

**CORONAVIRUS AID, RELIEF AND  
ECONOMIC SECURITY ACT (CARES  
ACT) FUNDING**

**EMERGENCY SOLUTIONS GRANT  
PROGRAM (ESG-CV)**

**TRAINING**

**June 23, 2020  
via Skype**

# HUD's Priorities of the ESG-CV Program

These special ESG-CV funds are to be used to prevent, prepare for, and respond to the coronavirus pandemic (COVID-19) among individuals and families who are homeless or receiving homeless assistance; and to support additional homeless assistance and homelessness prevention activities to mitigate the impacts of COVID-19.

# Important Sites:

- ESG Information on the SDHDA website:  
<https://www.sdhda.org/social-programs/emergency-solutions-grants-program>
- ESG on HUD Exchange:  
<https://www.hudexchange.info/programs/esg/>
- CDC Site – Resources to support people experiencing homelessness:  
<https://www.cdc.gov/coronavirus/2019-ncov/community/homeless-shelters/index.html>

# Homeless Definition (Rapid Re-Housing)

- Individuals and Families considered HOMELESS (*Literally Homeless*):
  - Living on the streets
  - Living in a place not meant for human habitation
  - Emergency shelter
  - Transitional housing
  - Living in a motel paid for by a charitable organization
  - Being released from Jail or an institution (within 90 days of admittance) and were homeless going into the facility

# At Risk of Homelessness (Homeless Prevention)

An individual/family who has an annual income below 50% AMI, does not have sufficient resources/support immediately available to prevent them from moving to an emergency shelter or another place defined as “homeless” AND

- Has moved because of economic reasons 2 or more times during the last 60 days; or
- Is living in the home of another because of economic hardship; or
- Has been notified that their right to occupy their current housing or living situation will be terminated within 21 days; or
- Lives in a hotel/motel paid for by themselves; or
- Lives in an SRO or efficiency apartment unit in which there resides more than one and half persons per room

# 5 Components of ESG

1. Street Outreach
2. Emergency Shelter
3. Homelessness Prevention
4. Rapid Re-Housing
5. HMIS

# Street Outreach Component (pg 8)

Street Outreach Component funds may be used for 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 non-facility based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing or an appropriate health facility.

**Eligible activities include:** Engagement, Case Management, Emergency Health Services, Emergency Mental Health Services, Transportation, Services for Special Populations.

## **Eligible Costs to Support Infectious Disease Preparedness:**

- Engagement: Urgent physical needs – hand sanitizer, soap, tissue packets, masks
- Engagement: Equipping Staff – masks, disposable gloves, hand sanitizer, other personal protective equipment
- Case Management: Referrals – Coordinating medical care
- Transportation: Train or bus tokens, taxi or rideshare for program participant travel to and from medical care

# Emergency Shelter Component (pg 11)

Services to individuals/families who are homeless. Essential services to persons staying in emergency shelters, renovating buildings to be used as emergency shelters and operating emergency shelters.

## **Eligible activities include:**

- **Renovation** - Renovating buildings to be used as emergency shelter for homeless families/individuals
- **Shelter Operations** - Costs to operate & maintain emergency shelter
- **Hotel/Motel Voucher** - Costs associated with hotel or motel vouchers. Eligible to homeless individuals/families when emergency shelter is not available. Can be used to provide isolation/quarantine units and to decompress congregate shelter settings to cut down on the spread of the virus.



# Emergency Shelter component Cont.

**Essential Services** - Provided to individuals/families while they are staying in emergency shelter.

Eligible activities include:

1. *Case Management*
2. *Child Care*
3. *Education Services*
4. *Employment Assistance and Job Training*
5. *Outpatient Health Services*
6. *Legal Services*
7. *Life Skills Training*
8. *Mental Health Services*
9. *Substance Abuse Treatment Services*
10. *Transportation*

# Emergency Shelter Component cont.

**Shelter Operations** (pg. 11) - Costs to operate & maintain emergency shelter and also provide other emergency lodging when appropriate. Under the ESG-CV funding amounts may be used to provide temporary emergency shelters (through leasing of existing property, temporary structures or other means) to prevent, prepare for, and respond to coronavirus, and that such temporary emergency shelters shall not be subject to the minimum periods of use required by section 416(c)(1) of such Act (42 U.S.C. 11375(c)(1)).

**Eligible activities include:** Maintenance/repair, Rent, Security, Food, Insurance, Utilities, Furnishings, Supplies, Equipment, Fuel

**Eligible costs to support infectious disease preparedness:**

- Supplies: cleaning supplies such as bleach, disinfectant wipes, scrubbers, mops. Protective equipment such as masks. Program participant needs such as bed linens, towels, hand sanitizer, soap, tissue packets
- Furnishings: cots, room dividers
- Equipment: washers, dryers, portable handwashing stations
- Transportation: train or bus tokens, taxi or rideshare for program participant travel to and from medical care

# Homelessness Prevention and Rapid Re-housing (pg 15)

## ELIGIBLE ACTIVITIES:

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

### Special Conditions & Requirements for CARES Act funding for ESG:

- Individuals and families experiencing homelessness must not be required to receive treatment or perform any other prerequisite activities as a condition for receiving shelter, housing or other services for which these funds are used, notwithstanding 24 CFR 576.401(e).
- Serving Youth Who Lack 3<sup>rd</sup> Party Documentation or Live in Unsafe situations: Notwithstanding any contrary requirements under the McKinney-Vento Homeless Assistance Act or 24 CFR part 576, youth aged 24 and under who seek assistance (including shelter, services or rental assistance) shall not be required to provide third-party documentation that they meet the homeless definition in 24 CFR 578.3 as a condition for receiving assistance; and unaccompanied youth aged 24 and under (or families headed by youth aged 24 and under) who have an unsafe primary nighttime residence and no safe alternative to that residence shall be considered homeless for purposes of assistance provided by any private or nonprofit organization whose primary mission is to provide services to youth aged 24 and under and families headed by youth aged 24 and under.

# Housing Relocation & Stabilization Services

## **Eligible Activities:**

- Housing Search and Placement
- Case Management
- Mediation
- Legal Services
- Credit Repair

# Housing Search & 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;
- Assistance with submitting rental application and understanding leases;
- Assessment of housing for compliance with ESG requirements for habitability, lead-based paint, and rent reasonableness;
- Assistance with obtaining and making moving arrangements;
- Tenant counseling

# Case Management

Used to pay cost of assessing, arranging, coordinating and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing. This assistance cannot exceed 30 days during the period the participant is seeking permanent housing.

Components include:

- Conducting the initial evaluation including verifying & 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;
- Developing an individualized housing and service plan
- Conducting re-evaluations as required

# Mediation

Mediation between the program participant and the owner or person(s) with whom the program participant is living, to prevent the program participant from losing permanent housing in which they currently reside. Eligible costs would be the time and/or services associated with mediation activities.

# Legal Services

Legal Services that are necessary to resolve a legal problem that prohibits the program participant from obtaining or maintaining permanent housing.

## Eligible Costs:

- Hourly fees for legal advice and representation;
- Fees based on the actual service performed (fee for service)
- Client Intake, preparation of cases for trial, provision of legal advice, representation at hearing and counseling;
- Filing fees
- Subrecipient's employees' salaries and other costs necessary to perform the services.



# Credit Repair

Can 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.

**\*ASSISTANCE CANNOT INCLUDE THE PAYMENT OF A MODIFICATION OF A DEBT.**

# Financial Assistance

- Rental Application Fees: Application fee that is charged by the owner to all applicants
- Security Deposit: Per SD Law, ESG funds may pay for a security deposit that is equal to one month rent. A larger deposit may be collected by mutual agreement where special conditions pose a danger to maintenance of the premises. This is a one-time benefit
- 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
- Utility Payments: Up to 24 months of utility payments per participant, per service including up to 6 months of arrearages, per service.
- Moving Costs: Moving costs, such as truck rental or hiring a moving company, including certain temporary storage fees

# Rental Assistance

## Type of Assistance:

- Short-Term Rental Assistance: Up to 3 months of rental assistance;
- Medium-Term Rental Assistance: 4 to 24 months of rental assistance
- Payment of Rental Arrears: One time payment up to 6 months, including any late fees on those arrears

**\*\*Any Combination of the 3 Types of Rental Assistance:** Total not to exceed 24 months during any 3 year period, including payment for last month's rent

# Rental Assistance Requirements & Restrictions

- Compliance with Fair Market Rents (FMR) and Rent Reasonableness
- Compliance with Minimum Habitability Standards;
- Rental Assistance Agreement and Lease Standards:
  - ✓ *The rental assistance agreement must set forth the terms under which rental assistance will be provided.*
  - ✓ *Each participant receiving rental assistance must have a legally binding, written lease (between the owner and participant) for the rental unit, unless the assistance is solely for rental arrears.*
  - ✓ *Project-based rental assistance leases must have an initial term of one year.*
- A completed & signed rental assistance agreement must be in place between the landlord and your agency and MUST contain the same payment due date, grace period and late payment penalty requirement that is in the program participant's lease.
- Cannot use with other subsidies

# Tenant-Based vs. Project Based

Tenant-Based Rental Assistance - The rental assistance is paid to any rental unit that passes all HUD requirements for a individual or family.

Project-Based Rental Assistance – The rental assistance is paid to a particular housing project that passes all HUD requirements, in which the landlords agrees to keep units available for individuals and families currently receiving ESG funds.

# HMIS & SDDVD (pg 27)

- The HEARTH Act makes HMIS participation a statutory requirement for ESG recipients and subrecipients.
- Victim Service providers CANNOT participate in HMIS. A Comparable database has been created to capture DV client demographic information – the SD Domestic Violence Database (SDDVD)
- There will be specific ESG-CV programs in HMIS & SDDVD for clients assisted with ESG-CV funding.

## **Eligible Expenses:**

- Staff salaries for operating HMIS/SDDVD, this includes: data entry, monitoring & reviewing data quality, reporting to the HMIS Lead, training staff on using the database
- Paying charges for high-speed internet necessary to operate or contribute data to the HMIS/SDDVD

# Administration

## General Management/Oversight/Coordination

- Salaries, wages & related costs of staff engaged in program administration, including: preparing budgets & schedules; Developing systems for assuring compliance with program requirements; Developing interagency agreements & agreement with subrecipients and contractors to carry out program activities; Monitoring program activities for progress and compliance; Preparing reports; Coordinating the resolution of audit & monitoring findings; Evaluating results; Managing & supervising staff
- Travel costs incurred for monitoring sub-recipients
- Administrative services performed under third party contracts or agreements, including general legal services, accounting services & audit services
- Other costs for goods and services required for administration of the program, including utilities, office supplies, and rental and maintenance (but not purchase) of office space
- Costs of attending training on ESG requirements and attending HUD-sponsored ESG trainings

# WAIVERS

Effective May 22, 2020 the previously established waivers that were made available to ESG are made available with respect to the CARES Act funding for the same justifications and subject to the same conditions.

1. Re-evaluations for Homeless Prevention Assistance
2. Housing Stability Case Management
3. Restriction of Rental Assistance to Units with Rent at or Below FMR
4. HMIS Lead Activities

Subrecipients may use the waivers to assist ESG program beneficiaries and ESG program eligible households while preventing the spread of COVID-19 and mitigating the economic impact caused by COVID-19 for eligible households. All provisions that are not specifically waived remain in full effect. SDHDA is requiring all subrecipients seeking to use the waivers to submit a request to Denise Albertson specifying which waivers they wish to utilize. Additionally, subrecipients must update their policies & procedures to include the specified waivers and include this with their request.



# Program Requirements & Grant Administration (pg. 28)

***\*Please review this entire section of the ESG Deskguide\****

- **Affirmatively Furthering Fair Housing** – there are usually yearly free Fair Housing trainings across the state. I encourage everyone to attend
- **Calculating Annual Income** – starts on page 28. Please review this section and use the income calculation worksheet. You are required to obtain 3<sup>rd</sup> party documentation for income. Make sure to have client complete & sign the ESG Verification of Income form so you can collect data from an employer and also from the State for any payments/benefits the household receives.

**\*\*Please note: stimulus payments and the extra \$600 paid for unemployment benefits are not included in calculating income.**

# Program Requirements & Grant Administration Continued

- **Case Management** - Case Management is ESSENTIAL to the success of this program. Meeting with a case manager is REQUIRED in order to receive ESG funding. Clients must meet with a case manager at LEAST monthly for the duration of the assistance. This rule should not be universal as some clients may require more intensive case management.
- **Consultation with CoC (Housing for the Homeless Consortium)** – Must consult with the Housing for the Homeless Consortium in determining how to allocate ESG funds each program year; developing the performance standards for, and evaluating the outcomes of, projects and activities assisted by ESG funds, and developing funding, policies, and procedures for the administration and operation of the HMIS.
- **Coordination with Mainstream Resources** – Must coordinate and integrate, to the maximum extent practicable, ESG funded activities with mainstream housing, health, social services, employment, education and youth programs for which families and individuals may be eligible.

# Program Requirements & Grant Administration Continued

- **Equal Access** - On September 21, 2016, HUD published a final rule in the Federal Register entitled “Equal Access in Accordance with an individual’s Gender Identity in Community Planning and Development Programs.” Through the final rule, HUD ensures equal access to individuals in accordance with their gender identity in programs and shelter funded under programs administered by HUD’s Office of Community Planning and Development (CPD). This rule builds upon HUD’s February 2012 final rule entitled “Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity”, which aimed to ensure that HUD’s housing programs would be open to all eligible individuals and families regardless of sexual orientation, gender identity, or marital status. The final rule requires that recipients and subrecipients of CPD funding, as well as owners, operators, and managers of shelters, and other buildings and facilities and providers of services funded in whole or in part by any CPD program to grant equal access to such facilities, and other building and facilities, benefits, accommodations and services to individuals in accordance with the individual’s gender identity, and in a manner that affords equal access to the individual’s family.

# Program Requirements & Grant Administration Continued

**Homeless Participation** - The subrecipient must provide for the participation of not less than one homeless individual or formerly homeless individual on the board of directors or other equivalent policymaking entity of the subrecipient, to the extent that the entity considers and makes policies and decisions regarding any facilities, services, or other assistance that receive funding under the ESG program. H-ESG Manual Version 1.1 Page 36 of 53

- If the subrecipient is unable to meet this requirement, it must instead develop and implement a plan to consult with homeless or formerly homeless individuals in considering and making policies and decisions regarding any facilities, services, or other assistance that receive funding under the ESG Program. SDHDA will review the subrecipients plan during each on-site monitoring visit.
- To the maximum extent practicable, the subrecipient must involve homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under ESG, in providing services for occupants of facilities assisted under ESG. This involvement may include employment or volunteer services.

# Program Requirements & Grant Administration Continued

**Recertification** - Homelessness Prevention participants **MUST** be re-evaluated once every 3 months for continued assistance. Rapid Rehousing participants are required to be re-evaluated annually.

Recertification is required to determine:

- Participant continues to be eligible for assistance;
- The amount and type of assistance needed by the household to retain stability in permanent housing
- Must continue to have an income at/below 50% AMI
- Lack sufficient resources and support networks to retain housing without ESG assistance

\*\*If a client's enrollment date into HP is 6/20/20 that would cover the months of June-July-August and the client will need to be recertified prior to receiving any September assistance.

# Program Requirements & Grant Administration Continued

**Reporting** - Subrecipients will be required to submit quarterly performance reports on outputs and outcomes including information on participants served to-date, and subpopulation information. This format tracks the information the Grantee is required to report to HUD. One copy, per program, shall be submitted to Denise Albertson, Program Coordinator, at [denise@sdhda.org](mailto:denise@sdhda.org) by the 5th of the month following the end of each quarter for the period of program operation. Subrecipients will be able to print these reports from HMIS and the SDDVD.

- Subrecipients are required to run the Universal Data Quality report at the end of each month. The subrecipient needs to review this report and correct any data quality errors. This report is available in HMIS and the SDDVD.
- Subrecipients will be required to upload a CSV (comma separated value) report to Sage yearly to complete HUD reporting requirements. Request for this report will be generated by the Program Coordinator and emailed via the Sage system, [sage@sagehmis.info](mailto:sage@sagehmis.info).
- The HMIS Lead will be required to submit quarterly reports to HUD. These reports will be bundled reports across all rapid rehousing and homeless prevention programs respectively. It will be vital for agencies to maintain good data quality so the HMIS Lead can provide up-to-date and accurate reports to HUD.

# Program Requirements & Grant Administration Continued

**Termination of Housing Assistance** - Subrecipients may terminate ESG assistance if participant violates the rules of the program.

In order to terminate assistance the subrecipient must establish and follow a formal process that:

- Recognizes individuals rights
- A written notice to the program participant with clear statement of reasons for termination
- Review of decision to terminate with opportunity for the program participant to present written or oral objections to third party – this could be a supervisor or Director that has not been directly working with the client.
- Prompt written notice to the program participant of final decision

**\*ASSISTANCE TO PARTICIPANTS WHO HAVE BEEN TERMINATED FROM A PROGRAM MAY RESUME AT A LATER DATE**

# Program Requirements & Grant Administration Continued

**Written Standards for Providing ESG Assistance** – Each subrecipient must establish and consistently apply written standards for providing ESG Assistance, an Administrative Plan. At a minimum these written standards must include:

1. Evaluating eligibility of assistance;
2. Coordination among service providers;
3. Prioritizing assistance;
4. Determining client share of costs (if applicable);
5. Determining length of rental assistance (if applicable); and
6. Determining type, amount and duration of housing stabilization and/or relocation services



# Coordinated Entry System (CES)

The Continuum of Care (CoC), in conjunction with ESG subrecipients, developed a coordinated entry process in accordance with requirements established by HUD. This system allows for coordinated screening, assessment and referrals to ESG & CoC RRH projects. This system guarantees coordinated entry processes to ensure that housing crisis response systems end current homelessness for all households and ensure that future homelessness is rare, brief and non-recurring.

- CoC & ESG Funded agencies are required to participate in CES. Agencies with rapid re-housing funding are required to look to the CES waitlist when they have capacity to take on new RRH clients.
- CES changes from project-focused to person-focused
- Prioritization for services based on vulnerability of participants
- Consistent process for accessing assistance
- Ensures highest need, most vulnerable are prioritized & served
- Change from projects making decisions on whom to serve into an integrated system & decision making based on standardized assessment scoring

Under CARES Act funding there is a requirement to add prevention to our CES. As we are waiting for guidance to come from HUD we have started conversations with our HMIS vendor to discuss different options in adding a prevention assessment to our current system. More guidance will be forthcoming.

# Procedures Continued..

- **Monitoring & Compliance** - Subrecipients are expected to make available all client's, financial and program records for periodic review on a schedule established by SDHDA. In addition, subrecipients will maintain client files with all of the required documentation from HUD and SDHDA.
- **Reimbursement Requests** - ESG subrecipients will submit monthly draw requests for reimbursement of program expenditures to SDHDA. Requests will be reviewed in the order they are received by SDHDA. Lack of documentation or explanation may result in disallowance of expenses until appropriate documentation is submitted.
- **Reallocation & Recapture** - Subrecipients **MUST EXPEND 100%** of their funds within **18 months** from the date the grant agreement was signed by SDHDA. SDHDA and HUD will closely track subrecipient expenditures. SDHDA reserves the right to review a subrecipient's balance of funds quarterly and re-allocate funds if necessary.
- **Documentation & File Contents** - If a client is found to be eligible and appropriate for the ESG program after the initial interview, certain documents must be obtained and placed in the client file. The Client Intake Form Checklist can be found under the ESG Program information tab on the SDHDA website under "ESG forms"

# Draw Request Information

- Draw requests are highly recommended to be sent in on a monthly basis but are required quarterly at a minimum. Currently draw requests must be sent via mail but we are working on the addition of electronic submission for the draw request. More information will be forthcoming.
- HUD Plans to allow ESG recipients and subrecipients to seek reimbursement before the ESG costs were allocated. HUD is finalizing a Notice that will specify how far back recipients can seek reimbursement. HUD will announce the Notice via the HUD Exchange as soon as it is available.
- Only complete draw requests will be accepted ~ include a completed Itemization Form along with all required documentation and reimbursement forms. Invoices/statements must be complete and include the agency name, date of service(s) and a breakdown of charges.
- When submitting expenses completed by staff members, documentation of staff salaries must be submitted with the initial draw request and any time there is a salary change. This would include a copy of the staff's payroll documentation and/or an average of salary plus benefits.
- Case notes are required to be sent if they are not being entered into the HMIS or SDDVD systems.

# Draw Request Information continued...

- If your agency chooses to redact the client name, a unique ID number **must be used**. This ID number must be applied to all of the client's paperwork and documentation throughout the duration of their participation in the program and match the unique ID number used in SDDVD.

Let's look at the Itemization Form...



# QUESTIONS?

Denise Albertson, Program  
Coordinator & HMIS Lead

605/773-2598

[denise@sdhda.org](mailto:denise@sdhda.org)