

ESG Eligibility Guide

Overview

This resource will provide an overview of ESG eligibility and documentation requirements. Stanislaus currently receives two different types of ESG funding:

- ESG CoC Allocation, administered by the State of California Housing and Community Development Department (HCD) (State ESG)
- Federal ESG Allocations, administered by HUD (Federal ESG)

The eligible costs, activities, and participants served by both ESG types are governed in large part by the HUD regulations in [24 CFR 576](#). However, California state regulations limit and restrict the HUD rules. The differences between these two funding sources will be noted throughout this document.

Please also note two important considerations in light of COVID-19:

- **ESG-CV:** Additional ESG funding may be available from the CARES Act (ESG-CV). California HCD will be distributing ESG-CV in May 2020.
- **Waivers:** Some federal and California regulations may be waived due to COVID.
 - Please see a summary of the HUD Waivers available for federal ESG funds during the current Public Health Emergency [here](#).
 - Please see the Proposed Action Plan Amendments for distribution of CA CARES funding, including ESG [here](#)

Overview of Current ESG Provider Recipients:

CA State ESG CoC Allocation (State ESG 2019)

Provider Recipient(s)	Project Type
Family Promise	Rapid Rehousing
Family Promise, We Care	Emergency Shelter
Family Promise, We Care	HMIS

Federal ESG Allocation (Federal ESG 2019)

Stanislaus County:

Provider Recipient(s)	Project Type
We Care	Homeless Prevention
We Care	Rapid Rehousing
We Care	Emergency Shelter
CHSS	HMIS

City of Modesto:

Provider Recipient(s)	Project Type
CHSS	Homeless Prevention
CHSS	Rapid Rehousing
Salvation Army	Emergency Shelter
CHS	Street Outreach

For Questions:

- On the State ESG *and* Federal ESG for Stanislaus County please contact Ana San Nicolas at SANNICOLASA@stancounty.com
- On the Federal ESG for City of Modesto please contact Jessica Narayan at jnarayan@modestogov.com

CARES Act ESG Funding (ESG-CV)

Please also note that additional ESG funding from the CARES Act may have differing requirements. Please see the Proposed Action Plan Amendments for distribution of CA CARES funding, including ESG [here](#). See information on the ESG award letters [here](#) and see the brief section on CARES Act ESG funding below. Please also monitor our Hombase COVID-19 Website for updates at: <https://www.homebaseccc.org/covid-19-response>.

Eligible Project Costs for Federal *and* State ESG Programs

The chart below describes, by project type, eligible ESG expenses for both federal and state ESG funds. The first column reflects the project type, the second column reflects the federal HUD rules found in [24 CFR 576](#). These regulations are applicable to both federal state ESG, with the exception of certain state specific exclusions and regulations found in California Code of Regulations Title 25, Division 1, Chapter 7 ([Sections 8400-8417](#)). These are delineated in the third column. During COVID-19, CA may be waiving state regulations for ESG-CV and potentially all State ESG, so providers should stay up to date as to the current allowable costs under State ESG in light of COVID. (See [HCD's website](#)).

Please note that State ESG recipients must comply with the Core Practices outlined in § [8409](#). This includes participation in coordinated entry, operating in a manner consistent with housing first principles, and progressive assistance.

Project Type	Eligible Costs under HUD	State ESG Exclusions (These are State ESG Specific Restrictions). Please see here for complete state requirements.
Street Outreach	Essential Services related to reaching out to unsheltered homeless individuals and families, connecting them with emergency shelter, housing, or critical services, and providing them with urgent, non-facility-based care. Eligible costs include:	

	engagement, case management, emergency health and mental health services, transportation, and services for special populations.	
Emergency Shelter	<p>Eligible costs include:</p> <p>Renovation, including major rehabilitation or conversion, of a building to serve as an emergency shelter. The emergency shelter must be owned by a government entity or private nonprofit organization. The shelter must serve homeless persons for at least 3 or 10 years, depending on the type of renovation and the value of the building. Note: Property acquisition and new construction are ineligible ESG activities.</p> <p>Essential Services, including case management, child care, education services, employment assistance and job training, outpatient health services, legal services, life skills training, mental health services, substance abuse treatment services, transportation, and services for special populations.</p> <p>Shelter Operations, including maintenance, rent, repair, 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 homeless family or individual, eligible costs may also include a hotel or motel voucher for that family or individual.</p>	State ESG funds shall not be used for Renovation, Conversion, or Major Rehabilitation activities pursuant to 576.102. Minor repairs to an ESG-funded Emergency shelter that do not qualify as Renovation, Conversion, or Major Rehabilitation are an eligible use of State ESG funds
Homelessness Prevention	<p>Housing relocation and stabilization services and short-and/or medium-term rental assistance as necessary to prevent the individual or family from moving to an emergency shelter, a place not meant for human habitation, or another place described in paragraph (1) of the homeless definition.</p> <p>The costs of homelessness prevention are only eligible to the extent that the assistance is necessary to help the program participant regain stability in their current housing or move into other permanent housing and achieve stability in that housing.</p> <p>Eligible costs include:</p> <ul style="list-style-type: none"> • Rental Assistance: rental assistance and rental arrears • Financial assistance: rental application fees, security and utility deposits, utility payments, last month's rent, moving costs 	For Rapid Rehousing and Homelessness prevention activities, no subpopulation targeting will be permitted except if documentation of all of the following is provided to the Department prior to the award of funds for these activities: (1) that there is an unmet need for these activities for the subpopulation proposed for targeting, and (2) that there is existing funding in the Continuum of Care Service Area for programs that address the needs of the excluded populations for these activities.

	<ul style="list-style-type: none"> Services: housing search and placement, housing stability case management, landlord-tenant mediation, tenant legal services, credit repair. 	
Rapid Re-Housing	<p>Housing relocation and stabilization services and/or short-and/or medium-term rental assistance as necessary to help individuals or families living in shelters or in places not meant for human habitation move as quickly as possible into permanent housing and achieve stability in that housing.</p> <p>Eligible costs include:</p> <ul style="list-style-type: none"> Rental Assistance: rental assistance and rental arrears Financial Assistance: rental application fees, security and utility deposits, utility payments, last month's rent, moving costs Services: housing search and placement, housing stability case management, landlord-tenant mediation, tenant legal services, credit repair. 	For Rapid Rehousing and Homelessness prevention activities, no subpopulation targeting will be permitted except if documentation of all of the following is provided to the Department prior to the award of funds for these activities: (1) that there is an unmet need for these activities for the subpopulation proposed for targeting, and (2) that there is existing funding in the Continuum of Care Service Area for programs that address the needs of the excluded populations for these activities.
Data Collection (HMIS)	ESG funds may be used to pay for the costs of participating in and contributing to the HMIS designated by the Continuum of Care for the area. More information about using an HMIS is available on the HMIS page .	A maximum of ten percent of an individual formula allocation under section 8402 may be used for HMIS activities.
Administration	<p>Up to 7.5 percent of a recipient's allocation can be used for Administrative activities. These include general management, oversight, and coordination; reporting on the program; the costs of providing training on ESG requirements and attending HUD-sponsored ESG trainings; the costs of preparing and amending the ESG and homelessness-related sections of the Consolidated Plan, Annual Action Plan, and CAPER; and the costs of carrying out environmental review responsibilities.</p> <p>State recipients must share administrative funds with their subrecipients that are local governments, and may share administrative funds with their subrecipients that are nonprofit organizations.</p>	In the 2019 and 2020 NOFAs of the allocation available to each Administrative Entity, approximately 2.6 percent of federal ESG funds may be used to pay for direct administrative costs.

Definition of Homelessness for Federal *and* State ESG Programs

There are four categories of homelessness recognized by the Department of Housing and Urban Development (HUD). For ESG funding administered by *both* federal HUD-administered and California State HCD-administered, these definitions are applicable per [24 CFR 576.2](#)

and HUD has not authorized any CoC to serve Category 3, so we will not be reviewing this in detail today. ESG projects may serve chronically homeless persons but it is not a threshold eligibility requirement for any of the ESG project types, as described above.

Category 1:

- (1) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
- (i) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
 - (ii) An individual or family living in a supervised publicly or privately-operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or
 - (iii) An individual who is exiting an institution where he or she 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;

Category 2:

- (2) An individual or family who will imminently lose their primary nighttime residence, provided that:
- (i) The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
 - (ii) No subsequent residence has been identified; and
 - (iii) The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, needed to obtain other permanent housing;

Category 4:

- (4) Any individual or family who:
- (i) Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
 - (ii) Has no other residence; and
 - (iii) Lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, to obtain other permanent housing.

At risk of homelessness means:

- (1) An individual or family who:
- (i) Has an annual income below 30 percent of median family income for the area, as determined by HUD;
 - (ii) Does not have sufficient resources or support networks, e.g., family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the "homeless" definition in this section; and
 - (iii) Meets one of the following conditions:

- (A) Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;
- (B) Is living in the home of another because of economic hardship;
- (C) Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;
- (D) Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by Federal, State, or local government programs for low-income individuals;
- (E) Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 persons reside per room, as defined by the U.S. Census Bureau;
- (F) Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or
- (G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan;

(2) A child or youth who does not qualify as homeless under the homeless definition, but qualifies as homeless under another Federal statute

(3) A child or youth who does not qualify as “homeless” under this section, but qualifies as “homeless” under section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)), and the parent(s) or guardian(s) of that child or youth if living with her or him.

- Under section 725(2) the term homeless children and youths' —
 - Means individuals who lack a fixed, regular, and adequate nighttime residence and includes —
 - i. Children and youths who are sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason; are living in motels, hotels, trailer parks, or camping grounds due to the lack of alternative adequate accommodations; are living in emergency or transitional shelters; are abandoned in hospitals; or are awaiting foster care placement;
 - ii. Children and youths who have a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings (within the meaning of section 103(a)(2)(C));
 - iii. Children and youths who are living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings; and
 - iv. Migratory children (as such term is defined in section 1309 of the Elementary and Secondary Education Act of 1965) who qualify as homeless for the purposes of this subtitle because the children are living in circumstances described in clauses (i) through (iii).

Eligible Participants/Beneficiaries for Federal and State (CoC Allocation) ESG Program

Project Type	Eligibility Overview	Eligible Categories
Street Outreach	Beneficiaries must meet the criteria under paragraph (1)(i) of the	Category 1

	“homeless” definition under § 576.	
Emergency Shelter	Beneficiaries must be “homeless” and staying in an emergency shelter (which could include a day shelter).	Category 1 and staying in emergency shelter Category 4 and staying in emergency shelter
Homeless Prevention Assistance	Beneficiaries must meet the requirements described in 24 CFR 576.103.	At Risk of Homelessness (includes below 30% of AMI requirement) Category 2 and below 30% of AMI Category 4 and below 30% of AMI
Rapid Rehousing	For rapid re-housing assistance, beneficiaries must meet requirements described in 24 CFR 576.104.	Category 1 Category 4 and lives in an emergency shelter or other place described in homeless definition Regarding Income Requirements for RR: <u>An income assessment is not required at initial evaluation.</u> At re-evaluation — which must take place not less than once annually for rapid re-housing — the participant's household must have an annual income that does not exceed 30% of AMI.

Further eligibility criteria may be established at the local level in accordance with 24 CFR 576.400(e).

Documentation Requirements

Documentation requirements for each of the eligible categories of homelessness are noted below in red. Please note that third party documentation is always preferred (with the exception of emergency shelter). Please also note reference to community documentation templates in the second column. **Please see the most current documentation templates referenced on this chart on the [CSoC Website](#).**

<p>Category 1: (1) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:</p> <ul style="list-style-type: none"> (i) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground; (ii) An individual or family living in a supervised publicly or privately-operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by 	<p>Documentation requirements: The night before, program enrollment you need ONE of the following:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Written observation by an outreach worker of the conditions where the individual or family was living <input type="checkbox"/> Written referral by another housing or service provider <input type="checkbox"/> Certification by the individual or head of household seeking assistance <p>Documentation requirements: If the individual was in an institution, you also need ONE of the following:</p>
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<p>federal, state, or local government programs for low-income individuals); or</p> <p>(iii) An individual who is exiting an institution where he or she 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;</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Discharge paperwork from the institution; or <input type="checkbox"/> Written or oral referral from social worker, case manager, or other official from the institution with start/end dates of residency; or <input type="checkbox"/> If those are not obtainable, a written record of the intake worker's due diligence to obtain that evidence PLUS a certification by the individual seeking assistance that states (s)he is exiting or has just exited an institution where (s)he has resided for 90 days or less <p>See Documentation Templates:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Homeless Documentation Checklist <input type="checkbox"/> Homeless Certification Form <input type="checkbox"/> Certification Based on Intake Conversation <input type="checkbox"/> Client Self-Declaration Form
<p>Category 2: (2) An individual or family who will imminently lose their primary nighttime residence, provided that:</p> <ul style="list-style-type: none"> (i) The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance; (ii) No subsequent residence has been identified; and (iii) The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, needed to obtain other permanent housing; 	<p>Documentation Requirements: Each of the 3 parts of the definition must be documented. In other words: files for Category 2 (Imminent Risk) clients must have documentation of ALL of the following:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Residence will be lost within 14 days of application AND <ul style="list-style-type: none"> o MUST INCLUDE ONE of the following pieces of documentation: o Household will be evicted by Court Order or similar state action within 14 days of application date o For households whose primary nighttime residence is a hotel/motel, evidence the household will be unable to pay for additional nights within 14 days of application date o Oral statement by household member that the landlord will not let them stay -- intake worker must record the statement and certify credibility by: o Verifying with the landlord and documenting in writing or by recording the landlord's oral statement OR o If unable to contact the landlord, documenting due diligence to obtain verification AND obtaining written

	<p>certification by the household that the statement was true and complete</p> <ul style="list-style-type: none"> □ No subsequent residence has been identified AND <ul style="list-style-type: none"> ○ Certification by the individual or head of household that no subsequent residence has been identified □ Individual/family lacks the resources or support networks to obtain other permanent housing <ul style="list-style-type: none"> ○ Certification or other written documentation that the household lacks the resources and support networks to obtain other permanent housing. <p>See Documentation Templates:</p> <ul style="list-style-type: none"> □ Homeless Documentation Checklist □ Client Self-Declaration Form
<p>Category 4: (4) Any individual or family who: (i) Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence; (ii) Has no other residence; and (iii) Lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, to obtain other permanent housing.</p>	<p>Documentation Requirements:</p> <ul style="list-style-type: none"> □ Self-certification that client is fleeing DV, no subsequent residence has been identified, and they lack resources/support network needed to obtain housing □ If not a victim service provider and safety would not be jeopardized, the oral statement must be documented by: <ul style="list-style-type: none"> □ Written observation by intake worker verifying the condition client is fleeing OR □ Written referral from an organization from whom the individual or head of household has sought assistance <p>See Documentation Templates:</p> <ul style="list-style-type: none"> □ Client Self-Declaration Form
<p>At risk of homelessness means: (1) An individual or family who: (i) Has an annual income below 30 percent of median family income for the area, as determined by HUD; (ii) Does not have sufficient resources or support networks, e.g., family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the "homeless" definition in this section; and</p>	<p>Documentation requirements:</p> <ul style="list-style-type: none"> □ The documentation of income (that household is at 30% of AMI) □ The <u>program participant's</u> certification on a form specified by HUD that the <u>program participant</u> has insufficient financial resources and support networks; e.g., family, friends, faith-based or other social networks, immediately available to attain housing stability and meets one or more of the conditions under paragraph

- (iii) Meets one of the following conditions:
- (A) Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;
 - (B) Is living in the home of another because of economic hardship;
 - (C) Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;
 - (D) Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by Federal, State, or local government programs for low-income individuals;
 - (E) Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 persons reside per room, as defined by the U.S. Census Bureau;
 - (F) Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or
 - (G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan;

(2) Unaccompanied youth: A child or youth who does not qualify as homeless under the homeless definition, but qualifies as homeless under another Federal statute

(3) A child or youth who does not qualify as "homeless" under this section, but qualifies as "homeless" under section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)), and the parent(s) or guardian(s) of that child or youth if living with her or him.

- Under section 725(2) the term homeless children and youths' —
 - Means individuals who lack a fixed, regular, and adequate nighttime residence and includes —

(1)(iii) of the definition of "at risk of homelessness" in § 576.2;

- The most reliable evidence available to show that the program participant does not have sufficient resources or support networks; e.g., family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the "homeless" definition. Acceptable evidence includes:
 - Source documents (e.g., notice of termination from employment, unemployment compensation statement, bank statement, health-care bill showing arrears, utility bill showing arrears);
 - To the extent that source documents are unobtainable, a written statement by the relevant third party (e.g., former employer, public administrator, relative) or the written certification by the recipient's or subrecipient's intake staff of the oral verification by the relevant third party that the applicant meets one or both of the criteria under paragraph (1)(ii) of the definition of "at risk of homelessness" in § 576.2; or
 - To the extent that source documents and third-party verification are unobtainable, a written statement by the recipient's or subrecipient's intake staff describing the efforts taken to obtain the required evidence; and
- The most reliable evidence available to show that the program participant meets one or more of the conditions under paragraph (1)(iii) of the definition of "at risk of homelessness" in § 576.2. Acceptable evidence includes:
 - Source documents that evidence one or more of the conditions under paragraph (1)(iii) of the definition (e.g., eviction notice, notice of

- i. Children and youths who are sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason; are living in motels, hotels, trailer parks, or camping grounds due to the lack of alternative adequate accommodations; are living in emergency or transitional shelters; are abandoned in hospitals; or are awaiting foster care placement;
- ii. Children and youths who have a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings (within the meaning of section 103(a)(2)(C));
- iii. Children and youths who are living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings; and
- iv. Migratory children (as such term is defined in section 1309 of the Elementary and Secondary Education Act of 1965) who qualify as homeless for the purposes of this subtitle because the children are living in circumstances described in clauses (i) through (iii).

termination from employment, bank statement);

- o To the extent that source documents are unobtainable, a written statement by the relevant third party (**e.g.**, former employer, **owner**, primary leaseholder, public administrator, hotel or motel manager) or the written certification by the **recipient's** or **subrecipient's** intake staff of the oral verification by the relevant third party that the applicant meets one or more of the criteria under paragraph (1)(iii) of the definition of "at risk of homelessness"; or
- o To the extent that source documents and third-party verification are unobtainable, a written statement by the **recipient's** or **subrecipient's** intake staff that the staff person has visited the applicant's residence and determined that the applicant meets one or more of the criteria under paragraph (1)(iii) of the definition or, if a visit is not practicable or relevant to the determination, a written statement by the **recipient's** or **subrecipient's** intake staff describing the efforts taken to obtain the required evidence.

Documentation for (2) a child or youth who does not qualify as homeless under the homeless definition, but qualifies as homeless under another Federal statute

- Written Verification of Homeless Status must be provided by agency administering applicable Federal program.

Documentation for (3) a child or youth who does not qualify as "homeless" under this section, but qualifies as "homeless" under section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)), and the parent(s) or guardian(s) of that child or youth if living with her or him

- Must have documentation of homeless status, which may be letter or referral provided by agency administering the Federal Program AND

must confirm family/guardian is residing with children/youth

- If the program participant meets the criteria under paragraph (2) or (3) of the “at risk of homelessness” definition in § 576.2, certification of the child or youth's homeless status by the agency or organization responsible for administering assistance under the Runaway and Homeless Youth Act (42 U.S.C. 5701 et seq.), the Head Start Act (42 U.S.C. 9831 et seq.), subtitle N of the Violence Against Women Act of 1994 (42 U.S.C. 14043e et seq.), section 330 of the Public Health Service Act (42 U.S.C. 254b), the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.), section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) or subtitle B of title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.), as applicable.

See Documentation Templates:

- Income Rent Calculator – establish client is 30% AMI

For Emergency Shelters Please Note:

ESG-recipients and subrecipients are required to document eligibility at program entry, even for emergency shelters. However, HUD recognizes that third-party documentation at the emergency shelter level is not feasible in most cases.

Recipients and subrecipients operating emergency shelters can document homeless status through:

- A certification by the individual or head of household as the primary method of establishing homeless eligibility. In these instances, one method of meeting this standard would be to require households to complete a sign-in sheet, with a statement at the top informing the individual or head of household that by signing, they certify that they are homeless.
- For shelters where program participants may stay only one night and must leave in the morning, documentation must be obtained each night. If program participants may stay more than one night, then documentation must be obtained on the first night the household stays in the shelter.
- **Note: Under no circumstances must the lack of third-party documentation prevent an individual or family from being immediately admitted to emergency shelter, receiving street outreach services, or being immediately admitted to shelter or receiving services provided by a victim service provider. (See HUD FAQ).**

Additional HUD-Required ESG Documentation

Please also note as **DRAFT documentation templates** are updated, the active links to the documentation templates on this chart may change. Please see the most current documentation templates on the [CSoC Website](#).

HUD Required Documentation on Intake

- **Documentation of Homelessness or At Risk/Imminent Risk of Homelessness:** Please see the requirements as described in the preceding section.
- **Income Assessment**

For rapid rehousing: Please keep in mind for program participants receiving ESG “Rapid Re-Housing” assistance, an income assessment is not required at initial evaluation. At re-evaluation — which must take place not less than once annually for rapid re-housing — the participant’s household must have an annual income that does not exceed 30% of AMI.

For homelessness prevention: assistance, households must have an income *below* 30% AMI at initial evaluation. At re-evaluation - not less than once every three months - the participant must have an annual income *less than or equal to* 30% AMI. (See [ESG Income Limit Resource](#) for additional information).

In addition, documentation of income re-evaluation should be included in the file every three months, if applicable.

- **Applicable Documentation Template(s):**
 - [Income Rent Calculator](#)
- **Additional Documentation Required:**
 - Source documents (e.g., most recent wage statement, unemployment compensation statement, public benefits statement, bank statement) for the assets held by the program participant and income received before the date of the evaluation;
 - To the extent that source documents are unobtainable, a written statement by the relevant third party (e.g., employer, government benefits administrator) or the written certification by the recipient’s or subrecipient’s intake staff of the oral verification by the relevant third party of the income the program participant received over the most recent period; or
 - To the extent that source documents and third-party verification are unobtainable, the written certification by the program participant of the amount of income that the program participant is reasonably expected to receive over the 3-month period following the evaluation.

HUD Required Documentation on Move-in

- **FMR Documentation and Rent Reasonableness**

Under 24 CFR § 576.106(d) rental assistance cannot be provided unless the rent does not exceed the Fair Market Rent established by HUD, as provided under 24 CFR part 888, and complies with HUD’s standard of rent reasonableness, as established under 24 CFR 982.507.

- **Applicable Documentation Template(s):**
 - [Rent Reasonableness Checklist & Certification](#)
- **Additional Documentation Required:**
 - The applicable FMR should be documented in the case file for each program participant assisted with rental assistance funds.
 - Please find HUD's current FMRs [here](#). Please be sure you are using the correct FMR for the applicable NOFA year under which your project is funded.

A HUD Waiver may be applicable during the current Public Health Emergency see summary of applicable waivers [here](#).

□ **Rental Assistance Agreement**

Under 24 CFR § 576.106(d) Grantees may make rental assistance payments only to an owner with whom the grantee has entered into a rental assistance agreement. The rental assistance agreement must set forth the terms under which rental assistance will be provided, including the requirements that apply under this section.

The rental assistance agreement must provide that, during the term of the agreement, the owner must give the grantee a copy of any notice to the program participant to vacate the housing unit or any complaint used under State or local law to commence an eviction action against the program participant.

- **Additional Documentation Required:**
 - Include the rental assistance agreement in each client file.

□ **Lease**

Each program participant receiving rental assistance must have a legally binding, written lease for the rental unit, unless the assistance is solely for rental arrears. The lease must be between the owner and the program participant. Where the assistance is solely for rental arrears, an oral agreement may be accepted in place of a written lease, if the agreement gives the program participant an enforceable leasehold interest under state law and the agreement and rent owed are sufficiently documented by the owner's financial records, rent ledgers, or canceled checks.

For program participants living in housing with project-based rental assistance the lease must have an initial term of 1 year.

- **Additional Documentation Required:**
 - Unless assistance is solely for rental arrears a copy of the client lease should be included in the client file.
 - For participants living in housing with project-based rental assistance, the lease must have an initial term of one year.

- **VAWA Addendums:** 42 U.S.C. 14043e, leases should accompany an addendum which incorporates VAWA protections into each lease agreement. HUD programs covered by the rule include ESG programs.

- **Applicable Documentation Template(s):**
 - Violence Against Women Act (VAWA) Certification of Domestic Violence
 - VAWA Lease Addendum

- VAWA Notice of Occupancy Rights

□ **Lead-Based Paint:** All units rented/leased by ESG participants require the following documents to be disclosed and reviewed as described below:

- Give an EPA-approved [Environmental Protection Agency \(EPA\) Lead-Based Paint Brochure](#) on identifying and controlling lead-based paint hazards ("Protect Your Family From Lead In Your Home" pamphlet, currently available in English, Spanish, Vietnamese, Russian, Arabic, Somali).
- Disclose any known information concerning lead-based paint or lead-based paint hazards. The seller or landlord must also disclose information such as the location of the lead-based paint and/or lead-based paint hazards, and the condition of the painted surfaces.
- Provide any records and reports on lead-based paint and/or lead-based paint hazards which are available to the seller or landlord (for multi-unit buildings, this requirement includes records and reports concerning common areas and other units, when such information was obtained as a result of a building-wide evaluation).
- Include an attachment to the [contract](#) or [lease](#) (or language inserted in the lease itself) which includes a Lead Warning Statement and confirms that the seller or landlord has complied with all notification requirements. This attachment is to be provided in the same language used in the rest of the contract. Sellers or landlords, and agents, as well as homebuyers or tenants, must sign and date the attachment.

□ **Additional Documentation Required:**

- Include a copy of the EPA-approved [Environmental Protection Agency \(EPA\) Lead-Based Paint Brochure](#) in the client file.
- Include documentation of disclosure of any known information concerning lead-based paint or lead-based paint hazards in the client file.
- Provide any records and reports on lead-based paint and/or lead-based paint hazards which are available to the seller or landlord in the client file.
- Include [Disclosure of Information on Lead-Based Paint](#) to the lease, which includes a Lead Warning Statement and confirms that the landlord has complied with all notification requirements.

□ **Habitability Standards/HQS**

The Emergency Solutions Grants (ESG) Program interim rule, at 24 CFR 576.403, establishes minimum standards for safety, sanitation, and privacy in emergency shelters funded with ESG, and minimum habitability standards for permanent housing funded under the Rapid Re-housing and Homelessness Prevention components of ESG.

It is important to note that the Housing Quality Standards (HQS) used for other HUD programs are different than the minimum standards for permanent housing and emergency shelter assisted with ESG funds. While in most respects HQS is more stringent and detailed than the ESG minimum standards for permanent housing and emergency shelter, the ESG standards for fire safety are more specific. Grantees who choose to use HQS instead of the ESG habitability standards should amend their checklists and notify inspectors that they must complete the more stringent inspection for fire safety.

○ **Additional Documentation Required:**

- Review the information and checklist found [here](#).
- Please follow local processes for requesting HQS inspections and documentation.

□ **Environmental Review**

An [environmental review](#) is the process of reviewing a project and its potential environmental impacts to determine whether it meets federal, state, and local environmental standards. The environmental review process is required for all HUD-assisted projects, including ESG assisted projects, to ensure that the proposed project does not negatively impact the surrounding environment and that the property site itself will not have an adverse environmental or health effect on end users. Not every project is subject to a full environmental review (i.e., every project's environmental impact must be examined, but the extent of this examination varies), but every project must be in compliance with the [National Environmental Policy Act \(NEPA\)](#), and other related Federal and state environmental laws.

Environmental reviews should be based on the building and the surrounding geography, and not on the actual unit. Therefore, if a unit is located within a building where an environmental review was already conducted, then HUD or the Responsible Entity (RE) will only need to verify that a review was conducted within the last five years or if/when the environmental conditions change.

- **Additional Documentation Required:**
 - Include documentation of environmental review in client file.

HUD Required Ongoing and Annual Client Documentation

□ **Housing Stability Case Management:**

For rapid rehousing and homeless prevention assistance, grantees should document that clients met with a case manager at least once per month, and that the program used a plan to assist the program participant to retain permanent housing after the ESG assistance ends.

- **Additional Documentation Required:**
 - Include documentation that clients met with a case manager once per month
 - Include documentation that the program used to plan to assist participants to retain permanent housing after ESG assistance ends

A HUD Waiver may be applicable during the current Public Health Emergency see [summary of applicable waivers here](#).

□ **Services and Assistance Provided**

The grantee must keep records of the types of essential services, rental assistance, utility payments and housing stabilization and relocation services provided under the recipient's program and the amounts spent on these services and assistance. Grantees that are units of general purpose local government must keep records to demonstrate compliance with the maintenance of effort requirement, including records of the unit of the general purpose local government's annual budgets and sources of funding for street outreach and emergency shelter services.

- **Additional Documentation Required:**
 - Include documentation in the client file that reflects:

- Types of supportive services provided
- The amount spent on those services
- Grantees that are units of general purpose local government must keep records to demonstrate compliance with the maintenance of effort requirement, including records of the unit of the general purpose local government's annual budgets and sources of funding for street outreach and emergency shelter services.

□ Revaluations

Program participant records must document that the grantee re-evaluated program participants' eligibility and the types and amounts of assistance the program participant needs not less than once every 3 months for program participants receiving homelessness prevention assistance and not less than once annually for program participants receiving rapid re-housing assistance.

- **Additional Documentation Required:**
 - Include documentation in the client file that reflects:
 - *Homeless prevention participants:* That eligibility and the types and amounts of assistance provided were evaluated not less than once every 3 months
 - *Rapid Rehousing participants:* That eligibility and the types and amounts of assistance provided were evaluated not less than once annually.

A HUD Waiver may be applicable during the current Public Health Emergency see summary of applicable waivers [here](#).

CARES Act ESG (ESG-CV)

President Trump signed the CARES Act on March 27, 2020 to help the Nation respond to the coronavirus outbreak. The CARES Act made available an additional \$4 billion in ESG-CV funds to supplement the Fiscal Year (FY) 2020 ESG funding provided under the Further Consolidated Appropriations Act, 2020 (Public Law 116-94). Of this amount, the Department is immediately allocated \$1 billion for ESG-CV grants based on the FY 2020 ESG formula. The rest of the funding for ESG-CV grants will be allocated directly to States or units of local government by a separate formula developed by the Secretary. Up to \$40 million of the additional funds will be set aside for technical assistance.

For ESG funding authorized by the CARES Act funds may be used to cover or reimburse allowable costs incurred by a State or locality before the award of funding (including prior to the signing of the CARES Act) to prevent, prepare for, and respond to COVID-19.

- The funds are not subject to the spending cap on emergency shelter and outreach under 24 CFR 576.100(b)(1);
- Up to 10 percent of funds may be used for administrative costs, as opposed to 7.5 percent as provided by 24 CFR 576.108(a);
- The funds are exempt from the ESG match requirements, including 24 CFR 576.201;
- The funds are not subject to the consultation and citizen participation requirements that otherwise apply to the Emergency Solutions Grants, however each recipient must 2 publish

how its allocation has and will be used, at a minimum, on the Internet at the appropriate Government web site or through other electronic media;

- The funds may be used to provide homelessness prevention assistance (as authorized under 24 CFR 576.103 or subsequent HUD notices) to any individual or family who does not have income higher than HUD's Very Low-Income Limit for the area and meets the criteria in paragraphs (1)(ii) and (1)(iii) of the "at risk of homelessness" definition in 24 CFR 576.3;
- That recipients may deviate from applicable procurement standards when using these funds to procure goods and services to prevent, prepare for, and respond to coronavirus, notwithstanding 24 CFR 576.407(f) and 2 CFR 200.317-200.326;
- While recipients are encouraged to offer treatment and supportive services when necessary to assist vulnerable homeless populations, individuals and families experiencing homelessness must not be required to receive treatment or perform any other prerequisite activities as a condition for receiving shelter, housing, or other services for which these funds are used, notwithstanding 24 CFR 576.401(e).

As of April 22, 2020, information on CARES Act ESG funding continues to be forthcoming.

Please continue to check the [HUD Exchange](#) and [HCD's website](#) to receive updated information on this funding source.

Additional Questions or Concerns?

Please contact stanislaus@homebaseccc.org for additional assistance and support.