

**EMERGENCY SOLUTIONS GRANTS
PROGRAM
(ESG)
ELIGIBLE EXPENSE GUIDE**



DECEMBER 2016



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Emergency Solutions Grants Program (ESG) funds may only reimburse costs related to the following ESG eligible expenditure program components/Activities:

1. **Street Outreach**
2. **Emergency Shelter**
3. **Homelessness Prevention**
4. **Rapid Re-housing**
5. **Homeless Management Information System (HMIS)**
6. **Administrative Activities**

Subrecipients may consult the federal and state ESG regulations at the HCD website:

<http://www.hcd.ca.gov/fa/esg/>

1. **Street Outreach** – Unsheltered individuals and families, meaning those who qualify under 24 CFR § 91.5 paragraph (1)(i) of the definition of “homelessness”. Essential Services to eligible participants provided on the street or in parks, abandoned buildings, bus stations, campgrounds, and in other such settings where unsheltered persons are staying. Staff salaries related to carrying out street outreach activities are eligible.

1.1 Essential Services

1.1 Essential Services – Services necessary to reach out to unsheltered homeless people; connect them with emergency shelters, housing, or critical services; and provide urgent, nonfacility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility.

- **Engagement** – activities to locate, identify, and build relationships with unsheltered homeless people for the purpose of providing immediate support, intervention, and connections with homeless assistance programs and/or mainstream social services and housing programs.
 - 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

- **Case Management** – assessing housing and service needs, and arranging/coordinating/ monitoring the delivery of individualized services.
 - Using the centralized or coordinated assessment system
 - Initial evaluation/verifying and document eligibility
 - Counseling
 - Developing/Securing/Coordinating Services
 - Helping obtain Federal, state, and local benefits
 - Monitoring/evaluating participant progress
 - Providing information and referral to other providers
 - Developing an individualized housing/service plan

- **Emergency Health Services** – Outpatient treatment of urgent medical conditions by licensed medical professionals in community-based settings (e.g. streets, parks, and campgrounds) to those eligible participants unwilling or unable to access emergency shelter or an appropriate healthcare facility. ESG funds may be used only for these services to the extent that other appropriate health services are inaccessible or unavailable within the area.
 - Assessing participants' health problems and developing treatment plans
 - Assisting participants to understand their health needs
 - Providing or helping 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) to those eligible participants unwilling or unable to access emergency shelter or an appropriate healthcare facility. ESG funds may be used only for these services to the extent that other appropriate health services are inaccessible or unavailable within the area.
 - Crisis Intervention
 - Prescription of psychotropic medications
 - Explain the use and management of medications
 - Combinations of therapeutic approaches to address multiple problems

- **Transportation** – Travel by outreach workers, social workers, medical professionals or other service providers during the provision of eligible street outreach services.
 - Transporting unsheltered people to emergency shelters or other service facilities
 - Cost of a participant’s travel on public transit
 - Mileage allowance for outreach workers to visit participants
 - Purchasing or leasing a vehicle for use in conducting outreach activities, including the cost of gas, insurance, taxes, and maintenance for the vehicle
 - Costs of staff to accompany or assist participant to use public transportation

- **Services to 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 are literally homeless. See all eligible expenses above under Street Outreach (1)

2. Emergency Shelter – eligible participants are individuals and families who are homeless. Essential Services to persons in emergency shelters, and operating emergency shelters are eligible costs. Staff costs related to carrying out emergency shelter activities are also eligible.

2.1 Essential Services

2.2 Rehabilitation and Renovation

2.3 Shelter Operations

2.4 Assistance Required under Uniform Relocation Assistance (URA)

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

- **Case Management** – Assessing, arranging, coordinating, and monitoring individualized services.
 - Using the centralized or coordinated assessment system
 - Initial evaluation including verifying and 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
 - Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking
 - Developing an Individualized Housing and Service Plan

- **Child Care** – “Licensed” child care for program participants with children under the age of 13 or disabled children under the age of 18.
 - Child care costs
 - Meals and snacks
 - Comprehensive and coordinated sets of appropriate developmental activities

- **Education Services** – Instruction or training to enhance participants’ ability to obtain and maintain housing: literacy, English literacy, GED, consumer education, health education, and substance abuse prevention.
 - Educational services/skill-building

- Screening, assessment, and testing
 - Individual or group instruction
 - Tutoring
 - Provision of books, supplies and instructional material
 - Counseling
 - Referral to community resources
- **Employment Assistance and Job Training** – Services assisting participants secure employment and job training programs.
 - Classroom, online, and/or computer instruction
 - On the-job instruction
 - Job finding, skill-building
 - Reasonable stipends in employment assistance and job training programs
 - Books and instructional material
 - Employment screening, assessment, or testing
 - Structured job-seeking support
 - Special training and tutoring, including literacy training and pre-vocational training
 - Counseling or job coaching
 - Referral to community resources
- **Outpatient Health Services** – Direct outpatient treatment of medical conditions provided by licensed medical professionals.
 - Assessing health problems and developing a treatment plan
 - Assisting program participants to understand their health needs
 - Providing or helping participants obtain appropriate medical treatment, preventive medical care, and health maintenance services, including emergency medical services
 - Providing medication and follow-up services
 - Providing preventive 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 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
- **Life Skills Training** – Critical life management skills necessary to assist the program participant to function independently in the community.
 - Budgeting resources
 - Managing money
 - Managing household
 - Resolving conflict
 - Shopping for food and needed items
 - Improving nutrition
 - Using public transportation
 - Parenting
- **Mental Health Services** – Direct outpatient treatment of mental health conditions by licensed professionals.
 - Crisis intervention
 - Individual, family, or group therapy sessions
 - Prescription of psychotropic medications or explanations about 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.

- Client intake and assessment
- Outpatient treatment for up to thirty days
- Group and individual counseling
- Drug testing
- **Transportation** – Costs of travel by program participants to and from medical care, employment, child care, or other facilities that provide eligible essential services; and cost of staff travel to support provision of essential services.
 - Cost of program participant’s travel on public transportation
 - Mileage allowance for service workers to visit participants
 - Purchasing or leasing a vehicle used for transport of participants and/or staff serving participants, including the cost of gas, insurance, taxes, and maintenance for the vehicle
 - Travel costs of staff to accompany or assist program participants to use public transportation
- **Services for Special Populations** – Otherwise eligible essential 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 above under Essential Services (2.1)

2.2 Rehabilitation and Renovation – State ESG funds shall not be used for renovation, conversion, or major rehabilitation activities.

2.3 Shelter Operations – Costs to operate and maintain emergency shelter activities and also provide other emergency lodging when appropriate. *

- Rent
- Security
- Fuel
- Insurance
- Utilities
- Food
- Furnishings
- Supplies necessary for the operation of emergency shelter activities
- Hotel and motel voucher for family or individuals*

- Equipment - Equipment means tangible, nonexpendable, personal property having a useful life of more than one year). HCD pre-approval and completion of an Equipment Request form is required for all equipment purchases \$1,000 and higher for non-profit organizations.
- Maintenance – Does not materially add to the value of the building/property; does not appreciably prolong the useful life of the building/property; and does not adapt the building/property to new uses. Examples of maintenance activities could include activities such as:
 - Cleaning;
 - Minor or routine repairs of furnishings, equipment, and fixtures;
 - Protective or preventative measures to keep a building, its systems, and its grounds in working order.
 - Replacing a few shingles on a leaky roof;
 - Patching leaking pipes or plumbing;
 - Replacing a broken window;
 - Fixing a crack in a sidewalk;
 - Filling potholes in a parking lot; and
 - Repairing portions of a fence.

**Hotel or motel vouchers are only eligible when no appropriate emergency shelter is available*

- 2. Homelessness Prevention** – individuals and families who are at imminent risk or at risk of homelessness, meaning those who qualify under 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 AMI. Short and medium-term rental assistance and housing relocation and stabilization services are eligible activities. Staff salaries related to carrying out homelessness prevention activities are also eligible.

Pursuant to 25 CCR Section 8408, no subpopulation targeting will be permitted in homelessness prevention activities unless the following documentation is provided to the Department prior to the award of funds:

- Evidence of an unmet need for the subpopulation proposed for targeting; and
- Evidence of existing funding in the CoC Service Area for programs that address the needs of all of the excluded populations.

3.1 Housing Relocation and Stabilization Services

3.2 Short and Medium-Term Rental Assistance

3.1 Housing Relocation and Stabilization Services

- **Financial Assistance**

- **Moving Costs** – moving costs, such as truck rental or hiring a moving company, including certain temporary storage fees.
- **Rent Application Fees** – application fee that is charged by the owner to all applicants.
- **Security Deposit** – equal to no more than 2 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 participant per service (i.e. gas, electric, water/sewage), including a 1 time payment up to 6 months of arrearages, per service.

- **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
 - Assistance with submitting rental applications and understanding leases
 - Assessment of housing for compliance with ESG requirements for habitability, lead based paint, and rent reasonableness
 - Assistance with obtaining utilities and making moving arrangements
 - Tenant counseling
- **Housing Stability Case Management** – Assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability
 - Using the centralized or coordinated assessment system conduct the initial evaluation and re-evaluation
 - 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
- **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.
 - 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.
 - Hourly fees for legal advice and representation

- Fees based on the actual service performed (i.e. fee for service), but only if the cost would be less than the cost of hourly fees
 - Client intake, preparation of cases for trial, provision of legal advice, representation at hearings, and counseling
 - Filing fees and other necessary court costs
 - Subrecipient's employees' salaries and other costs necessary to perform the series, if the subrecipient is a legal services provider and performs the services itself
- **Legal Representation may be provided for:**
 - Landlord/tenant matters
 - Child support
 - Guardianship
 - Paternity
 - Emancipation
 - Legal Separation
 - Resolution of outstanding criminal warrants
 - Orders of protection and other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking
 - Appeal of veterans and public benefit claim denials
 - **Credit Repair** – 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*
 - Credit counseling
 - Other related Services

** Assistance cannot include the payment or modification of a debt.*

3.2 Short and Medium-Term Rental Assistance

- **Short-Term Rental Assistance** - up to 3 months
- **Medium-Term Rental Assistance** – 4 to 24 months
- **Payment of Rental Arrears** – Onetime payment up to 6 months, including any late fees on those arrears

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

3. **Rapid Re-Housing** – individuals and families who are literally homeless, meaning those who qualify under 401(1) McKinney-Vento Act of the definition of homeless. 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.

Pursuant to 25 CCR Section 8408, no subpopulation targeting will be permitted in homelessness prevention activities unless the following documentation is provided to the Department prior to the award of funds:

- Evidence of an unmet need for the subpopulation proposed for targeting; and
- Evidence of existing funding in the CoC Service Area for programs that address the needs of all of the excluded populations.

4.1 Housing Relocation and Stabilization Services - See 3.1 Housing Relocation and Stabilization Services above.

4.2 Short and Medium-Term Rental Assistance – See 3.2 Short and Medium-Term Rental Assistance above.

5. **HMIS** – the HEARTH Act makes HMIS participation a statutory requirement for ESG subrecipients. Victim service providers cannot and Legal Services Organizations may choose not to, participate in HMIS. Providers that do not participate in HMIS must use a comparable database that produces unduplicated, aggregate reports instead. Activities funded under this component must comply with HUD’s standards on participation, data collection and reporting under a local HMIS. A maximum of 10% of all funds awarded within each CoC service area may be used for HMIS activities.

5.1 Hardware, Equipment and Software Costs

5.2 Staffing: Paying salaries for operating HMIS

5.3 Training and Overhead

5.1 Hardware, Equipment and Software Costs

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

5.2 Staffing: Paying salaries for operating HMIS, including:

- Data collection
- Completing data entry
- Monitoring and reviewing data quality
- Completing data analysis
- Reporting to the HMIS Lead
- Training staff on using the HMIS or comparable database
- Implementing and complying with HIMIS requirements

5.3 Training and Overhead

- Obtaining technical support
- Leasing office space
- Paying charges for electricity, gas, water, phone service and high-speed data transmission necessary to operate or contribute data to HMIS
- Paying costs of staff to travel to and attend HUD-sponsored and HUD-approved training on HMIS and programs authorized by Title IV of the McKinney-Vento Homeless Assistance Act
- Paying staff travel costs to conduct intake
- Paying participation fees charged by the HMIS Lead

6. Administration - Within the CoC Allocation, grant administration funds will be provided automatically through the AE's contract with HCD. Local government's applicants in the BoS are eligible to receive grant administration. The amounts available are announced in HCD's NOFA.

6.1 General Management / Oversight / Coordination

6.2 Training on ESG Requirements

6.3 Consolidated Plan

6.4 Environmental Review

6.1 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 administration of the program, 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

6.2 Training on ESG Requirements

- Costs of providing training on ESG requirements and attending HUD-sponsored ESG trainings

6.3 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

6.4 Environmental Review

- Costs of carrying out the environmental review responsibilities under 24 CFR § 576.407 of the HUD regulations

7. Indirect Costs

- In general, ESG funds may be used to pay indirect costs in accordance with the Federal Office of Management and Budget (OMB) Circular A-87 (2 CFR part 225), or A-122 (2 CFR part 230), as applicable.
- Nonprofit or local government ESG homeless service providers may request up to 10% 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. Evidence of the approval of this higher rate by the federal agency must be provided to HCD, if the indirect costs of more than 10% are being requested.

8. Ineligible Costs

General: Any activities determined by the Department of Housing and Community Development to be not allowable, reasonable or allocable per the regulation standards.

1. Emergency Shelter

▪ **Legal Services:**

○ **Ineligible Costs:**

- Legal Services for immigration and citizenship matters
- Issues related to mortgages
- Retainer fee arrangements and contingency fee arrangements
- Substance abuse treatment services for inpatient detoxification and other inpatient drug or alcohol treatment are ineligible costs

2. Homelessness Prevention and Rapid Re-housing

▪ **Housing Relocation and Stabilization Services:**

○ **Ineligible Costs:**

- Payment of temporary storage fees in arrears
- No financial assistance to a household for a purpose and time period supported by another public source
- Credit Repair assistance does not include the payment or modification of a debt

▪ **Rental Assistance**

○ **Ineligible Cost:**

- Late payment penalties.

3. Administration

▪ **General management / Oversight / Coordination**

○ **Ineligible Cost:**

- Purchase of office space.