ESG Uses**HMIS - Staffing**

- Data collection
- Completing data entry
- Monitoring/reviewing data quality
- Completing data analysis
- Reporting to the HMIS Lead
- Training staff
- Implementing and complying with HMIS requirements

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Eligible ESG Uses
HMIS - Training and Overhead Costs

- Obtaining technical support
- Leasing office space
- Electricity, gas, water, phone service and high-speed data transmission
- Travel to and attend HUD sponsored and HUD-approved training on HMIS
- Staff travel to conduct intake
- Participation fees charged by the HMIS Lead

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ESG Eligible Uses
Administration

Local Governments Only

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Eligible ESG Uses**Admin - General management, oversight and Coordination**

- Program management, coordination, monitoring and evaluation
- Administrative services performed under third party contracts or agreements
- Other costs for goods and services required for administration of the program
- Staff salaries, wages, and related costs of staff
- Audit costs for only those associated with any federally required Single Audits.

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Eligible ESG Uses**Admin - Training**

- Costs of receiving training on ESG requirements
- Attending HUD-sponsored ESG trainings

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Eligible ESG Uses**Admin - Environmental Review**

- Costs of carrying out environmental review responsibilities under 24 C.F.R. § 576.407
 - Required for all activities
 - More paperwork needed for rehabilitation/renovation/conversion

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ESG Ineligible Uses

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Ineligible Expenses

- 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

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Differences between ESG Annual Allocation Funds and ESG CARES Funds

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Differences between ESG Annual Allocation Funds and ESG CARES Funds

ESG Annual Allocation	ESG CARES Act
Income limit of 30% Area Median Income to receive or continue to receive homelessness prevention, or to continue receiving rapid re-housing assistance.	Income limit of 50% Area Median Income to receive or continue to receive homelessness prevention
Cap of 60% for emergency shelter and street outreach with ESG funding.	No cap on the use of ESG CARES funds for emergency shelter and street outreach.
100% match requirement.	No match requirement.

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Differences between ESG Annual Allocation Funds and ESG CARES Funds

ESG Annual Allocation	ESG CARES Act
Pre-contracting costs are only allowed to the date for which HUD signed the ESG grant agreement with the Department.	Pre-contracting costs are allowed it will be based on the ESG Cares grant received. This information can be found in your ESG-CV contract.
Environmental clearance and habitability reviews need to be conducted before any funds are expended on temporary shelters.	Environmental and habitability reviews for temporary shelters are not required.
Administrative cost are only allowable to local governments.	Administrative cost can be billed in ESG-CV1 for non-profits and local government if eligible.

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FAQs on ESG and ESG CARES Eligible Costs

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ESG and ESG CARES FAQs

Hotel/Motel

- Hotel/motel are an eligible ESG cost through the emergency shelter component, where no appropriate emergency shelter is available for a homeless family or individual.

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ESG and ESG CARES FAQs**Personal Protective Equipment**

- Personal protective equipment is an eligible ESG cost through the street outreach and emergency shelter component.

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ESG and ESG CARES FAQs**Food**

- Eligible under emergency shelter and street outreach
- If providing food to persons in hotel/motel under emergency shelter, the food must be comparable to what is received in a shelter
- Not eligible under rapid re-housing or homelessness prevention

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ESG and ESG CARES FAQs

Hazard/Overtime Pay

- Outlined policies for hazard and overtime pay in your employee handbook or budget
- Communicated policies to all eligible employees

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ESG and ESG CARES FAQs

Mental Health Services

- ESG funds can be used for emergency health services and emergency mental health services under the Street Outreach and Emergency Shelter Components.
- Only available to the extent that other appropriate health services are inaccessible or unavailable within the community.

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ESG and ESG CARES FAQs

Testing for COVID-19

- Assessing health problems is eligible under street outreach or emergency shelter, to extent not otherwise available in the community.
- Transportation to medical care is eligible under street outreach and emergency shelter.

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ESG and ESG CARES FAQs

Transitional Housing

- A transitional facility is not eligible to receive ESG funding

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ESG and ESG CARES FAQs**Technology**

- Staff and overhead costs directly related to carrying out program components are included in each program component line item.
- Overhead costs may include technology, such as computers.
- Remember to procure the equipment bought (e.g., three bids)

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Questions

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#	Topic	FAQs Emergency Solutions Grants (ESG)	Tennessee Housing Development Agency staff answers
1	Administration	Can laptops be included for case magmt staff under RRH	Staff and overhead costs directly related to carrying out program components are included in each program component line item, such as rapid re-housing. Overhead costs may include technology, such as computers.
2	Administration	Can overhead cost which include technology, such as computers be included in the administration component line item?	Per 24 CFR §576.108(a) Administrative funds may be used "for the payment of administrative costs related to the planning and execution of ESG activities..." If overhead, such as technology, is tied directly to administrative costs and is not associated with a program component (such as street outreach, emergency shelter, rapid re-housing, and homelessness prevention), the overhead costs would be eligible under the administration line item.
3	Administration	Can budgets include both Admin and Indirect Costs	Yes, budgets can include administration and indirect costs. Please remember that indirect costs are not the same as administrative costs: Indirect costs are costs incurred for a common purpose benefitting more than program/objective, and not readily assignable to one program/objective.
4	Administration	Can hazard pay be covered (under CARES) for employees who are NOT currently covered in our regular ESG grant?	If new staff are hired or staff duties change so they are working directly on ESG CARES, their salaries and hazard pay may be eligible. Hazard pay is eligible if the ESG Subrecipient has outlined policies for hazard and overtime pay in their hazard plan submitted to THDA and the policies have been communicated to all eligible employees.
5	Administration	Can hazard pay be distributed to shelter employees as a one-time sum? Or can it only be paid using CARES funds if it is a differential based on hourly rate?	You will need to refer to your hazard plan submitted to THDA and applicable employment law on how to distribute hazard pay.
6	Administration	Are staff salaries covered?	Staff salaries are eligible for ESG costs if they are performing duties associated with eligible ESG activities.
7	Application Process	In general, do ESG funds ONLY go to nonprofits, or can they go to another department within the City?	Eligible ESG Subrecipients are units of general purpose local government or private nonprofit organizations.

#	Topic	FAQS Emergency Solutions Grants (ESG)	Tennessee Housing Development Agency staff answers
8	Application Process	Can we apply for both ESG Annual and CARES?	Yes. You could apply for and be funded for both an ESG Annual Allocation Contract and an ESG CARES First Allocation Contract.
9	Application Process	What is/How do you determine the date for pre-contracting costs?	Pre-contracting costs are allowed in ESG-CV 1&2. The date for pre-contracting cost is based the grant. ESG-CV1 pre-contracting cost date is July 1st. ESG-CV2 pre-contracting cost date is Oct 1.
10	Application Process	When applying for the ESG and ESG-CARES who makes the final decision as to who will be awarded the funding. Do you use an Independent Review Team?	Please sign up for our email list for more information about the award process.
11	Application Process	when will funds on both ESG and CARES be awarded/sent?	Please sign up for our email list for more information about the award process.
12	Eligible Activities	Are transitional housing programs eligible under either of these programs?	No.

#	Topic	Questions from Emergency Solutions Grants (ESG) Basics webinar	Tennessee Housing Development Agency Staff Answers
13	Eligible Activities	Under street outreach services when serving special populations such as youth/youth aging out of foster care the youth are still required to be unsheltered and provided non-facility based care, correct?	ESG Street Outreach funds assist unsheltered people experiencing homelessness. "Unsheltered homeless people" means individuals and families who qualify as homeless under paragraph (1)(i) of the "homeless" definition under 24 CFR §576.2, which is "an individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground."
14	Eligible Activities	For Financial Assistance, the security deposit for up to 2 months counts towards the 24 months?	Under 24 CFR §576.105 Housing relocation and stabilization services, security deposits are not included in calculating the program participant's total rental assistance, which cannot exceed 24 months during any 3-year period. Under 24 CFR §576.105 Housing relocation and stabilization services, last month's rent is included in calculating the program participant's total rental assistance.
15	Eligible Activities	Do you anticipate that the waivers that are available during the current ESG contract will also be available for the new contract period?	The HUD waiver to allow re-evaluations to be conducted every six months for homelessness prevention, instead of every three months, would likely still be in place for the 2020 ESG annual allocation Contracts. All the other waivers issued by HUD would expire by the time the new ESG annual allocation contracts are issued.
16	Eligible Activities	Can you explain "no appropriate shelter is available"? If a shelter is full and there are safety issues for a victim of domestic violence, can ESG funds be used in this case for hotel/motel?	Per 24 CFR §576.102(a)(3), "...Where no appropriate emergency shelter is available for a homeless family or individual, eligible costs may also include a hotel or motel voucher for that family or individual." If a shelter is at capacity, including if you are at capacity due to social distancing factors, and there are not other shelters in your community that are available or appropriate for the Program Participant, then there would be no appropriate shelter available, and a hotel/motel may be used.
17	Eligible Activities	Does no Shelter available when using Hotel/Motel mean at agency's shelter - or anywhere in the community?	An ESG Subrecipient may, but is not required to, check with other emergency shelters in the community before using a hotel/motel room option.
18	Eligible Activities	What is the time limit for motel vouchers?	Unless otherwise determined in the Subrecipient's written standards, there is not a listed time limit provided in the emergency shelter component in the federal regulations.

#	Topic	Questions from Emergency Solutions Grants (ESG) Basics webinar	Tennessee Housing Development Agency staff answers
19	Eligible Activities	If an agency is considering a motel/hotel options. Does the agency have to get three quotes?	It would depend on how many hotel/motel rooms you need and for how long a time period. If the ESG Subrecipient is a private nonprofit, the hotel/motel rooms may qualify as a micro-purchase; however, if the ESG Subrecipient counts all the rooms and the total period of time, the hotel/motel rooms may qualify as small purchase, which requires three quotes. If an ESG Subrecipient does not have three hotels that are willing to work with them, they would need to document in situation in your procurement process. Cities and counties cannot use the micropurchase option.
20	Eligible Activities	Can ESG pay for sanitizing equipment?	Yes, sanitation equipment is eligible through shelter operations which includes "equipment."
21	Eligible Activities	Are the things you are listed as being eligible i.e. food, hotel only available through CARES or Regular ESG as well?	The activities allowed for ESG and ESG CARES are very similar, but not identical. The ESG CARES funds need documentation of their use to prevent, prepare and respond to COVID-19. Other differences between the funding sources may also apply depending on the program component. Please email esg@thda.org for questions about a specific activity eligibility.
22	Eligible Activities	In the past ESG did not pay for rent for individuals living in mobile homes. Does the CARE funds pay for monthly rental on both Homeless Prevention and Rapid Rehousing.	Rental assistance can be used to pay for rent of a mobile home (also known as a manufactured home). Remember that all other program requirements pertaining to rental assistance still apply, including Habitability and rent reasonableness.
23	Eligible Activities	Are individuals who are undocumented but have been affected by COVID eligible for Homeless Prevention and Rapid Rehousing ESG CARES funds?	Please see the joint letter regarding immigration status and ESG assistance at https://www.hudexchange.info/resource/5123/hud-hhs-and-doj-joint-letter-regarding-immigrant-access-to-housing-and-services/
24	Eligible Activities	Can usual operating costs be funded under CARES?	The ESG CARES funds needs to be for preparing, preventing and responding to COVID-19. Document the link about how the persons assisted or activities conducted are a result of COVID-19, including social distancing, childcare/school closures, and other issues.

#	Topic	Questions from Emergency Solutions Grants (ESG) Basics webinar	Tennessee Housing Development Agency staff answers
25	Eligible Activities	If our shelter is providing mental health services, what documentation do we need to demonstrate that mental health services are not otherwise available in the community?	At a minimum, document that you checked with the local mental health authority or other non-profits in the area for availability of these services.
26	Eligible Activities	Can you pay administrative fees that is required for a program participant to move in?	The answer may vary on a case-by-case basis. Please email esg@thda.org with more information about a specific case.