

COVID-19

Homeless System Response: Emergency Housing Vouchers Funding Briefs: ESG/ESG-CV Rapid Rehousing (RRH) and Homelessness Prevention (HP)

Purpose

The Emergency Housing Voucher (EHV) program (see [Notice PIH 2021-15](#) for details) is a new housing voucher program that is funded by the American Rescue Plan (ARP) that provides 70,000 housing vouchers through Public Housing Authorities (PHAs) to assist people who are experiencing or at risk of homelessness; are fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking; or were recently homeless. Implementation of EHV must be done in partnership with the Continuum of Care (CoC) and Victim Services Providers (VSPs). CoCs are encouraged to offer or make connections to supportive services for households referred to the PHA for EHV.

The purpose of the *EHV Funding Briefs* series is to provide information on funding that can be utilized to provide services and resources to eligible EHV households. This brief will focus on Emergency Solutions Grants (ESG) and ESG COVID-19 (ESG-CV) funds for rapid rehousing (RRH) and homelessness prevention (HP).

Eligibility

EHV-Eligible Populations (per PIH Notice 2021-15)	Eligible for ESG/ESG-CV RRH?	Eligible for ESG/ESG-CV HP?
a. Homeless under one of the following categories: <ol style="list-style-type: none"> Literally Homeless Imminent Risk of Homelessness Homeless Under Other Federal Statutes Fleeing/Attempting to Flee Domestic Violence. 	Yes, for households in category 1 and for households in category 4 who live in an emergency shelter or other place described in Category 1.	Yes, for households w/ income below 30% (or 50%*) Area Median Income (AMI) in categories 2 and 3, and for households in category 4 who do not meet the criteria for ESG/ESG-CV RRH (i.e., who live in a place not described in category 1).
b. At risk of homelessness under one of the following: <ol style="list-style-type: none"> An individual or family who: <ul style="list-style-type: none"> Has an income below 30% AMI. Does not have sufficient resources/support networks to prevent homelessness. Meets criteria indicating housing instability. A child or youth who qualifies as "homeless" under Section 725(2) of the McKinney-Vento Homeless Assistance Act and the parent(s) or guardians, if living with them. 	No.	Yes, but in the case of categories 2 and 3, only for households that have an annual income below 30% (or 50%*) AMI.
c. Individuals or families who are fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking.	Yes, for households that have no other residence and lack the resources/support networks to obtain other permanent housing.	Yes, for households that have no other residence and lack the resources/support networks to obtain other permanent housing.
d. Individuals or families who are recently homeless, as determined by the CoC, including participants in rapid rehousing and permanent supportive housing.	Not at entry. Current RRH tenants that bridge to an EHV for rental assistance can keep services within allowable timeframes while they are eligible.	No.

*Allowable for ESG-CV funds and annual ESG funds from FY20 and before if they are used to prevent, prepare for, or respond to coronavirus.

For more details on eligibility, see [Homeless Eligibility Overview](#) and [Understanding Program Participant Eligibility for ESG RRH and HP Components](#).

ESG/ESG-CV Housing Relocation and Stabilization Services

In order to pair EHV with ESG/ESG-CV Housing Relocation and Stabilization Services, households must be:

- Prioritized and eligible for EHV (see [Notice PIH 2021-15](#)).
- Prioritized and [eligible for ESG/ESG-CV](#), which generally means that the household must enroll in ESG/ESG-CV before or at the same time as when they lease and move into a unit subsidized with the EHV.

Per 24 CFR 576.105, annual ESG and ESG-CV funds may be used for the following costs:

Services

Services	Allowable Costs
Housing search and placement	Assist participants in locating, obtaining, and retaining suitable permanent housing.
Case management	Assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing.
Mediation	Mediation between the program participant and the owner or person(s) with whom the participant is living.
Legal services	Costs of resolving a legal problem that prohibits a program participant from obtaining or retaining permanent housing.
Credit repair	Credit counseling, repair, and services related to household budgeting.

Financial Assistance

Assistance	Allowable Costs
Application fees	Rental housing application fees charged by the owner to all applicants.
Security deposits	Security deposit equal to no more than 2 months' rent.
Last month's rent	If necessary to obtain housing for a program participant, no more than one month's rent for the last month may be paid at the same time as the security deposit and the first month's rent.
Utility deposits	Standard utility deposit required by the utility company for all customers for utilities including gas, electric, water, and sewage.
Utility payments	Up to 24 months of utility payments/services, including up to 6 months of payments in arrears/services for eligible utilities, including gas, electric, water, and sewage.
Moving costs	Moving costs such as truck rental, hiring a moving company, and temporary storage fees for up to 3 months, provided that fees are accrued after the program participant begins receiving assistance and before they move in to permanent housing.
Landlord incentives*	As reasonable and necessary to obtain housing, incentives can include signing bonuses of up to 2 months of rent, security deposits of up to 3 months of rent, costs to repair damages not covered by the security deposit while the participant is staying in the unit, and costs of extra cleaning or maintenance of the participant's unit or appliances.

*Allowable for ESG-CV funds and annual ESG funds from FY20 and before if they are used to prevent, prepare for, or respond to coronavirus as established by [Notice CPD-20-08](#).

Key Considerations:

- Not all households eligible and prioritized (by local standards) for EHV are eligible and prioritized (by local standards) for ESG/ESG-CV.
- CoCs and PHAs should recognize the potential for EHV to address [housing inequities driven by systemic racism](#) and work closely with people of color, Indigenous people, people with lived experience of homelessness, and other key stakeholders in developing their [strategy for prioritizing EHV and related resources](#) and [updating Coordinated Entry processes, including prioritization, to advance racial equity](#).
- When developing the strategy for using EHV services funds and ESG/ESG-CV resources to help participants obtain housing, CoCs and PHAs should consider how funding can best be used to reduce barriers to housing for people from historically marginalized populations including people of color, Indigenous people, LGBTQ+ individuals, and people with disabilities.
- To retain ESG/ESG-CV services funded under the RRH component, program participants must also meet eligibility criteria at re-evaluation, which should be conducted not less than once annually for RRH or at least every 3 months for HP (or not less than once every 6 months for HP for ESG-CV funds and annual ESG funds from FY 20 and before if they are used to prevent, prepare for, or respond to coronavirus, as established by [memorandum](#) and extended per [Notice CPD-20-08](#)). In order to continue serving the household, the re-evaluation must establish that household income does not exceed 30 percent of AMI and the program participant lacks the resources and support networks to retain their housing without ESG assistance. For example, if ESG or ESG-CV is only funding services, the provider must establish at reevaluation that the participant still needs those services to maintain housing stability.
- ESG funds used must provide *different* types of assistance than that being provided to a participant by any other public sources. Since many of the allowable activities and costs under Financial Assistance for ESG/ESG-CV are also eligible costs for the EHV Services Fee, CoCs and PHAs should carefully consider how best to strategically use each program's resources to help participants obtain housing quickly. The distinct activities and costs that will be covered by each source should be clearly documented and adequate procedures must be established and maintained in order to prevent the duplication of benefits.
- ESG services can be provided for no more than 24 months in a 3-year period during the time that the program participant is living in permanent housing (as long as they maintain eligibility at re-evaluation).