

# Rapid Re-Housing Manual



# I. Introduction

## A. Overview

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.

Rapid Re-Housing (ESG-RRH) 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-RRH] may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance as necessary to help a homeless individual or family [including those living in an emergency shelter, on the streets, in a park, or in another place not meant for human habitation] move as quickly as possible into permanent housing and achieve stability in that housing.<sup>1</sup>

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 Rapid Re-Housing Manual (the “Manual”) provides the structure under which organizations receiving certain ESG grants from CA HCD (“subrecipients”) can create and implement ESG-RRH projects.

## B. Applicability

This Manual applies to ESG grants funded using:

- Annual ESG
- ESG-CV

---

<sup>1</sup> 24 CFR 576.104, “Rapid re-housing assistance component”

## II. Project Requirements

### A. Overview

ESG-RRH is an effective and efficient approach for moving people from homelessness to permanent and stable housing. The requirements in this Manual are intended to ensure that subrecipients create ESG-RRH 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 human-centered best practices to providing ESG-RRH assistance that is low barrier and reflects the Housing First approach

### 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 57) 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 Manual; 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-RRH operations. At a minimum, they must include the following content pieces:

- a. **Coordinated Entry integration.** The P&P must detail how its participant intake process complies with the Coordinated Entry process for the Continuum of Care (CoC) or CoCs in which the project operates. For more information, refer to [Section II.E, "Coordinated Entry."](#)
- b. **Participant eligibility.** The P&P must detail how it establishes and documents participant eligibility. For more information, refer to [Section III, "Participant Eligibility."](#)
- c. **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-RRH projects as stated below in [Section IV, “Activity Eligibility.”](#)
  - ii. The project’s process for assessing each participant’s barriers to housing and self-sufficiency; and design individualized, strengths-based service plans that ensure each participant receives only those services designed to address their specific barriers.
  - iii. The project’s process for periodically reassessing each participant’s service plan and amending it to reflect both barriers that have been removed and new barriers that have been identified.
- d. **Staffing pattern.** The P&P must detail the project’s staffing pattern, including:
- i. Estimated caseloads for staff providing direct services, 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. 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.<sup>2</sup> For further guidance specific to CA HCD ESG projects use of HMIS, please see the [HUD ESG HMIS Manual](#).
- e. **Termination and appeals.** The P&P must include a participant termination and appeals process. For more information, refer to [Section II.F, “Termination and Appeals.”](#)
- f. **Other requirements.** The P&P must meet any other requirements in documents other than this Manual. 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 Manual and another document, or between this Manual and another applicable body of policy, subrecipients must consult CA HCD to resolve the conflict.

---

<sup>2</sup>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 but are strongly encouraged to adopt policies 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.

- g. **General operations.** In addition to the other requirements in this Manual, 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.
- h. **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 any 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. Intake

Projects are required to develop a participant intake policy that ensures the project serves only those who are eligible for ESG-RRH. This policy must fully comply with the local CoC's Coordinated Entry process. This policy must incorporate the following elements:

- a. **Participant eligibility.** This policy must establish a process for determining whether a participant is eligible to receive assistance. A participant is not considered eligible by projects under this Manual unless they are determined to be eligible by a process as defined by this section. This process must include a methodology for assessing and determining whether a person is currently experiencing literal homelessness as defined by HUD.
- b. **Needs assessment.** This policy must establish a process for assessing each project applicant's needs, including housing barriers that they would need the ESG-RRH project to resolve. The project may determine whether the needs assessment and the eligibility assessment (listed in subsection a., "Participant eligibility," of this section) are the same or separate processes and whether or not they share some, all, or none of their criteria. However, if they are separate processes, the needs assessment should only be applied to project applicants who are eligible to receive assistance.
- c. **Coordinated Entry.** This policy must comply with the local CoC's Coordinated Entry process. For more information, refer to [Section II.E. "Coordinated Entry."](#)

### E. Coordinated Entry

Projects are required to fully integrate the Coordinated Entry process for their local CoC or CoCs into its operations, including its participant intake process. Coordinated Entry processes will vary between CoCs. Projects are strongly encouraged to consult with their local CoC or CoCs early in the project design process to ensure that they have fully integrated all applicable Coordinated Entry requirements and are prepared to accept referrals from the Coordinated Entry system pursuant to HUD requirements.

## F. 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-RRH projects

## 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 or regulation, or based on federal statute, 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 Manual. Participants must meet one of the following criteria:

- 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.
  - 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 less 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:
  - 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; and
- iv. Lacks a fixed, regular, and adequate nighttime residence as described above in section III.B.a of this Manual.

### C. Documentation Requirements

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

## IV. Activity Eligibility

### A. Overview

Eligible activities in this Manual are derived in two places:

- The ESG Program Interim Rule
- ESG-CV Notice CPD-21-08

Note that activities or components of activities listed as eligible under ESG-CV Notice CPD-21-08 are only eligible insofar as they are used to prevent, prepare for, respond to, and mitigate the impacts created by COVID-19. Note also that activities listed as eligible under ESG-CV Notice CPD-21-08 may become ineligible going forward if that Notice is amended, superseded, or rescinded, which may occur at HUD’s discretion through September 2022.

All activities not listed in this Manual are considered ineligible.

### B. Eligible Activities

The following activities from the ESG Program Interim Rule are eligible under projects covered by this Manual.

ESG-RRH funds may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance necessary to help an individual or family experiencing literal homelessness obtain and maintain permanent housing.

These activities are only eligible to the extent that they are necessary to help the participant move into and achieve stability in permanent housing.

Specific eligible activities:

1. Financial Assistance Costs

Projects may set maximum dollar amounts that participants may receive for each type of financial assistance listed under this section.

## Emergency Solutions Grant Program (ESG)

---

Projects may set a maximum period for which a participant may receive assistance listed under this section.

Eligible Activity	Description
<b>Rental Application Fees</b>	ESG funds may pay for the rental application fee that is charged by the owner to all applicants
<b>Security Deposits</b>	ESG funds may pay for a security deposit that is equal to no more than 2 months' rent.
<b>Last Month's Rent</b>	
<b>Utility Deposits</b>	ESG funds may pay for a standard utility deposit required by the utility company for all customers for the utilities listed under "Utility Payments," below.
<b>Utility Payments</b>	ESG funds may pay for up to 24 months of utility payments per program participant, per service, including up to 6 months of utility payments in arrears, per service. A partial payment of a utility bill counts as one month. This assistance may only be provided if the program participant or a member of the same household has an account in their name with a utility company or proof of responsibility to make utility payments. Eligible utility services are gas, electric, water, and sewage. No participant can receive more than 24 months of utility assistance through any ESG-RRH project within any 3-year period.
<b>Moving Costs</b>	ESG funds may pay for moving costs, such as truck rental or hiring a moving company. This assistance may include payments of temporary storage fees for up to 3 months provided that the fees are accrued after the date the participant begins receiving any form of assistance under <a href="#">IV.B.2, "Service Costs,"</a> and before the participant moves into permanent housing. (Payment of temporary storage fees in arrears is not eligible.)
<b>Emergency Transfer Lease-Breaking Fees</b>	If a participant is receiving assistance under <a href="#">IV.B.3, "Rental Assistance,"</a> and meets the conditions for an emergency transfer in accordance with the project subrecipient's ESG Written Standards, ESG funds may be used to pay amounts owed for breaking a lease to effect an emergency transfer. These costs are not subject to the 24-month limit on rental assistance. For more information, see the <a href="#">CA HCD ESG VAWA Compliance Policy.</a>

### 2. Service Costs

Projects may set a maximum period for which a participant may receive assistance listed under this section. However, except for housing stability case management, the total period for which



## Emergency Solutions Grant Program (ESG)

---

any participant may receive services under this section cannot exceed 24 months during any 3-year period. The limits on assistance under this section apply to the total assistance a person receives, either individually or as part of a family.

Eligible Activity	Description	Citation
<b>Housing Search and Placement</b>	<p>ESG funds may pay the costs of services or activities necessary to assist participants in locating, obtaining, and retaining suitable permanent housing, including the following:</p> <ul style="list-style-type: none"> <li>• Assessment of housing barriers, needs, and preferences</li> <li>• Development of an action plan for locating housing</li> <li>• Housing search</li> <li>• Outreach to and negotiation with owners</li> <li>• Assistance with submitting rental applications and understanding leases</li> <li>• Assessment of housing for compliance with ESG requirements for habitability, lead-based paint, and rent reasonableness                             <ul style="list-style-type: none"> <li>○ When funds are used to prevent, prepare for, and respond to COVID-19, and when they are used to help a participant remain in housing, that housing is not required to meet habitability standards per Notice CPD-21-08, Section III(E)(7)(c)</li> </ul> </li> <li>• Assistance with obtaining utilities and making moving arrangements</li> <li>• Tenant counseling</li> </ul>	24 CFR 576.105(b)(1)

## Emergency Solutions Grant Program (ESG)

<b>Housing Stability Case Management</b>	<p>ESG funds may be used to pay the cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a participant who resides in permanent housing or to assist a participant in overcoming immediate barriers to obtain housing. This assistance cannot exceed 30 days (<i>60 days when funds are used to prevent, prepare for, and respond to COVID-19 per Notice CPD- 21-08, Section III(E)(4)(f)</i>) during the period in which the participant is seeking permanent housing and cannot exceed 24 months during the period in which the participant is living in permanent housing. These activities consist of:</p> <ul style="list-style-type: none"><li>• Using the local CoC's Coordinated Entry system</li><li>• Evaluating participant eligibility for ESG-RRH</li><li>• Counseling</li><li>• Developing, securing, and coordinating services and obtaining federal, state, and local benefits</li><li>• Monitoring and evaluating participant progress</li><li>• Providing information and referrals to other providers</li><li>• Developing an individualized housing and service plan, including planning a path to permanent housing stability</li><li>• Conducting participant eligibility re-evaluation<ul style="list-style-type: none"><li>○ When funds are used to prevent, prepare for, and</li></ul></li></ul>	24 CFR 576.105(b)(2)
--	---	----------------------

## Emergency Solutions Grant Program (ESG)

---

Eligible Activity	Description	Citation
	respond to COVID-19, participants' needs and eligibility must be re-evaluated not less than every six months rather than not less than every three months per Notice CPD-21-08, Section III(E)(13)(b)	
<b>Mediation</b>	ESG funds may pay for mediation between the participant and the owner or person(s) with whom the participant is living, provided that the mediation is necessary to prevent the participant from losing permanent housing in which the participant currently resides.	24 CFR 576.105(b)(3)
<b>Legal Services</b>	<p>ESG funds may pay for legal services as described in 24 CFR 576.102(a)(1)(vi) except that the eligible subject matter also includes landlord/tenant matters and that all services must be necessary to resolve a legal problem that prohibits the participant from obtaining permanent housing or will likely result in the participant losing the permanent housing in which they currently reside.</p> <p><i>(Alternatively, when funds are used to prevent, prepare for, and respond to COVID- 19, these services are alternatively limited only to those necessary to help participants obtain housing or keep a participant from losing housing where they currently reside, per Notice CPD-21-08, Section III(E)(4)(i))</i></p>	24 CFR 576.105(b)(4)
<b>Credit Repair</b>	ESG funds may pay for credit counseling and other services necessary to assist 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 a debt.)	24 CFR 576.105(b)(5)

### 3. Rental Assistance

Projects may provide participants with up to 24 months of rental assistance during any 3-year period. This assistance may be short-term rental assistance, medium-term rental assistance, payment of rental arrears, or any combination thereof.

Short-term rental assistance is assistance for up to 3 months of rent.

Medium-term rental assistance is assistance for more than 3 months but not more than 24 months of rent.

Rental assistance may be tenant-based or project-based.

Payment of rental arrears consists of a one-time payment for up to 6 months of rent in arrears, including any late fees on those arrears.

Limitations on assistance under this section apply to the total assistance a person receives either as an individual or as part of a family.

The following rules, requirements, and standards apply when rental assistance is provided:

- a. **Discretion to set caps and conditions.** Within the boundaries of the project subrecipient's ESG Written Standards, the project may set a maximum amount or percentage of rental assistance that a participant may receive, a maximum number of months that a participant may receive rental assistance, a maximum number of times that a participant may receive rental assistance, and whether and to what extent participants are required to share in the costs of rent.
  - i. CA HCD expects all ESG-RRH projects to provide rental assistance in a manner consistent with the progressive engagement framework, which tailors assistance to each household's needs. Any established caps on assistance must allow for provision of sufficient rental assistance based on needs and barriers identified for each household.
- b. **Use with other subsidies.** Except for a one-time payment of rental arrears on the tenant's portion of the rental payment, rental assistance cannot be provided to a participant who is receiving tenant-based rental assistance or living in a housing unit receiving project-based rental assistance or operating assistance through other public sources. Rental assistance may not be provided to a participant who has been provided with replacement housing payments under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of

1970, as amended (“the URA”) during the period of time covered by the URA payments.

- c. **Rent restrictions.** Rental assistance cannot be provided unless the rent:
  - i. Does not exceed the Fair Market Rent (FMR) established by HUD as provided under 24 CFR Part 888; *note that this requirement does not apply when funds are used to prevent, prepare for, and respond to COVID-19 per Notice CPD-21-08, Section III(E)(4)(b)(i)*
  - ii. Complies with HUD’s standards of Rent Reasonableness (RR) as established under 24 CFR 982.507
  - iii. For more information, see the [CA HCD ESG Fair Market Rent and Rent Reasonableness Policy](#).
  - iv. All ESG-RRH projects are required to document compliance with FMR and RR requirements by using the [CA HCD ESG Program Fair Market Rent and Rent Reasonableness Certification form](#).
- d. **Calculating rent.** Rent shall equal the sum of the total monthly rent for the unit, any fees required for occupancy under the lease other than late fees and pet fees, and, if the tenant pays separately for any utilities, the monthly allowance for those utilities (excluding telephone and internet) as established by the public housing authority (PHA) for the area in which the housing is located.
- e. **Rental assistance agreement.** The project may make rental assistance payments only to an owner with whom the project has entered into a rental assistance agreement that complies with the conditions laid out in 24 CFR 576.106(e). For guidance on development of rental assistance agreements, refer to HUD’s Requirements for [Rental Assistance Agreements and Leases Under the ESG Program](#).
- f. **Late payments.** The project must make timely payments to owners in accordance with its rental assistance agreements. Rental assistance agreements must contain the same payment due dates, grace periods, and late payment penalty requirements as a given participant’s lease. If a project incurs a late payment penalty, the project subrecipient is solely responsible for paying for that penalty and must use non-ESG funds to do so.
- g. **Lease.** Participants receiving rental assistance must have a written, legally binding lease that complies with the conditions laid out in 24 CFR 576.106(g).
  - i. Participants receiving rental assistance solely in the form of arrears do not need to meet this requirement.

- h. **Tenant-based rental assistance.** Participants who receiving tenant-based rental assistance are entitled to select a housing unit in which they live and are entitled to move to another unit or building and continue receiving rental assistance as long as the participant continues to meet the project's program requirements. The project may require participants live within a particular area for the period in which rental assistance is provided.
- i. The rental assistance agreement with the owner must terminate and no further rental assistance payments under that agreement may be made if any of the following occur:
    - The participant moves out of the unit for which they have a lease
    - The lease terminates and is not renewed
    - The participant becomes ineligible to receive rental assistance through ESG
- i. **Project-based rental assistance.** If the project identifies a permanent housing unit that meets ESG requirements and becomes available before a participant is identified to lease the unit, the project subrecipient may enter into a rental assistance agreement with the owner to reserve the unit and subsidize its rent in accordance with the following requirements:
- i. The rental assistance agreement may cover one or more permanent housing units in the same building; each unit covered by the rental assistance agreement ("assisted unit") can only be occupied by participants except as provided under part iv. of this section, below.
  - ii. The project may pay up to 100% of the first month's rent provided that a participant signs a lease and moves into the unit before the end of the month for which the first month's rent is paid. The rent paid before a participant moves into the unit must not exceed the rent to be charged under the participant's lease and must be included when determining the participant's total rental assistance.
  - iii. The project may make monthly rental assistance payments only for each whole or partial month an assisted unit is leased to a participant. When a participant moves out of an assisted unit, the project may pay the next month's rent (i.e. the first month's rent for a new participant) as provided in part ii. of this section, above.
  - iv. The participant's lease must not condition the terms of occupancy on the provision of rental assistance payments. If the participant is determined

ineligible or reaches the maximum number of months over which rental assistance can be provided, the project must suspend or terminate the rental assistance payments for the unit. If the payments are suspended, the individual or family may remain in the assisted unit as permitted under the lease and the project may resume payments of the individual or family again becomes eligible and needs further rental assistance. If the payments are terminated, the rental assistance may be transferred to another available unit in the same building provided that the other unit meets all ESG requirements.

- v. The rental assistance agreement must have an initial term of one year. When a new participant moves into an assisted unit, the term of the rental assistance agreement may be extended to cover the initial term of the participant's lease. If the participant's lease is renewed, the rental assistance agreement may be renewed or extended, as needed, up to the maximum number of months for which the participant remains eligible. However, under no circumstances may the project commit ESG funds to be expended beyond the expenditure deadline of the current grant or commit funds from a future ESG grant before the grant is awarded.

#### 4. Activities Eligible Under ESG-CV Notice CPD-21-08

<b>Eligible Activity</b>	<b>Description</b>
<b>Training</b>	Funds may be used for training on infectious disease prevention and mitigation for staff working directly to prevent, prepare for, and respond to COVID-19 among persons who are homeless or at risk of homelessness. For more information, refer to Notice CPD-21-08, Section III(E)(3)(b).
<b>Hazard Pay</b>	Funds may be used to pay hazard pay for staff working directly to prevent, prepare for, and respond to COVID-19 among people at risk of homelessness. For examples of eligible staff/activities, refer to Notice CPD-21-08, Section III(E)(3)(c).

## Emergency Solutions Grant Program (ESG)

---

Eligible Activity	Description
<b>Landlord Incentives</b>	<p>Funds may pay for landlord incentives as reasonable and necessary to obtain new housing for eligible participants. Landlord incentives may include any of the following insofar as the total incentives for a given landlord do not exceed three times the rent charged for the unit:</p> <ul style="list-style-type: none"><li>• Signing bonuses equal to up to two months of rent</li><li>• Security deposits equal to up to 2 months of rent (these are separate from the costs of security deposits under 24 CFR 576.106(a) and therefore do not factor into the cap established in that section)</li><li>• Paying the cost to repair damages incurred by participants not covered by the security deposit or that are incurred while the participant is still residing in the unit</li><li>• Paying the costs of extra cleaning or maintenance of a participant's unit or appliances.</li></ul> <p>To support these costs, the project must determine and document that each of these costs is reasonable under the participant's particular circumstances and does not exceed the amount necessary to house the participant.</p>
<b>Volunteer Incentives</b>	<p>Funds may pay for the cost of providing reasonable incentives to volunteers (e.g. cash, gift cards) who have been and are currently helping to provide necessary housing relocation and stabilization services.</p>



## Emergency Solutions Grant Program (ESG)

---

Eligible Activity	Description
<b>Cell Phones and Internet</b>	Funds may pay for the costs of providing temporary cell phones for participants who are receiving any other services under ESG-HP. To qualify as an eligible cost, the cell phone must be owned by the project subrecipient and the wireless service plan must be the project subrecipient's, but the phone may be loaned to participants and the wireless service cost may be paid as needed to enable participants to participate in activities necessary to obtain or maintain housing (e.g. to interview for jobs, receiving health and mental health services, continue education). The phone and phone service may be loaned to the participant while stay-at-home or social distancing orders are in effect in the community in which the participant resides or while the participant continues to need it to participate in activities necessary to obtain and maintain housing that remain virtual even after social distancing measures are relaxed and must be returned to the project subrecipient when no longer necessary for those purposes.
<b>Personal Protective Equipment (PPE) for Program Participants</b>	Funds can be used to purchase PPE such as masks, disposable gloves, and hand sanitizer for ESG-HP participants to the extent the participant needs PPE to avoid exposure to and prevent the spread of COVID-19 (e.g. to go out in public or enter common areas of housing).
<b>Furniture and Household Furnishings</b>	Funds can be used to purchase furniture and household furnishings to the extent that the purchase of these items will enable a project to establish a participant in housing or improve their stability in housing. <i>Note:</i> furniture and household furnishings are subject to the requirements for equipment under 2 CFR 200.313, including the disposition requirements included in paragraph (e) of that section.
<b>Essential Services</b>	Funds can be used for the essential services listed under 24 CFR 576(102(a)(1) to the extent they are demonstrably required to assist a given participant in obtaining and maintaining housing.
<b>Renters Insurance</b>	Funds can be used to pay for renters insurance. In order to pay for a participant's renters insurance, the project must demonstrate that the payment is necessary to obtain or maintain housing (e.g. the landlord requires renters to have renters insurance) and pay the renters insurance directly to the insurance company on behalf of the participant.

Eligible Activity	Description
<b>Vaccine Incentives</b>	Funds can be used to pay for direct cash payments to participants as an incentive to receive a COVID-19 vaccine. Participants may receive up to \$50/dose. This cost is eligible only insofar as other vaccine incentives are inaccessible or unavailable to participants within the community.
<b>Sponsor-Based Rental Assistance</b>	Funds can be used to pay for sponsor-based rental assistance as an alternative model to tenant-based or project-based rental assistance. For more information, refer to Notice CPD-21-08, Section III(E)(3)(o).
<b>Assisting Participants with Subleases</b>	References to “owner” and “lease” in the ESG Program Interim Rule under 24 CFR 576.105, “Housing relocation and stabilization services,” and 24 CFR 106, “Short-term and medium-term rental assistance” that restrict participants from receiving assistance in units they sublease are modified as per Notice CPD-21-08, Section III(E)(3)(o).

### C. Duplication of Benefits

For projects covered under this Manual, a duplication of benefits exists when an applicant has received (or would receive, by acting reasonably to obtain available assistance) financial assistance from multiple sources for the same expense and the total assistance received exceeds the total need.

Projects must establish and maintain adequate procedures to prevent any duplication of benefits with annual ESG or ESG-CV funds. ESG-RRH projects are required to perform duplication of benefits analysis for each participant receiving financial and/or rental assistance. For further information on duplication of benefits, refer to [CA HCD ESG-CV Duplication of Benefits Policies and Procedures Manual](#) and HUD’s [“COVID-19 Homeless System Response: ESG-CV Duplication of Benefits Quick Guide.”](#)

### D. Program Income

Program income is defined as provided in 2 CFR 200.1.

Program income is treated as in 24 CFR 576.2 and 24 CFR 576.401(c)(1), except for program income generated by activities to prevent, prepare for, respond to, and mitigate the impacts created by COVID-19, which is treated as in ESG-CV Notice CPD-21-08, Section III.D., “Program Income.”

### E. “Prevent, Prepare, and Respond” Tieback

Under this Manual, 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

## Emergency Solutions Grant Program (ESG)

---

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.](#)"