

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



**DECEMBER 2018**

**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

## 9. **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.

### 4. **Coordinated Entry System**

##### ○ **Ineligible Cost:**

- Capitol Development activities including but not limited to, real property acquisition, construction, or rehabilitation activities.