

Homeless System Response: Shelter Renovation to Address Infection Control and Improve Shelter Quality

The availability of Emergency Solutions Grant–CARES Act (ESG-CV) resources creates an opportunity to modify emergency shelters and transform facilities in a way that promotes public health, advances person-centered and trauma-informed practices, and affords people experiencing homelessness with a much greater degree of privacy and dignity. As an essential service, it is important that emergency shelters provide accessible, safe, and racial sensitive trauma-informed options for households that might otherwise be unsheltered and at increased risk of exposure to COVID-19. Shelter renovations are an important strategy to increase the long-term viability and efficacy of congregate and non-congregate shelters by reducing infection risk, minimizing trauma, and promoting safe, dignified, and equitable spaces.

This document explains how communities may utilize Emergency Solutions Grant–CARES Act (ESG-CV) funding to renovate shelters to prevent, prepare, and respond to COVID-19. These improvements can ensure shelters function sustainably and provide long-term infection control capacity.

Evaluating Shelter Renovation Priorities and Resources

Communities should assess their current COVID-19 response strategies and consider how their crisis response system will continue to incorporate infection control measures to limit future infectious disease outbreaks (see [Re-evaluating Your ESG-CV Approach](#)). In determining if shelter renovations are the appropriate and best use of ESG-CV funding, communities should consult with public health officials and experts to assess existing facilities and determine shelter renovations that will most effectively mitigate health risks. Communities should also consider the impact of racial trauma and incorporate culturally responsive and racially sensitive trauma-informed practices in the planning process and renovation of shelters (see [Racial Trauma and Trauma-Informed Services](#)). Throughout the renovation process, continuously partner with people with lived experience, Black, Indigenous, People of Color and other marginalized populations, and those most impacted by proposed renovations to plan for and implement shelter renovations that can improve shelter quality and reduce barriers to entry (see [Engaging Individuals with Lived Expertise and Integrating Persons with Lived Experience in our Efforts to Prevent and End Homelessness](#)). ESG recipients should also consult with their Continuum of Care (CoC) to make decisions about funding priorities and shelter needs. Rural communities should also analyze their current shelter inventory to determine where the renovation of existing shelters or the acquisition of new facilities will be most needed and impactful.

Under [CPD Notice 21-08](#), communities are required to expend all ESG-CV funds no later than September 30, 2022. For communities with a reserve of unspent ESG-CV funding, shelter renovations can be an efficient and impactful way of mitigating risk and ensuring all available ESG-CV funds are utilized. Depending on the scope of necessary shelter renovations, communities may want to consider leveraging additional resources (such as CDBG-CV or unrestricted public or private funds), particularly for large-scale and longer-term shelter improvements.

Examples of Shelter Renovations Using ESG-CV Funding

Communities are encouraged to consider shelter improvements that may address public health recommendations in the immediate sense and make broader improvements that ensure the shelter can sustainably function and provide long-term infection control. Potential shelter renovations using ESG-CV funding may include:

- The expansion of sleeping areas, including the creation of non-congregate and private sleeping areas
- Renovation of bathrooms to create more space, including the creation of individual and private bathroom space
- Creation or expansion of kitchen and dining areas to allow for indoor and outdoor usage
- Installing systems to [improve ventilation](#) through use of HEPA filters and updated HVAC systems
- Creating or expanding private areas for isolation and quarantine
- Installing and/or enhancing onsite laundry facilities
- Creating private spaces for meetings, classes, and telehealth services
- Renovating to create better entry and exit flow to avoid lines and crowding
- Renovations that support the sustainable use of shelter facilities necessary to mitigate risk, including the repair of roofing, plumbing, electrical, and heating systems

- Renovations and repairs that increase physical accessibility of the shelter, meet ADA requirements, maximize privacy and security, and provide equal access to protected household types
 - Private and safe sleeping and bathroom areas that promote LGBTQ+ and gender inclusive services
 - Touchless doors, faucets, and water fountains
 - Automatic bathroom doors, lower sinks, and accessible toilets/stalls
 - Contactless temperature checks
 - Sleeping areas that can accommodate households of various sizes and composition

For additional ideas on improving shelter facilities and operations to promote public health, see [Alternative Approaches to Winter Sheltering](#), [CDC Interim Guidance for Homeless Service Providers](#) and [Framework for Enhancing Safety in Your Homeless Response System](#).

Basics on Shelter Renovation Using ESG-CV Funds

Communities should ensure that any planned shelter renovations using ESG-CV funding are eligible under the ESG program, justified under CPD Notice 21-08, and following all regulatory requirements for shelter renovations.

Eligible Costs

ESG program eligible costs includes labor, materials, tools, and other costs for renovation. The emergency shelter must be owned by a government entity or private nonprofit organization. For more information see the [ESG Program Interim Rule](#) and the [ESG Virtual Binder on Eligible Activities](#).

Reallocating ESG-CV Funds

ESG recipients should determine if the decision to reallocate or reprogram ESG-CV funding to support shelter renovations will require a substantial amendment. See [Re-Evaluating Your ESG-CV Approach](#) for more details.

ESG-CV PPR Tieback

ESG recipients must demonstrate and document a clear PPR tie-back that indicates how the shelter renovation will reduce risk in the community. PPR tiebacks are demonstrated at the ESG program component level and should include an activity description of how the shelter rehabilitation is intended to keep shelters safe and functioning (roof repairs; fire safety systems; ventilation systems, etc.) or enable appropriate social distancing (installation of partitions; etc.). See [the ESG-CV "Prevent, Prepare, and Respond" Tieback Flexibilities Quick Guide](#) for more information.

Distinguishing Between Emergency Shelter Renovation, Conversion, and Maintenance Costs

Communities should determine if the desired shelter improvements are categorized as maintenance, renovation, or conversion costs. This will impact the specific compliance requirements. A summary of compliance expectation by category is outlined below.

Types of Activities	ESG Definition	Minimum Period of Use	Level of Environmental Review Required (see Environmental Review Virtual Binder)
Maintenance (Shelter Operations)	Includes cleaning; minor or routine repairs of furnishings, equipment, and fixtures; and protective or preventative measures to keep a building, its systems, and its grounds in working order. Maintenance activities that do not materially add to the value of the building/property; do not appreciably prolong the useful life of the building/property; and do not adapt the building/property to new uses.	Same as for other shelter operations and essential services activities.	Categorically Excluded, Not Subject to §58.5 (CENST)
Minor Rehabilitation (Renovation)	The cost of the rehabilitation of an existing emergency shelter is 75% or less of the value of the building before rehabilitation*	3 years	Generally Categorically Excluded, Subject to §58.5 (Also subject to §58.6) (see 24 CFR 58.35(a)(3))

Types of Activities	ESG Definition	Minimum Period of Use	Level of Environmental Review Required (see Environmental Review Virtual Binder)
Major Rehabilitation (Renovation)	The cost of the rehabilitation of an existing emergency shelter exceeds 75% of the value of the building before rehabilitation*	10 years**	Environmental Assessment (May require an Environmental Impact Statement (EIS) if any conditions in §58.37 apply; also subject to §58.6)
Minor Conversion (Renovation)	The cost of the conversion of a building to an emergency shelter is 75% or less of the value of the building after conversion*	3 years	
Major Conversion (Renovation)	The cost of the conversion of a building to an emergency shelter exceeds 75% of the value of the building after conversion*	10 years**	

* The value of the building is the reasonable monetary value assigned to the building, e.g., by an independent real estate appraiser.

** A 10-year minimum period of use for major rehabilitation or conversion must be enforced by a recorded deed or use restriction.

See [Emergency Shelters: Distinguishing Between Renovation/Conversion and Maintenance Activities](#).

Procurement

In addition to the requirements of [2 CFR Part 200.320](#), communities should also determine and be mindful of local procurement processes and account for their impact on the timeline for completing shelter renovations. See [Procurement Strategies for ESG-CV](#) and consider the following:

- Use existing equity goals for procurement or establish new ones to expand options to partner with community-based organizations and those led by Black, Indigenous, People of Color. See [Increasing Equity in the Homeless Response System through Expanded Procurement](#).
- In some communities, it may be challenging to identify and procure contractors on an expedited timeline. Be cognizant of the expenditure deadline for ESG-CV funds and anticipate and address any potential challenges in the procurement process and timeline. ESG-CV funds cannot be used on any rehabilitation costs incurred after September 30, 2022, as all ESG-CV funds must be expended for eligible activity costs by that date.
- If the renovation/rehabilitation budget includes other leveraged funds, utilize ESG-CV funds first and pay for costs during the initial phases of the project to meet the September 2022 deadline.
- Identify any state and local requirements that will impact the procurement process, including the potential to use emergency procurement standards to expedite this process.

Habitability and Accessibility Requirements

Emergency shelters must meet applicable habitability and accessibility requirements. See [ESG Minimum Habitability Standards](#) for more details.

Considerations for Converting Temporary Emergency Shelter for Permanent Use

Communities that established temporary emergency shelters may now identify a need for ongoing, expanded shelter capacity to continue to mitigate risk. In this scenario, communities may want to consider using ESG-CV funds to repurpose a temporary facility to meet the requirements for ongoing use as an emergency shelter facility. Section III.E.3.a.(iii) of [CPD Notice 21-08](#) delineates eligible activities for temporary shelters being converted to permanent shelter, including requirements for environmental review, notification to HUD, and minimum use requirements.

Additional Resources

Communities seeking to reallocate ESG-CV resources to complete shelter renovations should do so in an equitable, transparent manner that recognizes the urgency and opportunity these time-limited resources present. Communities are encouraged to incorporate stakeholder input when considering options for shelter renovation. For assistance,

communications are encouraged to engage their technical assistance providers, HUD field office, and/or request assistance through the HUD Exchange portal.