

Emergency Solutions Grants Program

Expense Guide



Community Programs Division

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Introduction

The purpose of this guide is to provide detailed reference information for Emergency Solutions Grants (ESG) Grantees regarding the specific services and expenses that are reimbursable through the ESG program.

ESG funds may only reimburse costs directly related to the following eligible expenditure activities:

- Street Outreach
- Emergency Shelter
- Homelessness Prevention
- Rapid Re-Housing
- Data Collection (HMIS/Comparable database for DV)
- Administration

All ESG services must fall within federal guidelines. Additional guidance and limitations set by THDA are detailed within this document, on the THDA website, and may be detailed in future publications. Local Continua of Care (CoC) may also prioritize specific uses for ESG funds within their community or region, remaining within federal and state regulations. For more information, recipients of these funds may consult the federal ESG regulations (80 FR 31538, 24 CFR 91 & 576) and the THDA website and their local CoC written standards for additional information.

Federal Register: <https://www.federalregister.gov/documents/2015/06/03/2015-13485/emergency-solutions-grants-esg-program-solicitation-of-comment-on-specific-issues>

Street Outreach

(24 CFR 576.101)

Street Outreach services target individuals and families living unsheltered, meaning those who qualify under 21 CFR Part 576.2 paragraph (1)(i) of the definition of “homelessness.” Services are described under 21 CFR Part 576.101. Services for eligible program participants are provided on the street or in parks, abandoned buildings, bus stations, campgrounds, and in other such settings where people living unsheltered are staying. Staff salaries are eligible for carrying out street outreach activities. It is the expectation for Street Outreach that as soon as a program participant is determined eligible, he/she is entered into HMIS/comparable database for continued case management.

- ❖ Engagement
- ❖ Case Management/Salaries
- ❖ Emergency Health Services
- ❖ Emergency Mental Health Services
- ❖ Transportation
- ❖ Services to Special Populations

Engagement

Activities to locate, identify, and build relationships with people living unsheltered for the purpose of providing immediate support, intervention, and connections with homeless assistance programs and/or mainstream social services and housing programs. This service is provided with individuals prior to eligibility; therefore, they are not yet entered into HMIS/or a comparable database.

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

Services outlined below require an HMIS / DV Comparable Client Number:

Case Management/Staff Salaries

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

- Using the coordinated entry system
- Initial evaluation/verifying and documenting eligibility
- Counseling
- Developing/securing/coordinating services
- Connecting to mainstream resources (federal, state, local)
- SOAR counseling and support for accessing SSI/SSDI
- Monitoring/evaluating program participant progress
- Providing information and referral to other providers
- Developing an individualized housing and services plan

Emergency Health Services

Outreach treatment of urgent medical conditions by licensed medical professionals in community-based settings (e.g. streets, parks, and campgrounds) for those eligible program participants unwilling or unable to access emergency shelter or an appropriate healthcare facility. Health services are only eligible expenses for ESG when other appropriate health services are inaccessible or unavailable within the community.

- Assessing program participant's health problems and developing treatment plans
- Assisting program participants with understanding their health needs
- Providing or helping program participants obtain appropriate emergency medical treatment
- Providing medication and follow-up services

Emergency Mental Health Services

Outpatient treatment of urgent mental health conditions by licensed professionals in community-based settings (e.g. streets, parks, and campgrounds) for those eligible program participants unwilling or unable to access emergency shelters or an appropriate healthcare facility. Mental health services are only eligible expenses for ESG when other appropriate health services are inaccessible or unavailable within the community.

- Crisis intervention
- Prescriptions for medication related to mental illness
- Explanation of proper usage and management of medications
- Combinations of therapeutic approaches to address multiple problems

Transportation

Travel by outreach workers, medical professionals, or other service providers during the provision of eligible street outreach services. Transporting people living unsheltered to emergency shelters or other service facilities.

- Cost of a program participant's travel on public transit
- Mileage allowance for outreach workers to visit program participants
- Purchasing or leasing a vehicle for use in conducting outreach activities, including the cost of gas, insurance, taxes, and maintenance for the vehicle
- Cost of staff to accompany or assist program participant to use public transportation

Services for 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 meet criteria for literally homeless. (See all eligible expenses listed above in Street Outreach).

Emergency Shelter (Includes Emergency Shelters & Day/Drop-In)

24 CFR 576.102

Eligible program participants are individuals and families experiencing homelessness according to the definition in 21 CFR Part 576.2. Services for persons in emergency shelter and expenses related to operating emergency shelters are eligible costs. Staff costs related to carrying out emergency shelter activities are also eligible. Program participants may not be required to participate in specific services as a condition of eligibility or as a condition for accessing supportive services for obtaining stable housing. Services that may not be required of the program participant: Health, Mental Health, Substance Abuse treatments; Employment Assistance and Job Training; Legal Services or Legal Representation; Child Care or Transportation.

- ❖ Shelter Services
- ❖ Shelter Operations

Shelter Services

Services provided to individuals and families who are in an emergency shelter:

Case Management/Salaries

Assessing, arranging, coordinating, and monitoring individualized services, with the goal of moving program participants as quickly as possible into stable housing.

- Using coordinated entry
- Initial evaluation including verifying and documenting eligibility
- Counseling
- Developing, securing, and coordinating services including connection to mainstream resources (federal, state, local)
- SOAR counseling and support for accessing SSI/SSDI
- Developing a Housing Stabilization Plan with each program participant
- Providing information and referrals
- Coordinating services with Rapid Rehousing and other resources to reduce barriers to permanent housing and to meet program participants' goals for housing stabilization
- Monitoring and evaluating program participant progress, particularly towards housing stabilization
- Support housing search
- Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking

Child Care

Licensed child care for program participants with children under the age of 13 or children with disabilities under the age of 18. Child care must be licensed.

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

Employment Assistance and Job Training

Services assisting program participants secure employment and job training programs. Employment assistance may be provided so long as it does not deter from the primary objective of obtaining stable housing. Consideration should be taken for how employment assistance and job training will continue when the program participant moves to stable housing.

- Job finding
- Skill building
- Structured job-seeking support
- Counseling or job coaching
- Referral to community resources

Outpatient Health Services

Direct outpatient treatment of medical conditions provided by licensed medical professionals. Health services are only eligible to the extent that other appropriate health services are inaccessible or unavailable within the community. Consideration should be taken for how health services will continue when the program participant moves to stable housing.

- Assessing health problems and developing a treatment plan
- Assisting program participants with understanding their health needs
- Providing or helping program participants obtain appropriate medical treatment, preventative medical care, and health maintenance services, including emergency medical services
- Providing medication and follow-up services
- Providing preventative and non-cosmetic dental care

Legal Services

Necessary legal services regarding matters that interfere with the program participant's ability to obtain and retain housing

- Hourly fees for legal advice and representation by licensed attorneys and certain other fees-for-service
- Client intake, preparation of cases for trial, provision of legal advice, representation at hearings, and counseling
- Filing fees and other necessary court costs

Legal Representation

Legal representation and advice to resolve legal problems that prevent program participants from obtaining or retaining permanent housing

- Child support
- Guardianship
- Paternity
- Emancipation
- Legal separation
- Resolution of outstanding criminal warrants
- Appeal of Veterans and public benefit claim denials
- Orders of protection and other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking

Note: HUD does not allow ESG to fund legal activities related to expunging a criminal record or eviction proceedings/court fees.

Mental Health Services

Direct outpatient treatment or mental health conditions by licensed professionals. Health services are only eligible to the extent that other appropriate health services are inaccessible or unavailable within the community. Consideration should be taken for how mental health services will continue when the program participant moves to stable housing.

- Crisis intervention
- Individual, family, or group therapy sessions
- Prescription of mental health medications & explanations regarding the use and management of medications
- Combinations of therapeutic approaches to address multiple problems

Substance Abuse Treatment Services

Substance abuse treatment provided by licensed or certified professionals, designed to prevent, reduce, eliminate, or deter relapse of substance abuse or addictive behaviors. Health services are only eligible to the extent that other appropriate health services are inaccessible or unavailable within the community. Consideration should be taken for how substance abuse treatment services will continue when the program participant moves to stable housing.

- Client intake and assessment
- Outpatient treatment for up to thirty (30) days
- Group and individual counseling
- Drug testing (only as required by Substance Abuse treatment and may not be used to determine eligibility or as a program requirement.

Transportation

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

- Cost of program participants' travel on public transportation. Provide invoice for bus tickets, etc.
- Mileage allowance for service workers to visit program participants. Provide mileage logs.
- Purchasing or leasing a vehicle used for transport of program participants and/or staff serving program participants, including the cost of gas, insurance, taxes, and maintenance for the vehicle. Provide copy of invoice, gas receipts for fuel.
- Travel costs of staff to accompany or assist program participants to use public transportation

Services for Special Populations

Otherwise eligible 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. (See all eligible expenses listed above under Essential Services).

Shelter Operations

Costs to operate and maintain emergency shelter activities and provide other emergency lodging when appropriate.

- Maintenance (including minor or routine repairs)
- Rent
- Security
- Fuel
- Insurance
- Utilities – including telephone and internet
- Food
- Furnishings (Reasonable and justifiable)
- Equipment (Reasonable and justifiable)
- Supplies necessary for the operations of emergency shelter activities (Reasonable and justifiable)
- Hotel and motel voucher for individual or family - only eligible when no appropriate emergency shelter is available.

Note 1: THDA does not allow ESG funds to be used to pay for shelter renovation, conversion, or rehabilitation. For more information on minor or routine repairs, please visit: <https://www.hudexchange.info/news/snaps-shots-emergency-shelters-distinguishing-between-renovation-conversion-and-maintenance-activities/>

Note 2: THDA does not allow ESG funds to be used to pay for cable television and other subscription services (Netflix, Hulu). Grantees which have a bundled package must subtract costs associated with cable television services from the invoice total.

Homelessness Prevention

24 CFR 576.103

Eligible individuals and families are those who are at imminent risk or at-risk of homelessness as defined in 24 CFR 576.2 paragraph (1) of the homeless definition or those who qualify as at-risk of homelessness. Individuals and families must have an income below 30% of the Area Median Income (AMI). Short term rental assistance and housing relocation and stabilization services are eligible expenses. Staff salaries related to carrying out homelessness prevention activities are also eligible. Prevention funds are used only to the extent that the assistance is necessary to help the participant regain stability in their current housing or moving into other housing. The best use of these funds will divert individuals and families from having to move into emergency shelter.

- ❖ Housing Relocation and Stabilization Services
- ❖ Financial Assistance (Including Short & Medium-Term Rental Assistance)

Note: Funds are not intended to be used for emergency utility assistance. Financial assistance funds (see next section) can be used to pay for rent or utility arrears, but not other debt including, but not limited to: mortgage, credit cards, car payments, or medical bills.

Housing Relocation and Stabilization Services

Housing Search and Placement

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

Housing Stability and Case Management

Assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability

- Using the coordinated entry to conduct the initial evaluation and re-evaluation
- Counseling
- Developing, securing, and coordinating access to mainstream resources
- Monitoring and evaluating program participant progress
- Providing information and referrals to other providers
- Developing individualized housing and services plans

Mediation

Mediation between the program participant and the owner or person(s) with whom the program participants is living to prevent the program participant from losing the permanent housing in which they currently reside, diverting from shelter.

- Time and/or services associated with mediation activities

Financial Assistance (Including Short & Medium-Term Rental Assistance)

24 CFR 576.105 & 106

- Moving Costs – moving costs, such as truck rental or hiring a moving company, including certain temporary storage fees but no storage arrears
- Rental Application Fees – application fees charged by owners to all applicants
- Security Deposit – up to but no more than two months' rent
- Last Month's Rent – paid to the owner of housing at the time security deposit and first month's rent are paid
- Utility Deposit – standard utility deposit required by the utility company for all customers (i.e. gas, electric, water, sewage)
- Utility Payments – up to 24 months of utility payments per program participant per service (i.e. gas, electric, water, sewage), including a one-time payment up to 6 months of arrearages, per service
- Short-Term Rental Assistance – up to three (3) months
- Medium-Term Rental Assistance – four to nine (9) months
- Payment of Rental Arrears – Onetime payment up to six (6) months including any late fees on those arrears
- Any combination of the three types of Rental Assistance above – total not to exceed twenty-four (24) months during any three (3) year period, including any payment for last month's rent.

Rapid Re-Housing

24 CFR 576.104

Individuals and families experiencing homelessness, meaning those who qualify under paragraph (1) of the homeless definition in 24 CFR 576.2 or who meet the criteria under paragraph (4) of the homeless definition and live in an emergency shelter or other place described in paragraph (1) of the homeless definition. Short- and medium-term rental assistance and housing relocation and stabilization services are eligible activities. Staff salaries related to carrying out Rapid Re-Housing activities are also eligible.

- ❖ Housing Relocation and Stabilization Services
- ❖ Short and Medium-Term Rental Assistance

Housing Relocation and Stabilization Services

Housing Search and Placement

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

Housing Stability and Case Management

Assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability

- Using the coordinated entry to conduct the initial evaluation and re-evaluation
- Counseling
- Developing, securing, and coordinating access to mainstream resources (federal, state, local)
- Monitoring and evaluating program participant progress
- Providing information and referrals to other providers
- Developing individualized housing and services plans

Mediation

Mediation between the program participant and the owner or person(s) with whom the program participants is living to prevent the program participant from losing the permanent housing in which they currently reside.

- Time and/or services associated with mediation activities

Credit repair

ESG may pay for credit counseling and other services necessary to assist program participants with critical skills related to household budgeting, managing money, accessing a free personal credit report, and resolving personal credit problems. This assistance does not include the payment or modification of debt.

Financial Assistance (Including Short & Medium-Term Rental Assistance)

24 CFR 576.105 & 106

- Moving Costs – moving costs, such as truck rental or hiring a moving company, including certain temporary storage fees but no storage arrears
- Rental Application Fees – application fees charged by owners to all applicants
- Security Deposit – up to but no more than two months' rent
- Last Month's Rent – paid to the owner of housing at the time security deposit and first month's rent are paid
- Utility Deposit – standard utility deposit required by the utility company for all customers (i.e. gas, electric, water, sewage)
- Utility Payments – up to twenty-four (24) months of utility payments per program participant per service (i.e. gas, electric, water, sewage), including a one-time payment up to six (6) months of arrearages, per service
- Short-Term Rental Assistance – up to three (3) months
- Medium-Term Rental Assistance – four to nine (9) months
- Payment of Rental Arrears – One-time payment up to six (6) months including any late fees on those arrears
- Any combination of the three types of Rental Assistance above – total not to exceed twenty-four (24) months during any three (3) year period, including any payment for last month's rent.

Data Collection/HMIS

24 CFR 576.107

All ESG grantees are required to collect data about clients served per CFR 576.107. All ESG grantees which are not victims' service providers must use the Homeless Management Information System (HMIS) adopted by the Continuum of Care covering the grantee's service area. Victims service providers are required to maintain a comparable database that produces HUD required, unduplicated, aggregate reports.

- ❖ Equipment/Hardware and Software, including comparable database systems
- ❖ HMIS Staffing
- ❖ HMIS Training
- ❖ HMIS Overhead

Equipment/Hardware and Software

- Purchasing or leasing equipment, including computers or telephones, needed for running the data system
- Purchasing or leasing relevant computer software (including comparable database systems), and software licenses, including HMIS user fees and other participation fees charged by HMIS Lead Agency of the CoC.

HMIS Staffing

Paying salaries for staff operating the HMIS or comparable database, including:

- Data collection
- Completing data entry
- Data analysis
- Monitoring and reviewing data quality
- Implementing and complying with HMIS requirements
- Providing HMIS / comparable database training

HMIS Training

- Training staff on using the HMIS or comparable database
- Obtaining technical support
- Paying costs of staff to travel and attend HUD sponsored or HUD approved trainings on HMIS

Administration (Local Governments ONLY)

24 CFR 576.108

- ❖ General Management/Oversight/Coordination
- ❖ Training on ESG Requirements
- ❖ Consolidated Plan
- ❖ Environmental Review

General Management/Oversight/Coordination

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

Training on ESG Requirements

Costs of providing trainings on ESG requirements and attending HUD or State-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 24 CFR 576.407 of the HUD regulations

Indirect Costs

24 CFR 576.109

ESG funds may be used to pay indirect costs in accordance with 2 CFR § 200.414, as applicable. THDA must have a Cost Allocation Plan on file. Indirect costs may be allocated to each eligible activity, so long as the allocation is consistent. The indirect costs charged to an activity subject to an expenditure limit must be added to the direct costs charged for that activity when determining the total costs subject to the expenditure limit.

ESG Grantees may request up to 15% of their ESG funds for indirect costs in accordance with OMB requirements; or a higher rate if approved for a higher rate by a federal agency.

General Management/Oversight/Coordination

- Other costs for goods and services required for the administration of the program, including rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance (but not purchase) of office space
- Training on ESG Requirements: Costs of attending trainings on ESG requirements and attending HUD-sponsored ESG trainings

Note: Staff and overhead costs directly related to carrying out eligible services and operating activities (Street Outreach, Shelter, HMIS/Data Collection, Rapid Re-Housing, and Homelessness Prevention) are considered program costs, not administration costs, subject to cost principles in 2 CFR § 200.414 - Indirect (F&A) costs.

Example of a cost allocation plan: <https://www2.ed.gov/about/offices/list/ope/trio/allocation-plan.pdf>

Some Ineligible Costs

Items below are commonly asked about, but are not eligible for ESG funding. This list is **NOT** exhaustive.

Emergency Shelter

Legal Services

- Legal services for immigration and citizenship matters
- Issues related to mortgages
- Retainer fee and arrangements and contingency fee arrangements

Substance Abuse Treatment Services

- Substance abuse treatment services for inpatient detoxification and other inpatient drug or alcohol treatment

Homelessness Prevention and Rapid Re-Housing

Financial Assistance

- Payment of temporary storage fees in arrears
- Financial assistance to a household for a purpose and time period supported by another public source (Example: ESG funds may not be used for rental assistance for units that are already being paid by section 8, Public Housing Authority, or other public funding).
- Payment or modification of a debt
- Furniture and other household goods
- More than 2 months security deposit
- Late payment penalties

Administration

- General management/oversight/coordination
- Purchase of office space

This is **NOT** an exhaustive list. For further clarifications and list of ineligible expenses please see 24 CFR 200 and 24 CFR 576.

Grantees of ESG funds may consult the federal ESG regulations (80 FR 31538, 24 CFR 91 & 576)

Federal Register: <https://www.federalregister.gov/documents/2015/06/03/2015-13485/emergency-solutions-grants-esg-program-solicitation-of-comment-on-specific-issues>

THDA Emergency Solutions Grants Program website: <https://thda.org/business-partners/esg>