

Emergency Shelter Policy



I. Introduction

The Emergency Solutions Grant (ESG) Program is a federal program operated by the U.S. Department of Housing and Urban Development (HUD) to make grants to states, local governments, and territories for the purposes of funding activities that directly serve people experiencing homelessness, including people at risk of homelessness. The California Department of Housing and Community Development (CA HCD) is a direct recipient of ESG from HUD. CA HCD administers an annual allocation of ESG and an additional one-time allocation of ESG made available under the CARES Act.

Emergency Shelter (ESG-ES) is one of several components (i.e. project types) that can be funded by ESG. Per 24 CFR Part 576, also referred to as the “ESG Program Interim Rule”:

[ESG-ES] may be used for costs of providing essential services to homeless families and individuals in emergency shelters, renovating buildings to be used as emergency shelter for homeless families and individuals, and operating emergency shelters.¹

For the purposes of this document, “annual ESG” refers to CA HCD’s annual allocation of ESG, “ESG-CV” refers to CA HCD’s one-time allocation of CARES Act ESG, and “ESG” refers to the program in general and to aspects of the program that apply to both annual ESG and ESG-CV. This ESG Emergency Shelter Policy (the “Policy”) provides the structure under which organizations receiving certain ESG grants from CA HCD (“subrecipients”) can create and implement ESG-ES projects.

A. Applicability

This Policy applies to ESG grants funded using:

- Annual ESG
- ESG-CV

II. Project Requirements

A. Overview

¹ 24 CFR 576.102, “Emergency shelter component”

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ESG-ES can serve an essential role in providing human-centered services to engage people experiencing sheltered homelessness and connect them with appropriate resources to obtain permanent housing. The requirements in this Policy are intended to ensure that subrecipients create ESG-ES projects that:

- Comply with all applicable federal laws, statutes, and regulations
- Provide assistance that is tailored to each participant's specific needs and housing barriers
- Implement best practices for returning people experiencing sheltered homelessness to safe, stable permanent housing via person-centered practices that are tailored to each household

B. Applicability of Federal Requirements

Projects are required to adhere to all applicable federal laws, statutes, and regulations, which include but are not limited to the ESG Program Interim Rule (24 CFR Part 576) and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR part 200). Elements of these requirements are incorporated into this Policy; however, subrecipients are strongly encouraged to independently review all applicable requirements independent of this document.

C. Written Policies and Procedures

Projects are required to develop and implement written policies and procedures (P&Ps) that fully detail their ESG-ES operations. At a minimum, they must include the following content pieces:

- Written Standards.** All elements of the P&P must be consistent with the ESG Written Standards implemented by CA HCD and CA HCD's local subrecipient. ESG-ES projects must comply with Written Standards via both the P&P and project implementation. When a conflict occurs between ESG and CoC Written Standards documents, subrecipients must consult with CA HCD to resolve the conflict.
- Coordinated Entry integration.** The P&P must detail how the project will participate in the local Coordinated Entry System to ensure that participants are connected quickly to the resources available via Coordinated Entry, including but not limited to ESG-funded permanent housing.

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- c. **Participant eligibility.** The P&P must detail how it establishes and documents participant eligibility. The P&P must also acknowledge that, as required by the ESG Program Interim Rule, lack of third-party documentation must not be a barrier to enrollment in ESG-ES projects.
- d. **Suite of services.** The P&P must define:
 - i. The full suite of services that will be provided by the project, which may only include activities eligible for ESG-ES projects as listed in section IV of this Policy
 - ii. The project's process for assessing each participant's individual strengths and housing barriers, then developing an individualized case management plan that incorporates those strengths and housing barriers to quickly return the participant to safe, stable permanent housing
- e. **Staffing pattern.** The P&P must detail the project's staffing pattern, including:
 - i. Estimated caseloads for staff providing case management, which must be sufficient to meet any commitments or projections regarding the number of participants to be served by the project during a given period
 - ii. Other staff who are providing services funded by the project other than case management, including staff who are responsible for providing essential services like food services and staff who are responsible for maintaining the facility such as maintenance workers
 - iii. A process for entering participant data into and maintaining participant data in the local Homeless Management Information System (HMIS) in an accurate and timely manner.² For further guidance specific to CA HCD ESG projects use of HMIS, please see the [HUD ESG HMIS Manual](#)
- f. **Housing problem-solving.** The P&P must detail how the project will provide the following housing problem-solving (HPS) approaches. HPS, including standard interventions and recordkeeping requirements, is defined more fully in CA HCD's ESG Housing Problem-Solving Policy. ES-ES projects are required to provide the following HPS services:

² Subrecipients should contact their local CoC for information about the local HMIS, including user access and training, data standards and requirements, and technical support. Subrecipients must comply with the local CoC standards for timeliness and data accuracy. In the absence of local standards, subrecipients may define "timely manner" at their discretion in their policies and procedures but are strongly encouraged to adopt a policy that require new data to be entered into HMIS as soon as possible but no more than five business days after it is collected, including entry and exit dates/assessments.

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- i. *Diversion*: the project must attempt to provide diversion services to all participants who request ESG-ES services at the time the participant initially requests services
 - ii. *Rapid exit*: the project must offer rapid exit services to all participants enrolled in the project who are not already receiving rapid exit services from another project or provider. *Note*: the project should continue to attempt to provide rapid exit services to each participant until both project and participant mutually agree that the participant will no longer benefit from them
- g. **Other requirements.** The P&P must meet any other requirements in documents other than this Policy. Other sources of requirements may include but are not limited to federal laws, statutes, and regulations, CA HCD policy regarding federal awards generally and the ESG Program specifically, and the local CoC.
 - i. In the event of a conflict between requirements in this Policy and another document, or between this Policy and another applicable body of policy, subrecipients must consult CA HCD to resolve the conflict
- h. **General operations.** In addition to the other requirements in this Policy, the P&P must provide sufficient information about the operations of the project that a person not familiar with the project could reasonably reconstruct it from the P&P
- i. **Approval.** Projects are required to adhere to the following approvals for their P&Ps:
 - i. P&Ps must be submitted for approval to CA HCD
 - ii. Projects are not required to have approved P&Ps before beginning to spend ESG-RRH funds, but CA HCD may choose not to issue reimbursements to a project before its P&Ps are approved
 - iii. CA HCD is the sole arbiter of whether P&Ps meet the requirements in this Manual
 - iv. P&Ps are not approved until the project receives written, signed approval from CA HCD, either on the P&Ps or in a separate letter
 - v. CA HCD may withdraw its approval at any time via a written, signed statement if it discovers that a project's implementation differs materially from its P&Ps

D. Coordinated Entry

Projects are required to participate to the maximum extent possible in the Coordinated Entry process for their local CoC or CoCs, as Coordinated Entry provides a critical path from homelessness to housing for many people experiencing sheltered homelessness. Projects are strongly encouraged to consult with their local CoC or CoCs early in the project design process to ensure they maximize their Coordinated Entry integration.

E. Termination and Appeals

Projects are required to develop a termination and appeals policy. This policy must comply with all requirements in 24 CFR 576.402, "Terminating Assistance," which includes but is not limited to a provision that participants' assistance be terminated only in the most severe cases. This policy must also comply with any additional applicable requirements, which can most commonly be found in the following places:

- The project's application to CA HCD and CA HCD's grant award or contract for the project
- ESG Written Standards developed by CA HCD or its local direct subrecipient
- CoC Written Standards developed by the local CoC insofar as they apply to ESG-ES projects

It is CA HCD's intent to prohibit ESG-ES projects from specifying either a minimum or maximum length of stay for participants. CA HCD intends to implement this requirement in the following phases during the following ESG fiscal years (FYs):

- FY 2022:
 - CA HCD will provide training and technical assistance to equip existing projects to transition between models
- FY 2023:
 - CA HCD will continue to provide training and technical assistance
 - CA HCD will incorporate this requirement into its monitoring process, issuing Concerns to projects whose policies and procedures or operations still incorporate a minimum or maximum length of stay
- FY 2024:
 - CA HCD will continue to provide training and technical assistance

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- CA HCD will continue to incorporate this requirement into its monitoring process as above but will issue Findings rather than Concerns
- Beginning with the FY 2024 ESG Notice of Funding Opportunity (NOFO), CA HCD will discontinue funding ESG-ES projects with minimum or maximum lengths of stay

This policy must detail the steps the project will take to ensure that any participant who is terminated from the project does not return to an unsheltered location as a result of that termination.

III. Participant Eligibility

A. Overview

Participant eligibility requirements in this Manual are derived from the ESG Program Interim Rule. Any changes to eligibility requirements based on updated HUD guidance, HUD regulation, or other federal statute or regulation shall supersede this Manual.

B. Eligibility Requirements

Participants must meet the criteria in this section to be eligible for assistance under and project covered by this Policy. Participants must meet criteria under either or both of (a) or (b), below:

- a. They are an individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
 - i. Has a primary nighttime residence that is a public or private place not meant for human habitation, or
 - ii. Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels/motels paid for by charitable organizations or by federal, state, and local government programs), or
 - iii. Is exiting an institution where they have resided for 90 days or fewer and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution
- b. They are an individual or family who:

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- i. Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, and/or human trafficking, and
- ii. Has no other residence, and
- iii. Lacks resources or support networks to obtain other permanent housing

Note that people who are currently living in emergency shelter, including people in other ESG-ES projects, are eligible for immediate admission to an ESG-ES project. This is frequently referred to as a ‘shelter transfer.’

The age of a child under age 18 must not be used as a basis for denying any family’s admission to an emergency shelter that uses ESG funding or services and provides shelter to families with children under age 18.

C. Documentation Requirements

Projects are required to follow the documentation standards in 24 CFR 576.500(b), “Recordkeeping and Reporting Requirements.”

IV. Activity Eligibility

A. Overview

Eligible activities for ESG-ES projects are defined by the ESG Program Interim Rule. Additional eligible activities specifically designed to prevent, prepare for, and respond to COVID-19 are defined in ESG-CV Notice CPD-21-08 and other Notices related to the COVID-19 pandemic as applicable.

B. Eligible Activities

ESG-ES may be used for the costs of providing essential services to homeless families and individuals in emergency shelters, and operating emergency shelters.

All activities not listed in this Policy either explicitly or by reference are ineligible.

1. Essential Services

ESG-ES may be used to provide essential services to eligible participants as follows:

- a. **Case management.** The cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the participant. Component services and activities consist of:

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- i. Using the Coordinated Entry system
 - ii. Conducting the initial evaluation required under 24 CFR 576.401(a), including verifying and documenting eligibility
 - iii. Counseling
 - iv. Developing, securing, and coordinating services and obtaining Federal, State, and local benefits
 - v. Monitoring and evaluating participant progress
 - vi. Providing information and referrals to other providers
 - vii. Providing ongoing risk assessment and safety planning with victims of domestic violence (*note: this activity is available to all ESG-ES providers; it is not limited to victim services providers*)
 - viii. Developing an individualized housing and service plan, including planning a path to permanent housing stability
- b. **Child care.** The costs of child care for participants, including providing meals and snacks, and comprehensive and coordinated sets of appropriate developmental activities. Children must be under the age of 13 unless they are living with a disability, in which case they must be under the age of 18. Child care centers must be licensed by the jurisdictions in which they operate in order for its costs to be eligible.
- c. **Education services.** When necessary for the participant to obtain and maintain housing: the costs of improving knowledge and basic educational skills.
- i. Services include:
 - 1. Instruction or training in consumer education
 - 2. Health education
 - 3. Substance abuse prevention
 - 4. Literacy
 - 5. English as a Second Language
 - 6. General Education Development (GED)
 - ii. Component services or activities are:
 - 1. Screening, assessment, and testing
 - 2. Individual or group instruction
 - 3. Tutoring
 - 4. Provision of books, supplies, and instructional material
 - 5. Counseling

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6. Referral to community resources
- d. **Employment assistance and job training.** Employment assistance and job training programs, including the cost of providing reasonable stipends to participants in employment assistance and job training programs.
 - i. Formats include:
 1. Classroom
 2. Online
 3. Computer instruction
 4. On-the-job instruction
 5. Services that assist people in securing employment, acquiring learning skills, and/or increasing earning potential
 - ii. “Learning skills” include those skills that can be used to secure and retain a job, including the acquisition of vocational licenses and/or certificates.
 - iii. “Services that assist individuals in securing employment” consist of:
 1. Employment screening, assessment, or testing
 2. Structured job skills and job-seeking skills
 3. Special training and tutoring, including literacy training and prevocational training
 4. Books and instructional material
 5. Counseling or job coaching
 6. Referral to community resources
- e. **Outpatient health services.** Direct outpatient treatment of medical conditions provided by licensed medical professionals. ESG funds may only be used for these services to the extent that other appropriate health services are available within the community. Eligible treatment consists of:
 - i. Assessing a participant’s health problems and developing a treatment plan
 - ii. Assisting participants to understand their health needs
 - iii. Providing directly or assisting participants to obtain appropriate medical treatment, preventive medical care, and health maintenance services, including emergency medical services
 - iv. Providing medication and follow-up services
 - v. Providing preventive and non-cosmetic dental care

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- f. **Legal services.** The hourly fees for legal advice and representation by attorneys licensed and in good standing with the bar association of the State in which the services are provided and by people under the supervision of the licensed attorney regarding matters that interfere with the participant's capacity to obtain and retain housing. ESG may only be used for these services to the extent that other appropriate legal services are unavailable or inaccessible within the community. Fees based on actual service performed (i.e. fee for service) are also eligible, but only if the cost would be less than the cost of hourly fees. Filing fees or other necessary court costs are also eligible. If the subrecipient is a legal services provider and performs the services itself, the eligible costs are the subrecipient's employees' salaries and other costs necessary to perform the services.
- i. Eligible subject matters are:
 - 1. Child support
 - 2. Guardianship
 - 3. Paternity
 - 4. Emancipation
 - 5. Orders of protection or other civil remedies for victims of domestic violence
 - 6. Appeal of veterans and public benefit claim denials
 - 7. Resolution of outstanding criminal warrants
 - ii. Component services or activities may include:
 - 1. Client intake
 - 2. Preparation of cases for trial
 - 3. Provision of legal advice
 - 4. Representation at hearings
 - 5. Counseling
 - iii. Explicitly ineligible activities are:
 - 1. Legal services for immigration and citizenship matters
 - 2. Issues relating to mortgages
 - 3. Retainer fee arrangements
 - 4. Contingency fee arrangements
- g. **Life skills training.** Teaching critical life management skills that may never have been learned or that have been lost during the course of

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physical or mental illness, domestic violence, substance use, and homelessness. Services must be necessary to assist the participant to function independently in the community. Component life skills trainings are:

- i. Budgeting resources
 - ii. Managing money
 - iii. Managing a household
 - iv. Resolving conflict
 - v. Shopping for food and needed items
 - vi. Improving nutrition
 - vii. Using public transportation
 - viii. Parenting
- h. **Mental health services.** Direct outpatient treatment by licensed professionals of mental health conditions. ESG funds may only be used for these services to the extent that other appropriate mental health services are unavailable or inaccessible within the community. Mental health services are the application of therapeutic processes to personal, family, situational, or occupational problems in order to bring about positive resolution of the problem or improved individual family functioning or circumstances. Problem areas may include family and marital relationships, parent-child problems, or symptom management. Eligible treatment consists of:
- i. Crisis interventions
 - ii. Individual, family, or group therapy sessions
 - iii. Prescription of psychotropic medications or explanations about the use and management of medications
 - iv. Combinations of therapeutic approaches to address multiple problems
- i. **Substance abuse treatment services.** Services designed to prevent, reduce, eliminate, or deter relapse of substance abuse or addictive behaviors that are provided by licensed or certified professionals. ESG funds may only be used for these services to the extent that other appropriate substance abuse treatment services are unavailable or inaccessible within the community.
- i. Eligible treatment consists of:

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1. Client intake and assessment
2. Outpatient treatment for up to 30 days
3. Group and individual counseling and drug testing
- ii. Explicitly ineligible activities are:
 1. Inpatient detoxification
 2. Other inpatient drug or alcohol treatment
- j. **Transportation.** Costs of a participant's travel to and from medical care, employment, child care, or other eligible essential services facilities. These costs include the following:
 - i. The cost of a participant's travel on public transportation
 - ii. If service workers use their own vehicles: mileage allowance for service workers to visit participants
 - iii. The cost of purchasing or leasing a vehicle for the recipient or subrecipient in which staff transports participants and/or staff serving participants and the cost of gas, insurance, taxes, and maintenance for the vehicle
 - iv. The travel costs of recipient or subrecipient staff to accompany or assist participants to use public transportation
- k. **Services for special populations.** As listed in 24 CFR 576.102(1)(xi).

2. Shelter Operations

ESG-ES may be used to pay for maintenance (including minor or routine repairs), rent, security, fuel, equipment, insurance, utilities, food, furnishings, and supplies necessary for the operation of the emergency shelter.

Where no appropriate emergency shelter is available for a given household, eligible costs may also include a hotel or motel voucher for that household.

3. Assistance Required Under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)

ESG-ES may be used to pay for providing URA assistance as specified under 24 CFR 576.408, including relocation payments and other assistance to people displaced by a project assisted with ESG funds. People that receive URA assistance are not considered "program participants" for the purposes of the ESG Program interim rule and relocation payments and other URA assistance are not considered "rental assistance" or "housing relocation and stabilization services" for the purposes of the ESG Program interim rule.

C. Minimum Periods of Use

1. Essential Services and Shelter Operations

Where the recipient or subrecipient uses ESG funds solely for essential services or shelter operations, the recipient or subrecipient must provide services or shelter to people experiencing homelessness at least for the period during which the ESG funds are provided. The recipient or subrecipient does not need to limit these services or shelter to a particular site or structure so long as the site or structure serves the same population(s) originally served with the assistance (e.g. families with children, unaccompanied youth, people living with disabilities, victims of domestic violence) or serves people experiencing homelessness in the same geographic area where the recipient or subrecipient originally provided services or shelter.

D. Additional Eligible Activities Under Notice CPD-21-08

Activities eligible under ESG-CV Notice CPD-21-08, or any superseding notices, can be found on the [HUD Exchange website](#). Subrecipients should refer to this website for the latest information.

These activities are eligible for ESG-ES projects funded with annual ESG from Federal Fiscal Year 2020 or prior, when such funding is specifically used to prevent, prepare for, and respond to COVID-19. These activities are also eligible for ESG-ES projects funded with ESG-CV. CA HCD may, at its discretion, limit eligible activities via the subrecipient contract.

Note that eligibility of these activities will expire for annual ESG funding on September 30, 2022, and for ESG-CV funding on September 30, 2023 unless otherwise specified by HUD and/or CA HCD.

E. “Prevent, Prepare, and Respond” Tieback

Under this Policy, when ESG funds are used to prevent, prepare for, and respond to COVID-19 (PPR), there are certain requirements related to documenting those activities’ relationships to PPR at the activity level (but not the participant level) and in the Integrated Disbursement and Information System (IDIS). More information about those requirements, including sample text for IDIS, for many common activities, can be found in HUD’s [“Homeless System Response: ESG-CV ‘Prevent, Prepare, and Respond’ Tieback Flexibilities Quick Guide.”](#)

F. Maintenance of Effort

The effort of maintenance requirements under 24 CFR 576.101(c), which apply to the use of ESG funds for essential services related to street outreach, also apply for the use of such funds for essential services related to emergency shelter.