

# EMERGENCY SOLUTIONS GRANT

Program Guidelines | May 2021



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## Addenda in Electronic Single Application (ESA)

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Resolution of the Municipality	Match Commitment Letters
Resolution of the Non-Profit Organization	Management Standards
Certification of local Government Approval for Non-Profit Organizations Receiving ESG Funds from State Recipients	Coordination of Services
Limited English Proficiency Guidance for ESG Applicants	Public Participation
Certification of Completion of a Four-Factor Analysis for Limited English Proficiency Persons And Certification of the Activities to be Included in the Language Access Plan	Statement of Need
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Statement of Assurances	Program Design – Rapid Rehousing
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## **Section I – Introduction**

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This program is authorized by McKinney-Vento Homeless Assistance Act of 1987 (P.L. 100-77), as amended by the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009 (P.L. 111-22) (42 U.S.C.S. §11371 et. seq.).

The Department of Community and Economic Development’s mission is to encourage the shared prosperity of all Pennsylvanians by supporting good stewardship and sustainable development initiatives across our commonwealth. With a keen eye toward diversity and inclusiveness, we act as advisors and advocates, providing strategic technical assistance, training, and financial resources to help our communities and industries flourish. DCED helps revive Pennsylvania’s economy by providing targeted assistance to distressed areas and low-income populations with a strategic focus on community participation and collaborations among residents, nonprofits, and municipalities.

Pennsylvania’s renaissance will be driven by the need to increase community revitalization efforts. This translates into the importance of programs such as the Emergency Solutions Grant (ESG) to provide support and opportunity for every homeless individual or family in the commonwealth. The ESG program will offer a proactive approach with respect to its goals, which aim to offer resources in addressing the needs of homeless people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness.

The Commonwealth of Pennsylvania, through DCED, was awarded \$5,772,551 in ESG funds for FY2021 through the U.S. Department of Housing and Urban Development (HUD). DCED will use the ESG funding to support applicants who will work to end homelessness quickly and as efficiently as possible for all vulnerable populations.

All funded applicants will use a coordinated entry process established by the local Continuum of Care, to ensure the homeless crisis response system is easy to access, the needs of the homeless population are quickly identified and assessed, and priority decisions are based on those known needs. Funded applicants will be expected to use a Housing First (see Conditions for Funding Section) approach by ensuring people experiencing a housing crisis are quickly connected to permanent housing. All eligible activities include those listed in the ESG interim rule published in the Federal Register on December 5, 2011 located at 24 CFR 576.

Applicants should complete the Electronic Single Application (ESA), associated forms, attachments, addenda, and submit all other required documentation in accordance with instructions as indicated in these guidelines. The application process is outlined in more detail in the application submission section.



## A. Definitions

**Administrative Costs** – Include the costs of overall program management, coordination, monitoring, and evaluation.

**Applicant** – Any unit of local government including cities, boroughs, townships, towns, counties, home rule municipalities, and communities that desire to apply “on behalf of” other municipalities. Non-profits may not apply directly to DCED except for non-profits applying for a regional (multi-county) project.

### **At-Risk of Homelessness**

More detailed description of this term may be found in the HEARTH “Homeless” Definition (Final Rule) on [www.hudexchange.info](http://www.hudexchange.info)

1. An individual or family who:
  - a. Has an annual income below 30 percent of median family income for the area, as determined by HUD;
  - b. 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
  - c. Meets one of the following conditions:
    - (1) Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;
    - (2) Is living in the home of another because of economic hardship;
    - (3) 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;
    - (4) 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;
    - (5) 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 per room, as defined by the U.S. Census Bureau;
    - (6) 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
    - (7) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the DCED’s approved consolidated plan;
2. A child or youth who does not qualify as “homeless” under this section, but qualifies as “homeless” under section 387(3) of the Runaway and Homeless Youth Act (42 U.S.C. 5732a(3)), section 637(11) of the Head Start Act (42 U.S.C. 9832(11)), section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 14043e– 2(6)), section 330(h)(5)(A) of the Public Health Service Act (42 U.S.C. 254b(h)(5)(A)), section 3(m) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(m)), or section 17(b)(15) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(15)); or
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.

**Direct Entitlement Community** – Any unit of local government including cities, boroughs, townships, towns, counties, home rule municipalities, and/or other communities that receive a direct allocation of ESG funding from HUD. A list of the FY 2021 direct entitlement ESG communities are listed in Appendix A.

**Emergency Shelter** – Any facility, the primary purpose of which is to provide a temporary shelter for the homeless in general or for specific populations of the homeless and which does not require occupants to sign leases or occupancy agreements. Any project funded as a transitional shelter under a Fiscal Year 2010 Emergency Shelter Grant may continue to be funded under ESG.

**Grantee** – Any unit of local government (including cities, boroughs, townships, towns, counties, home rule municipalities), communities, or non-profits that is awarded state ESG funds.

**Homeless Definition – (all participants must meet the definition of homeless)**

More detailed description of this term may be found in the HEARTH “Homeless” Definition (Final Rule) on [www.hudexchange.info](http://www.hudexchange.info)

1. An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
  - a. 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;
  - b. 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
  - c. 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;
2. An individual or family who will imminently lose their primary nighttime residence provided that:
  - a. The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
  - b. No subsequent residence has been identified; and
  - c. 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;
3. Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:
  - a. Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)) or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);
  - b. Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;
  - c. Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and

- d. Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; or
4. Any individual or family who:
- a. 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;
  - b. Has no other residence; and
  - c. Lacks the resources or support networks, e.g., family, friends, faith based or other social networks, to obtain other permanent housing.

**Homeless Management Information System (HMIS)** – A database used to confidentially aggregate data on homeless populations. The system allows for a record of client-level information about the characteristics and services needs of homeless persons.

**Homelessness Prevention** – Financial assistance, rental assistance, and services provided to individuals and families who are at imminent risk, or at risk of homelessness; meaning those who qualify under the homeless definition (categories 2, 3, or 4) or those who qualify as at risk of homelessness as issued in HUD's regulations. Eligible individuals and families must have annual incomes below 30% of Area Median Income (AMI).

**Housing First** – Homeless assistance approach that prioritizes providing permanent housing to people experiencing homelessness, thus ending their homelessness and serving as a platform from which they can pursue personal goals and improve their quality of life. This approach is guided by the belief that people need basic necessities like food and shelter before focusing on next steps, such as employment, personal finance, and/or substance abuse issues. Additionally, Housing First is based on the theory that client choice is valuable in housing selection and supportive service participation, and that exercising that choice is likely to make a client more successful in remaining housed and improving their life. (National Alliance to End Homelessness, 2019)

**Participants** – A homeless or at-risk of homeless individual or family who receive ESG assistance.

**Rapid Re-housing** – Financial assistance, rental assistance, and services provided to individuals and families who are literally homeless, meaning those who qualify under the Category 1 definition of homeless.

**Street Outreach** – Provision of essential services necessary to reach out to unsheltered homeless people; connect them with emergency shelter, housing, or critical services; and provide urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility.

**Subrecipient** – A non-profit organization that enters into a subrecipient agreement with the grantee to provide homeless services as outlined in the ESG application proposal.

## B. Eligibility

### 1. Applicants

DCED will accept applications from any unit of local government including cities, boroughs, townships, towns, counties, home rule municipalities, and communities that desire to apply “on behalf of” other municipalities. Local governments may apply “on behalf of” nonprofit organizations which will perform services as a subrecipient or subgrantee. Nonprofits are eligible applicants or grantees to the extent the project will address a demonstrated regional need (regional is defined as more than one county).

DCED intends to make grants of \$25,000 or more for any single activity or combination of ESG activities as outlined below:

- Rapid Rehousing
- Street Outreach
- Homelessness Prevention
- Emergency Shelter
- Homeless Management Information System (HMIS)
- Administration

Successful applicants who do not intend to provide direct services are required to enter into agreements with local housing and third party subrecipients. The agreement with a subrecipient does not absolve the successful applicant of its contractual responsibilities with DCED. The grantee should hold the subrecipient to high standards and develop a grant agreement that reflect similar contractual responsibilities as the grantee has with DCED. Grantees are to ensure, through regular monitoring and oversight, that subrecipients provide eligible and DCED approved services.

The Pennsylvania Balance of State Continuums of Care will receive funding priority with the submission of a successful application.

ESG Direct Entitlement Communities (Appendix A) are eligible to compete for DCED’s ESG funding but will not receive priority over the non-entitlement ESG applicants (those entities who do not receive a direct allocation of ESG funds from HUD). **ESG 2021 Direct Entitlements will be eligible to apply for ALL eligible ESG uses.** Direct Entitlements will not be limited to only being eligible to apply for Rapid Rehousing as in previous grant years.

### 2. Eligible Activities

ESG Funds may be used for individuals and families who are experiencing homelessness or at risk of homeless as defined in 24 CFR 576. The six eligible components for ESG funding are:

- 1.) Rapid Rehousing,
- 2.) Street Outreach,
- 3.) Homelessness Prevention,
- 4.) Emergency Shelter,
- 5.) HMIS, and
- 6.) Administrative costs.

Emergency Shelter (shelter operations, essential services) and Street Outreach component requests may not exceed 60% of the total request. Additionally, there is no cap on operational support for Emergency Shelter operation activities. Administrative funds may not exceed 3.75% of the total requested.

Although services are allowable for up to 24 months in accordance with 24 CFR 576, contracts will not extend beyond 18 months. Therefore, all activities must be completed within 18 months. ***Subrecipients or service providers shall not obligate any assistance beyond the 18-month term of their contract with the commonwealth.***

**3. Use of Grant Funds**

Grant funds must be used for eligible activities as described in the HUD ESG regulations ([www.hudexchange.info/programs/esg/esg-law-regulations-and-notices/](http://www.hudexchange.info/programs/esg/esg-law-regulations-and-notices/)) and as outlined below. Applicants are encouraged to review this table along with the ESG regulations published on December 5, 2011 for a more complete description of each activity. **Only activities listed in the ESG interim rule at 24 CFR 576 are eligible under the ESG state allocation.** If an activity is not listed, it is not considered eligible for this funding source.

<b>Eligible Activities</b>	
<b>Street Outreach Component (24CFR §576.101)</b> Services delivered on the street to persons living unsheltered	
<b>Engagement</b>	Activities to locate, identify, and build relationships with <b>unsheltered homeless people</b> for the purpose of providing immediate support, intervention, and connections with homeless assistance programs and/or mainstream social services and housing programs.
<b>Case Management</b>	Assessing housing and service needs and arranging/coordinating/monitoring the delivery of individualized services.
<b>Emergency Health Services</b>	Direct outpatient treatment of medical conditions by licensed medical professionals in community-based settings (e.g. streets, parks, and campgrounds) to those eligible participants for whom other appropriate health services are inaccessible or unavailable within the area.
<b>Emergency Mental Health Services</b>	Direct outpatient treatment of mental health conditions by licensed professionals in community-based settings (e.g. streets, parks, and campgrounds) to those eligible participants for whom other appropriate health services are inaccessible or unavailable within the area.
<b>Transportation</b>	Travel by outreach workers, social workers, medical professionals or other service providers during the provision of eligible street outreach services.
<b>Services to Special Populations</b>	Otherwise eligible Essential Services, as listed above, 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.



<b>Emergency Shelter Component (24CFR §576.102)</b>							
Services delivered to homeless persons in temporary shelter, rehabilitation of that shelter, and operation of shelters							
<b>Essential Services</b>	<ul style="list-style-type: none"> <li>• Case Management</li> <li>• Child Care</li> <li>• Education Services</li> <li>• Employment Assistance and Job Training</li> <li>• Legal Services</li> <li>• Life Skills Training</li> <li>• Mental Health Services</li> <li>• Substance Abuse treatment Services</li> <li>• Transportation</li> <li>• Services for Special Populations</li> <li>• Outpatient health services</li> </ul>						
<b>Renovation</b>	<ul style="list-style-type: none"> <li>• Major Renovation – costs exceed 75% of the value of the building before renovation must commit to 10-year use.</li> <li>• Conversion – costs to convert a building into a shelter exceeds 75% of the building after rehabilitation must commit to 10-year use.</li> <li>• Renovation other than major renovation or conversion – all other types of renovation must commit to 3-year use.</li> <li>• Signed contracts with firms doing the renovations/conversions or material purchase must be submitted to DCED within the first 6 months of the contract. Work should be completed within the first 9 months of the contract.</li> <li>• All additional funding necessary for the project must be in place</li> <li>• Priority will be given to the following documented needs:               <table style="margin-left: 40px; border: none;"> <tr> <td>Code Deficiencies</td> <td>ADA Compliance</td> </tr> <tr> <td>Increase in Bed Capacity</td> <td>Energy Conservation</td> </tr> <tr> <td>Health and Safety Issues</td> <td></td> </tr> </table> </li> </ul>	Code Deficiencies	ADA Compliance	Increase in Bed Capacity	Energy Conservation	Health and Safety Issues	
Code Deficiencies	ADA Compliance						
Increase in Bed Capacity	Energy Conservation						
Health and Safety Issues							
<b>Shelter Operations</b>	<table style="width: 100%; border: none;"> <tr> <td style="vertical-align: top;"> <ul style="list-style-type: none"> <li>• Maintenance &amp; repairs</li> <li>• Rent</li> <li>• Security</li> <li>• Fuel</li> <li>• Equipment</li> <li>• Supplies necessary for the operation of the shelter</li> <li>• Hotel/Motel –when no appropriate shelter is available</li> </ul> </td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> <li>• Utilities</li> <li>• Food</li> <li>• Furnishings</li> <li>• Insurance</li> </ul> </td> </tr> </table>	<ul style="list-style-type: none"> <li>• Maintenance &amp; repairs</li> <li>• Rent</li> <li>• Security</li> <li>• Fuel</li> <li>• Equipment</li> <li>• Supplies necessary for the operation of the shelter</li> <li>• Hotel/Motel –when no appropriate shelter is available</li> </ul>	<ul style="list-style-type: none"> <li>• Utilities</li> <li>• Food</li> <li>• Furnishings</li> <li>• Insurance</li> </ul>				
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<b>For both Rapid Re-housing and Homelessness Prevention Components</b>	
<b>Housing Relocation and Stabilization Services (24CFR §576.105)</b>	
<b>(a) Financial Assistance</b>	
<b>Rental Application Fees</b>	<ul style="list-style-type: none"> <li>• Application fees that are charged by the owner to all applicants</li> </ul>
<b>Security Deposits</b>	<ul style="list-style-type: none"> <li>• Equal to no more than 2 months' rent.</li> </ul>
<b>Last Month's Rent</b>	<ul style="list-style-type: none"> <li>• Paid to the owner of housing at the time security deposit and first month's rent if necessary to obtain housing. (Is counted toward the 24 months of assistance in 3 years.)</li> </ul>
<b>Moving Costs</b>	<ul style="list-style-type: none"> <li>• Funds may be used for reasonable moving costs, such as truck rental, hiring a moving company, or temporary storage fees for a maximum of 3 months after the participant begins to receive services but before they move into permanent housing. Arrearages are not eligible.</li> </ul>
<b>Utility Deposits</b>	<ul style="list-style-type: none"> <li>• Standard utility deposit required by the utility company for all customers (i.e. gas, electric, water/sewage)</li> </ul>
<b>Utility Payments</b>	<ul style="list-style-type: none"> <li>• Up to 24 months of utility payments per participant, per service (i.e. gas, electric, water/sewage), including up to 6 months of arrearages, per service.</li> </ul>
<b>(b) Services Costs</b>	
<b>Housing Search and Placement</b>	<ul style="list-style-type: none"> <li>• Assessment of housing barriers, needs and preferences</li> <li>• Development of an action plan for locating housing</li> <li>• Housing search and outreach to, and negotiation with owner</li> <li>• Assistance with submitting rental applications and understanding leases</li> <li>• Assessment of housing for compliance with ESG requirements for habitability, lead based paint, and rent reasonableness</li> <li>• Assistance with obtaining utilities and making moving arrangements</li> <li>• Tenant counseling</li> </ul>
<b>Housing Stability Case Management</b>	<p>Assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability.</p> <ul style="list-style-type: none"> <li>• Using the centralized or coordinated assessment system to conduct the initial evaluation and re-evaluation.</li> <li>• Counseling</li> <li>• Developing, securing and coordinating services including Federal, state, and local benefits</li> <li>• Monitoring and evaluating program participant progress</li> <li>• Providing information and referrals to other providers</li> <li>• Developing an individualized housing and service plan</li> <li>• Assistance cannot exceed 30 days during the period the program participant is seeking permanent housing and cannot exceed 24 months during the period the program participant is living in permanent housing</li> </ul>

<b>Mediation</b>	<p><i>Mediation between the program participant and the owner or person(s) with whom the program participant is living, provided that the mediation is necessary to prevent the program participant from losing permanent housing in which they currently reside.</i></p> <ul style="list-style-type: none"> <li>• Time and/or services associated with mediation activities</li> </ul>
<b>Legal Services</b>	<p><i>Legal services that are necessary to resolve a legal problem that prohibits the program participant from obtaining or maintaining permanent housing.</i></p> <ul style="list-style-type: none"> <li>• Hourly fees for legal advice and representation</li> <li>• 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.</li> <li>• Client intake, preparation of cases for trial, provision of legal advice, representation at hearings and counseling</li> <li>• Filing fees and other necessary court costs</li> <li>• Subrecipient's employees' salaries and other costs necessary to perform the services if the subrecipient is a legal services provider and performs the services itself.</li> </ul> <p>Note: Legal services related to mortgages are not eligible</p> <p>Legal representation and advice may be provided for:</p> <ul style="list-style-type: none"> <li>• Landlord/tenant matters</li> <li>• Guardianship</li> <li>• Emancipation</li> <li>• Resolution of outstanding criminal warrants</li> <li>• Orders of protection and other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking.</li> <li>• Appeal of veterans and public benefit claim denials</li> <li>• Child support</li> <li>• Paternity</li> <li>• Legal separation</li> </ul>
<b>Credit Repair</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Assistance <u>cannot</u> include the payment or modification of a debt.</li> </ul>
<b>Requirements and Restrictions for Services</b>	<ul style="list-style-type: none"> <li>• Participants must <u>meet with a case manager at least once a month</u> for the duration of assistance, except where funding under the Violence Against Women Act (VAWA) or Family Violence Prevention and Services Act (FVSP) prohibits the recipient or subrecipient from making shelter or housing conditional upon receipt of services.</li> <li>• Participants must be assisted as needed, in obtaining: <ul style="list-style-type: none"> <li>- <u>Appropriate supportive services</u> like medical or mental health treatment or services essential for independent living.</li> <li>- <u>Mainstream benefits</u> like Medicaid, SSI, or TANF</li> </ul> </li> </ul>
<b>Short- and Medium-Term Rental Assistance (24CFR § 576.106)</b>	
<b>Types of Rental Assistance</b>	<b>Length of Assistance</b>
<b>Short Term Rental Assistance</b>	Up to 3 Months
<b>Medium Term Rental Assistance</b>	4 to 24 Months
<b>Payment of Rental Arrears</b>	One-time payment up to 6 months, including any late fees on those arrears
<b>Any Combination of the Three Types of Rental Assistance</b>	Total not to exceed 24 months during any 3-year period, including any payment for last month's rent.

<p><b>Requirements and Restrictions</b></p>	<ul style="list-style-type: none"> <li>• Compliance with Fair Market Rents (FMR) limits and Rent Reasonableness</li> <li>• Compliance with Minimum Habitability Standards</li> <li>• Rental Assistance Agreement and Lease Standards:             <ul style="list-style-type: none"> <li>- The rental assistance agreement must set forth the terms under which rental assistance will be provided</li> <li>- Each participant receiving rental assistance must have a legally binding, written lease (between the owner and participant) for the rental unit, unless the assistance is solely for rental arrears.</li> <li>- Project-based rental assistance leases must have an initial term of one year.</li> </ul> </li> <li>• <b>Cannot Use</b> with Other Subsidies             <ul style="list-style-type: none"> <li>- No rental assistance can be provided to a household receiving rental assistance from another public source for the same period (except 6 months of arrears)</li> <li>- Rental assistance may not be provided to a participant who is currently receiving replacement housing payments under the Uniform Relocation Assistance (URA).</li> </ul> </li> <li>• Late Payments             <ul style="list-style-type: none"> <li>- The rental assistance agreement must contain the same payment due date, grace period, and late payment penalty requirements as the program participant's lease.</li> <li>- The recipient or subrecipient must make timely payments to owners in accordance with the rental assistance agreement.</li> <li>- The recipient or subrecipient is solely responsible for paying (with non-ESG funds) late payment penalties that it incurs.</li> </ul> </li> </ul>
<p><b>HMIS (24CFR § 576.107)</b></p>	
<p><b>HMIS</b></p>	<ul style="list-style-type: none"> <li>• <b>The HEARTH Act makes HMIS participation a statutory requirement for ESG recipients and third-party contractors.</b> <ul style="list-style-type: none"> <li>- Third-party contractors serving victims of domestic violence cannot, and legal services organizations may choose to not, participate in HMIS. Providers that do not participate in HMIS must use a comparable database that produces unduplicated, aggregate reports instead.</li> <li>- All recipients and third-party contractors may pay the costs of contributing data to the CoC's HMIS.</li> <li>- Recipients and third-party contractors that use comparable databases: Victim third-party contractors and legal third-party contractors may use ESG funds to pay the costs of establishing and operating a comparable database.</li> <li>- Recipients that have been designated HMIS Lead agencies by the CoC may pay the costs of establishing, hosting, customizing, and upgrading the HMIS.</li> </ul> </li> </ul>
<p><b>Eligible Costs</b></p>	<ul style="list-style-type: none"> <li>• Hardware, Equipment and Software Costs</li> <li>• Staffing: Paying salaries for operating HMIS</li> <li>• Training and Overhead</li> </ul>
<p><b>Administrative Costs (24CFR §576.108)</b></p>	
<p><b>Administrative Costs</b></p>	<p>Applicants may request up to 3.75% of its ESG grant for the payment of administrative costs related to the planning and execution of ESG activities.</p> <p>Eligible Costs Include:</p> <ul style="list-style-type: none"> <li>- General Management/Oversight/Coordination</li> <li>- Training on ESG Requirements</li> <li>- Environmental Review</li> </ul>



## Section II – Program Requirements

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### A. ESG Description

The Emergency Solutions Grant (ESG) Program is authorized by subtitle B of Title IV – Housing Assistance Act as amended by S.896 The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009. The ESG interim rule 24 CFR Part 576, published in the Federal Register on December 5, 2011, establishes the regulations for the Emergency Solutions Grant Program. The program focus is to assist people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. The program authorizes the U.S. Department of Housing and Urban Development (HUD) to make grants to states, units of general purpose local government, and territories for rapid rehousing and homeless prevention assistance, street outreach, the rehabilitation or conversion of buildings for use as emergency shelters for the homeless, and for the payment of certain expenses related to operating emergency shelters.

The intent of ESG assistance is to rapidly transition homeless individuals and families to permanent stability through their own means or through public assistance, as appropriate. Funding provided under ESG is not intended to provide long-term support, nor will it be able to address all the financial and supportive service needs of each individual and/or family. Applicants are required to design or adopt a service delivery system to achieve ESG goals and objectives but using approaches that are responsive to local issues and local Continuum of Care requirements.

### B. DCED Funding Priorities for Emergency Solutions Grant

DCED will support the federal strategy outlined by the United States Interagency Council on Homelessness and prioritize applicants who request funding to address the specific homeless populations in *Home, Together: A Federal Strategic Plan to Prevent and End Homelessness*<sup>1</sup>. *Home, Together* established goals from 2018-2022 to prevent and end veteran homelessness; to end chronic homelessness; to prevent and end homelessness for families, youth, and children; and to set a path to end all types of homelessness. Applicants to DCED's Emergency Solutions Grant (ESG) program are required to participate in their local Continuum of Care (CoC)'s planning to develop a systematic response to prevent homelessness. If homelessness is unpreventable, communities should plan that instances are rare, brief, and one-time.

DCED requires the use of the Housing First model to end homelessness with ESG funds. Housing First is an approach to provide permanent housing immediately and with few to no preconditions, behavioral contingencies, or barriers. The outcomes of the model will align with the coordinated entry quick access to housing and services, identifying and implementing low barriers to entry or service, utilizing data to drive decisions about housing prioritization, establishing relationships with housing providers to ensure a direct referral from the coordinated entry process, standardizing application screening processes, consistent involvement in the planning process with the CoC, using mainstream systems to support the housing first approach, and ensuring staff are adequately trained to employ evidenced-based systems. Communities are expected to prioritize individuals and families with the highest needs and vulnerabilities, work effectively to engage landlords and property owners to ensure housing availability, and to ensure programs are client-centered with all barriers removed for entering and remaining in the program.

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<sup>1</sup> Home, Together (2018). *Home, Together: A Federal Strategic Plan to Prevent and End Homelessness*. Retrieved from [www.usich.gov/home-together](http://www.usich.gov/home-together)

DCED will provide maximum support available to applicants who address these specific areas. However, no more than 60% of the state's grant will be allocated to Emergency Shelter and Street Outreach activities, excluding administration and data collection activities for the Pennsylvania Homeless Management Information System (HMIS). DCED reserves the right to modify any of the priorities as deemed necessary. Decisions to modify priorities are based on data assessments.

DCED will continue to permit applicants to design diverse projects to meet their local needs. However, we require each applicant to demonstrate coordination of their efforts with the local Continuum of Care priorities and demonstrate capacity to meet all ESG program requirements.

**Applicants who design regional projects will be highly considered for funding if the project addresses a statewide need that is supported by data, is administered by an organization with capacity to fulfill all programmatic requirements and has identified its ability to meet the match requirement.**

DCED will contract directly with non-profit organizations that apply for a regional based project and demonstrates capacity to administer the grant. Non-profits conducting regional projects are required to actively provide services of approved activities to all counties included in the application. Coordination with elected officials and homeless provider leadership is expected to ensure that the activity is meeting an unmet need in that community and services are made available to eligible participants. Please note – accepting participants from various/outside counties does not constitute a regional project.

## C. Required Match

Applicants are required to match 100 percent of their grant request and subsequent award. Match can include cash resources provided any time after the start date of the contract with the commonwealth. Match contributions must meet all requirements that apply to ESG funds and must be expended in accordance with the regulatory guidance.

Match may be obtained from any source including federal (other than ESG funds), state, local and private sources. However, the following requirements apply to matching contributions from a federal source of funds:

1. The applicant must ensure the laws governing any funds to be used as matching contributions do not prohibit those funds from being used to match ESG funds.
2. If ESG funds are used to satisfy the matching requirements of another Federal program, then funding from that program may not be used to satisfy the matching requirements under this section.

In order to meet the matching requirement, the matching contributions must:

1. Meet all requirements that apply to the ESG funds provided by HUD, except for the expenditure limits in 24 CFR § 576.100.
2. The matching contributions must be provided within the dates of the contract with the commonwealth.
3. To count toward the required match for the recipient's fiscal year grant, cash contributions must be expended within the expenditure deadline in 24 CFR 576.201 and noncash contributions must be made within the expenditure deadline in 24 CFR 576.201.
4. Contributions used to match a previous ESG grant may not be used to match a subsequent ESG grant.
5. Contributions that have been or will be counted as satisfying a matching requirement of another federal grant or award may not count as satisfying the matching requirement of this section.

The matching requirement may be met by one or both of the following:

1. **Cash contributions.** Cash expended for allowable costs, as defined in the Office of Management and Budget (OMB) Circular (2 CFR part 200), of the applicant, grantee, or subrecipient.
2. **Noncash contributions.** The value of any real property, equipment, goods, or services contributed to the grantee or subrecipients ESG program, provided that if the grantee or subrecipient had to pay for them with grant funds, the costs would have been allowable.
  - a. Noncash contributions may also include the purchase value of any donated real property, if the property was donated within the contract period. To determine the value of any donated material or building, or of any lease, the grantee or subrecipient must use a method reasonably calculated to establish the fair market value. See IRS regulations related to donations.
  - b. Services provided by individuals must be valued at rates consistent with those ordinarily paid for similar work in the applicant's or third party subrecipient's organization. If the grantee or subrecipient does not have employees performing similar work, the rates must be consistent with those ordinarily paid by other employers for similar work in the same labor market.
  - c. Some noncash contributions are real property, equipment, goods, or services that, if the grantee or subrecipient had to pay for them with grant funds, the payments would have been indirect costs. Matching credit for these contributions must be given only if the grantee or subrecipient has established, along with its regular indirect cost rate, a special rate for allocating to individual projects or programs the value of those contributions.
3. **Program Income.** Costs paid by program income (as defined at 2 CFR Part 200) during the contract period will count towards meeting the match requirement provided that the costs are eligible expenses that supplement the ESG program. Program income includes any amount of security or utility deposit returned to the grantee or subrecipient. Subrecipients providing security or utility deposits, must return these funds to their grantee when clients assisted with ESG funding move from the rental property or utility services are discontinued.
4. **Match Waiver.** The first \$100,000 of the commonwealth's fiscal year grant is not required to be matched. DCED must transfer the benefit of this exception to its grantees that are incapable of providing match contributions. Applicants that anticipate difficulty meeting the match requirement may request a match waiver. DCED will use the following criteria to determine the applicant most likely to receive the exception:
  - annual operating budget of less than \$100,000; and,
  - serving an area with predominately low and moderate income (LMI) persons (more than 60% LMI) or;
  - an applicant that may not be able to apply for ESG due to lack of resources to meet the match requirement. Applying for the match waiver does not guarantee applicants will or will not receive funding.

***The following may not be used as match: Supplemental Nutrition Assistance Program (SNAP) benefits, Housing Choice Vouchers, the tenant's portion of the rent, HOME-TBRA (Tenant-Based Rental Assistance) funds (in most instances), CoC funds (in most instances) and Depreciation of Buildings.***

## D. Conditions for Funding

### 1. **Statement of Need**

Applicants must provide a need based and data-informed narrative that gives a detailed explanation of the homeless population in the community, a description of how the agency provides a comprehensive range of services by connecting participants with mainstream resources, and details to indicate if there is a gap in services that would prohibit the participant from gaining permanent housing stability. The applicant should include actual assessments of the number of individuals/families served in the past, if applicable, the unemployment rates of the community to be served, the most recent Point-in-Time data of the unsheltered homeless population, how long participants remain homeless before receiving permanent housing, identified barriers to entering the homeless system, and any other data that may support the funding requested.

The applicant must demonstrate how the funding will impact the community and how the services are aligned to meet the local Continuum of Care strategic plan, written standards and system performance measures. Additionally, all subrecipient program design forms must respond to how the agency intends to meet the needs outlined in the statement of need narrative.

### 2. **HMIS**

Grantees are required to input their homeless data into an HMIS. Victim Service providers are prohibited from using an HMIS and therefore, must use a comparable database.

### 3. **Housing First**

Grantees and their subrecipients are required to use the Housing First approach to providing services. Applicants must demonstrate how the Housing First model will be implemented in the community for each activity of funding requested. HUD has identified the following as barriers to accessing housing services: having too little or little income, active or history of substance abuse, having a criminal record with exceptions for state-mandated restrictions, and fleeing domestic violence (e.g., lack of a protective order, period of separation from abuser, or law enforcement involvement). HUD has identified the following as reasons for project termination: failure to participate in supportive services, failure to make progress on a service plan, loss of income or failure to improve income, and any other activity not covered in a lease agreement typically found in the project's geographic area. If an agency has not eliminated any of these barriers, they are not implementing the Housing First approach.

### 4. **Performance Measures and Coordination**

In an effort to improve program outcomes, grantees should consider the evaluation of their HMIS data to determine the effectiveness of homeless services in their community. DCED requires all applicants to consider performance measurement of their ESG program and write targets for each applicable goal.

Applicants must indicate how many households it projects to serve in each category in which they seek funding. Performance will also be measured by evidence that the applicant has coordinated with the local Continuum of Care (CoC) to ensure that ESG activities are consistent with CoC's strategies and objectives for preventing and ending homelessness. The impact of ESG funds will ultimately be reported by CoCs through Point-in-Time counts, the reduction of homelessness in a specific area, and through other data collected by HUD. In addition, grantees are to ensure coordination with other local organizations that are planning and carrying out activities related to prevention, rapid re-housing and to link participants to other mainstream resources.



**5. Homelessness Prevention Prioritization**

Grantees and subrecipients carrying out Homelessness Prevention activities are required to have a universal assessment developed for prioritizing Homelessness Prevention funding. If your Continuum of Care does not have a prioritization tool in place, it is our recommendation that grantees work with their CoC to develop a tool. 24 CFR §576.400 states that all ESG-funded projects, including homelessness prevention, are required to utilize the CoC's Coordinated Entry System. Each CoC must have policies and procedures for determining and prioritizing which eligible households will receive homelessness prevention assistance. The purpose of implementing a tool is to prioritize households who are at high risk of becoming homeless without assistance. DCED will not fund Homelessness Prevention activities that utilize a 'first come, first served' approach and that does not have an acceptable assessment tool in place.

**6. Solicitation of Participants**

Conducting outreach to the community to solicit participants is a reimbursable expense. The applicant must develop a procedure on how the community will receive a notification of available services including identifying priority populations to be served. Methods of conducting outreach may include social media notifications, flyers outlining specific ESG services available, newspaper notifications, etc. The outreach must identify the specific ESG services available and should not be an advertisement for other services in your agency. Please be advised that Solicitation of Participants is not equivalent to Public Participation. Public Participation is a different process identified in Section F. Application Process (4).

**7. Residency Requirement**

Applicants must not place a residency requirement on participants to receive assistance. The goal of the Continuum of Care under the 2009 HEARTH Act is to provide assistance to qualified applicants without boundaries or barriers. ESG funding will not be considered for programs that have a residency requirement.

**8. Project Design Forms**

Applicants must submit one project design form for each subrecipient proposing to provide a particular activity. The project design form should provide thorough responses to the questions posed for each activity. Applicants/subrecipients must demonstrate in detail how the project will be carried out. Applications that do not include adequate responses, will not be considered for funding.

**9. Point-in-Time Count**

All ESG funded applicants will be required to participate in the annual Point-in-Time count. Identify how the applicant and/or subrecipients applying on behalf of will participate in the count. Provide a timeline of activities required to meet the outcome ending with the anticipated date of the count (last Wednesday in January). Participation examples are coordinating logistics of the count with the local CoC, RHAB, County, City, or Provider agencies; organizing volunteers who will do the count; serving on a PIT committee, etc.

**10. Reporting**

Successful applicants will be required to comply with all established federal and state program reports required by the Center for Community and Housing Development quarterly, biennial, and annual reports. A schedule of these reports will be sent to funded applicants.

**11. Rent Reasonableness & Fair Market Rent**

Grantees providing rental assistance must develop and implement standards which ensure a mechanism for determining that the actual rental costs of units assisted are in compliance with HUD's Fair Market Rent, as provided under 24 CFR part 888 and complies with HUD's standard of "rent reasonableness" as established under 24 CFR § 982.507. Rent Reasonableness means that the total rent charged for a unit must be reasonable in relation to the rents being charged during the same period for comparable units in the private unassisted market and must not be more than rents being charged by the owner during the same time period for comparable non-luxury unassisted units. [See HUD's worksheet on rent reasonableness.](#)

## 12. Habitability Requirements

All units receiving rental assistance under Rapid Rehousing and Homelessness Prevention must be inspected and meet HUD's habitability standards if rental assistance is provided. Although an in-person inspection is preferred, it is possible to conduct virtual inspections either through the use of live video streaming, walk through video recorded by the property owner or program participant or photographs. [See HUD's checklist on Habitability Standards.](#)

## E. Federal Requirements

### 1. Area-wide systems coordination requirements – 24 CFR §576.400

#### **Coordination with other Targeted Homeless Services – 24 CFR §576.400(b)**

Grantees and/or subrecipients must coordinate and integrate, to the maximum extent practicable, ESG-funded activities with other programs targeted to provide services to homeless people in the area covered by the Continuum of Care or an area where services are coordinated to provide a strategic, community-wide system to prevent and end homelessness for that area.

#### **System and Program Coordination with Mainstream resources – 24 CFR §576.400(c)**

Grantee and/or subrecipients must coordinate and integrate, to the maximum extent practicable, ESG funded activities with mainstream housing, health, social services, employment, education, and youth programs for homeless individuals/families and those who are at risk of homelessness. Refer to 24 CFR §576.400(b) for a list of mainstream resources to coordinate ESG activities.

#### **Centralized or Coordinated Assessment – 24 CFR §576.400(d)**

CoCs are required to establish a centralized or coordinated assessment system. Grantees and their subrecipients will be required to participate in the centralized system. The grantee must maintain evidence of the use of, and written intake procedures for, the centralized or coordinated assessment systems(s) developed by the Continuum of Care.

### 2. Written Standards for Providing ESG assistance – 24 CFR §576.400(e)

Grantees must establish and consistently apply within their program, written standards for providing ESG assistance. Applicants must provide to the Department a copy of the written standards for providing ESG assistance with the application materials. Refer to 24 CFR §576.400(d) about written standards. The standards must include at a minimum:

- Standard policies and procedures for evaluating individuals' and families' eligibility for ESG assistance;
- Standards for targeting persons experiencing homelessness and providing essential services related to street outreach;
- Policies and procedures for admission, diversion, referral, and discharge by emergency shelters assisted under ESG, including standards regarding length of stay, if any, and safeguards to meet the safety and shelter needs of special populations, e.g., victims of domestic violence, dating violence, sexual assault, and stalking; and individuals and families who have the highest barriers to housing and are likely to be homeless the longest;
- Policies and procedures for assessing, prioritizing, and reassessing individuals' and families' needs for essential services related to emergency shelter;
- Policies and procedures for coordination among rapid re-housing assistance providers, homelessness prevention, and emergency shelter providers, other homeless assistance providers; and mainstream service and housing providers listed on 24 CFR §576.400(b) and (c);
- Policies and procedures for determining and prioritizing which eligible families and individuals will receive rapid re-housing assistance and homelessness prevention assistance;

- Standards for determining what percentage or amount of rent and utilities costs each program participant must pay, when applicable, while receiving homeless assistance;
- Standards for determining how long a program participant will be provided with rental assistance and how the amount of that assistance will be adjusted over time;
- Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to be provided to a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the program participant may receive assistance; or the maximum number of times the program participant may receive assistance; and
- The utilization of a Limited English Proficiency Plan.

The standards must be effective for ensuring individuals and families applying for and receiving assistance, are able to gain or re-gain long-term housing stability and avoid relapses in homelessness. The standards will include a detailed description of all items listed on the written standards form (see Appendix B). The standards should not be provided by individual subrecipients, but overall standards adopted by the applicant; that all subrecipients must adhere to.

**3. Participation in HMIS 24 CFR §576.400(f)**

Grantees will be required to ensure that data on all persons served and all activities provided under ESG are entered into the community-wide HMIS system designated by the CoC for the area in which those persons and activities are located, or a comparable database, in accordance with HUD’s standards on participation, data collection, and reporting under a local HMIS.

Victim service providers or a legal services provider may use a comparable database that collects client-level data and generates unduplicated aggregate reports based on the data. The comparable database must comply with all current HMIS standards including data information, security, data quality, and processing standards, as established by HUD in its latest HMIS Data Standards guide.

**4. Evaluation of Program Participant Eligibility and Needs – 24 CFR §576.401**

Grantees must conduct an initial evaluation to determine the eligibility of each individual or family’s eligibility for ESG assistance and the amount and types of assistance the individual or family needs to regain stability into permanent housing. These evaluations must be conducted in accordance with the centralized or coordinated assessment requirements set forth under 24 CFR §576.400(d) and the written standards established under 24 CFR §576.400(e) and all the guidelines outlined on 24 CFR §576.401(a).

Re-evaluation of the program participant’s eligibility and the types and amounts of assistance the program participant needs must be conducted according to the requirements outlined in 24 CFR §576.401(a). Each program participant receiving Rapid Re-housing and Homelessness Prevention assistance is required to meet regularly with a case manager (except where prohibited by Violence Against Women Act (“VAWA”) and the Family Violence Prevention and Services Act (“FVPSA”)) and the assistance provider must develop an individualized plan to help that program participant retain permanent housing after the ESG assistance ends. These requirements are intended to help ensure that the ESG-funded emergency, short-term or medium-term assistance will be effective in helping program participants regain long-term housing stability and avoid relapses into homelessness.

**5. Terminating Assistance – 24 CFR §576.402**

If a program participant who receives ESG assistance violates program requirements, assistance may be terminated in accordance with a formal process established by the Grantee that protects the rights of the individuals affected. Therefore, a formal process must be in place. This applies to all forms of ESG assistance. For more information, refer to the guidelines outlined in 24 CFR §576.402. A copy of the termination policy must be included in the application.

**6. Shelter and Housing Standards – 24 CFR §576.403**

Subrecipients are responsible for the performance of inspections to ensure that shelter and housing occupied by ESG participants meets the following standards.

**a. Lead Based Paint Act – 24 CFR §576.403(a)**

Lead-based paint remediation and disclosure applies to all ESG-funded shelters and all housing occupied by ESG participants. The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), and the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), subparts of the implementing regulations at 24 CFR Part 35, Subparts A, B, H, J, K, M and R apply to activities under this grant program. The Grantee must also comply with the Lead, Renovation, Repair, and Painting Program Final Rule, 40 CFR Part 745, where applicable.

**b. Minimum Standards for Emergency Shelters and for permanent housing 24 CFR §576.403(b)&(c)**

Emergency shelters that receive assistance for shelter operations are required to meet habitability standards. If ESG funds are used to help a program participant remain in or move into permanent housing, that housing must also meet habitability standards. The minimum standard for emergency shelters and permanent housing include standards for structure and material, access, space and security, interior air quality, water supply, sanitary facilities, thermal environment, illumination and electricity, food preparation, sanitary conditions and fire safety. Shelters renovated with ESG funds are also required to meet state or local government safety and sanitation-standards as applicable and use energy-efficient materials including Energy Star and WaterSense products and appliances. Refer to 24 CFR §576.403 for details on the housing standards.

**c. Access**

Shelters receiving ESG funds must also meet the accessibility standards under Section 504 of the Rehabilitation Act of 1973 (5 U.S.C. 794), The Fair Housing Act (42 U.S.C. 3601 et seq.) and Titles II and III of the Americans with Disabilities Act (42 U.S.C. §§ 12131-12189; 47 U.S.C. 155, 201, 218 and 255).

**7. Conflicts of Interest – 24 CFR §576.404**

Grantees are expected to follow the conflict of interest standards outlined in 24 CFR §576.404 related to the provision of ESG assistance, and procurement of goods and services. All subrecipients must comply with these same requirements.

**8. Homeless Participation – 24 CFR §576.405**

The provisions requiring homeless participation on boards or in an advisory capacity can be fulfilled by ESG Grantees bringing any policy decisions regarding their facility and services to the CoC governing board where homeless participation is already existing. Also, to the maximum extent practicable, Grantees should involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities, in providing services assisted under the ESG program, and in providing services for occupants of facilities assisted with ESG.

**9. Faith-Based Activities 24 CFR §576.406**

Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to receive ESG funds. The State will not discriminate against an organization based on the organization's religious character or affiliation. However, you may not engage in inherently religious activities, such as worship, religious instruction, or proselytization as part of the programs or services funded under ESG. If an organization conducts these activities, the activities must be offered separately, in time or location, from the programs or services funded under ESG, and participation must be voluntary for program participants.



An organization that receives ESG funds shall not, in providing ESG assistance, discriminate against a program participant or prospective program participant on the basis of religion or religious belief. When using ESG funds for the rehabilitation of structures, faith-based organizations will be expected to follow the guidelines outlined in 24 CFR §576.406.

**10. Environmental Review Responsibilities – 24 CFR §576.407(d)**

The passage of legislation on July 5, 2012 that amends certain provisions of the HEARTH Act, 24 CFR Part 58 must be followed by all ESG Grantees to comply with environmental requirements. All ESG activities will require some level of environmental review & clearance. No funds may be expended until an environmental review that meets the standards outlined in 24 CFR Part 58 has been submitted and approved by DCED.

**11. Procurement of Recovered Materials – 24 CFR §576.407(f)**

Subrecipients and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired in the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

**12. Displacement, Relocation, and Acquisition 24 CFR §576.408**

Consistent with the other goals and objectives of ESG, the Grantee must assure that it has taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms) as a result of a project assisted under ESG. Subrecipients must follow the requirements in 24 CFR §576.408 related to temporary relocation (not permitted), relocation assistance for displaced persons and real property acquisition requirements and appeals. ESG funds must comply with Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (49 CFR Part 24) and policy guidance in Real Estate Acquisition and Relocation Policy and Guidance (HUD Handbook 1378).

**13. Recordkeeping and Reporting Requirements – 24 CFR §576.500**

Grantees will be required to show compliance with the program's regulations through the appropriate records, including documentation of homeless status, at risk of homelessness status and program participants' income. The Subrecipient must have policies and procedures to ensure the requirements outlined in 24 CFR §576.500 are met. In addition, sufficient records must be established and maintained for a minimum of five years after grant closeout to enable the Department and HUD to determine whether ESG requirements are met.

**14. Applicability of OMB Circulars**

Grantees must follow the policies, guidelines and requirements established in 2 CFR Part 200.

**15. Financial Accountability 2 CFR Part 200**

Selected awardees will be expected to have a functioning accounting system that provides for each of the following:

- Accurate, current, and complete disclosure of the financial results of each federally sponsored project;
- Records that identify adequately the source and Application of funds for federally sponsored activities;
- Effective control over and accountability for all funds, property, and other assets;
- Comparison of outlays with budget amounts;

**16. Compliance with Fair Housing and Civil Rights in ESG Programs**

ESG Grantees must comply with all applicable fair housing and civil rights requirements in 24 CFR 5.105(a), including, but not limited to, the Fair Housing Act; Title VI of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; Title II and Title III of the American With Disabilities Act of 1990; Executive Order 13166 – Improving Access to Persons with Limited English Proficiency, the Equal Access to Housing Rule in HUD Programs Regardless of Sexual Orientation or Gender Identity, the Architectural Act of 1968, and the Age Discrimination Act of 1975.

- a. **Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity.** On February 3, 2012 HUD revised its program regulations (77 FR 5662) to ensure that individuals and families have access to HUD assisted and insured housing programs, regardless of sexual orientation, gender identity, or marital status. Applicants are encouraged to become familiar with this rule.

Under the Equal Access Rule (24 CFR, Part 5), ESG Grantees are not allowed to limit ESG assistance to only women and children, regardless of whether the Grantee or subrecipient is a Domestic Violence or Faith-Based provider. HUD has clarified that while it is acceptable for a shelter or housing program to limit assistance to households with minor children, it may not limit assistance to only women with children. To be in compliance with the Equal Access Rule, a shelter/program serving only households with minor children must also serve the following family types, should they present: 1) single male head of household with minor child(ren); and 2) any household made up of two or more adults, regardless of sexual orientation, marital status, or gender identity, presenting with minor child(ren). ESG-funded emergency shelters serving families with children are also prohibited from denying assistance to or separating members of a family with children based on gender or age. Gender separation is only acceptable in ESG-funded single-sex shelter environments which only serve individuals.

- b. **Economic Opportunities for Low and Very-Low Income and Homeless Persons (Section 3) – 24 CFR §576.407(a)**

To the extent that any housing assistance funded through this application is used for housing rehabilitation or housing construction or other public construction, then it is subject to Section 3 of the Housing and Urban Development Act of 1968, and the implementing regulations at 24 CFR Part 135.

Section 3 requires that employment, training, and contracting opportunities generated by certain HUD financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to businesses that provide economic opportunities for these persons.

- c. **Affirmative Outreach – 24 CFR §576.407(b)**

Grantees must make known that use of the facilities, assistance, and services are available to all on a nondiscriminatory basis and must take appropriate steps to ensure effective communication with persons with disabilities. Affirmative outreach activities may include: (a) marketing programs to groups living in or receiving services in your service area that are under-represented as shown by your program data, (b) creating partnerships with community based agencies or non-profits that work with underrepresented and non-majority groups in your service area, and (c) translating documents advertising assistance, services and contact information into other languages prevalent in the community. Grantees must follow the requirements outlined in 24 CFR §576.407(b).

**d. Improving Access to Services for Persons with Limited English Proficiency (LEP) – 24 CFR §576.407(b)**

Executive Order 13166 seeks to improve access to federally assisted programs and activities for individuals who, as a result of national origin, are limited in their English proficiency. Organizations obtaining ESG funds shall take reasonable steps to ensure meaningful access to their programs and activities by individuals with limited English proficiency, regardless of the language spoken. Meaningful access may entail providing language assistance services, including oral and written translation, where necessary. Grantees must follow the requirements outlined in 24 CFR §576.407(b). HUD published Final Guidance to Federal Financial Assistance Requirements Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons in the Federal Register on January 22, 2007 (72 F.R. 2732).

**e. Violence Against Women Act 2013**

Applies for all victims of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, gender identity, or sexual orientation, and which must be applied consistent with all nondiscrimination and fair housing requirements. Regulations were published in the Federal Register on November 16, 2016 (81 FR 80724).

**17. Performance Measures and Standards**

In an effort to improve program outcomes, grantees should consider the evaluation of their HMIS data to determine the effectiveness of homeless services in their community. DCED requires all applicants to consider performance measurement of their ESG program and write targets for each applicable goal. Applicants must indicate how many households it projects to serve in each category in which they seek funding.

Using these goals as a framework, performance standards for ESG will be measured by the following:

- Number of households proposed to be served in each activity
- Street Outreach – Number of households reaching shelter or permanent housing and improving their income
- Shelter – Length of homelessness (less than 3 months), Number of households exiting to permanent housing, and the number of households that improve their income
- Rapid Rehousing – Number of households attaining permanent housing and remaining in unit for more than 3 months, households increasing their income, and the number connected to mainstream resources
- Homelessness Prevention – Number of households retaining permanent housing and remaining in unit for more than 3 months, households increasing their income, and the number connected to mainstream resources

\*Performance will also be measured by evidence that the Grantee has coordinated with the local Continuum of Care (CoC) to ensure that ESG activities are consistent with CoC's strategies and objectives for preventing and ending homelessness. The impact of ESG funds will ultimately be reported by CoCs through Point-in-Time counts, the reduction of homelessness in a specific area, and through other data collected by HUD. In addition, grantees are to ensure coordination with other local organizations that are planning and carrying out activities related to prevention, rapid re-housing and to link participants to other mainstream resources.

## F. Application Process

### 1. Application Submission

ESG guidelines and application kit will post on [DCED's website](#). DCED will accept applications until June 25, 2021 at 4:00 pm.

All forms and required addenda can be found in [DCED's Electronic Single Application \(ESA\)](#). *Please be sure to download any forms from ESA, forms from prior application toolkits will not be accepted.*

The completed application and only required attachments must be submitted in [DCED's Electronic Single Application](#). To apply, please visit [www.esa.dced.state.pa.us](http://www.esa.dced.state.pa.us) for the log-in page of the application. If you are new to the DCED application process, you are encouraged to click the link on the left of the page that provides an "application walkthrough". If you experience difficulty submitting the application, you may click the help link above the user log-in or contact DCED's Customer Service Center for assistance. The contact information is:

Phone: 800-379-7448 (8:30AM - 5:00PM EST Monday through Friday)

Email: [ra-dcedcs@pa.gov](mailto:ra-dcedcs@pa.gov)

Do not send a hard copy of the application and/or any addenda.

Pennsylvania's ESG is a competitive process. DCED will review all submissions for completeness of application materials. Incomplete applications may not be considered for funding. DCED will provide an explanation for the rejection upon request. Additionally, technical assistance may be provided for future application submissions upon request.

All questions related to these guidelines should be directed to:

Angela Susten, Homeless Program Manager  
Department of Community and Economic Development  
Email: [RA-DCESG@pa.gov](mailto:RA-DCESG@pa.gov)

Additional information on the commonwealth's ESG Program can be found online at: [dced.pa.gov/esg](http://dced.pa.gov/esg)

### 2. Public Participation

The applicant must include evidence of public participation. Public participation may be documented by a citizen participation statement that includes the following:

- a. A public meeting advertised on the unit of local government or non-profit organization website along with publication in the **NON-LEGAL SECTION OF A NEWSPAPER OF GENERAL CIRCULATION** giving affected residents an opportunity to discuss the program. This meeting must be separately advertised and conducted but may be held either before or after a regularly scheduled unit of local government meeting, and/or board meeting.
- b. If the applicant uses social media for public participation, provide a list of where it was posted along with a copy of the statement. Posting location must be sufficient to reach all sectors of the general public.

### 5. Resolution of the Municipality or Non-profit Organization

- a. The applicant must have in their application, evidence in the form of a resolution of the governing body authorizing the filing of the application.
- b. The resolution must cite the HEARTH Act, state the program being applied for, and contain a provision whereby the applicant assumes responsibility for providing the local match and will reimburse the commonwealth for any expenses found to be ineligible.

**A sample resolution is provided for download in ESA.**

## **Section III – DCED’s Funding Allocation**

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### **A. Required Expenditure Deadlines**

DCED requires all grantees to invoice quarterly. DCED will routinely inspect expenditure rates to monitor timeliness. 100% of the grant expenditures must be incurred within 18 months of the contract start date. Grantees will have 30 days from the end of the contract to submit all invoices to DCED.

Grantees must expend 100% of the grant by the end of the 18-month contract period. ESG services are eligible for 24 months, however; applicants should design their program around the eligible grant period of eighteen (18) months.

### **B. Funding Recapture**

Progress will be measured against goals, objectives and expenditure targets outlined by the grantee. Grantees not meeting their stated goals may have a portion or all their funding disencumbered and reallocated. These funds may be used to meet unanticipated needs such as areas experiencing significant increases in unemployment, evictions or other unforeseen economic crises. Any reallocation would be available to successful subrecipients that have a proven need and capacity to administer additional funds.



## Section IV– Application Submission

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Preparation of your application should begin only after you have reviewed the Program Guideline Application Kit. Questions may be directed to Homeless Program, Center for Community & Housing Development, 717-787-5327

**All supplemental forms must be submitted with the application online by June 25, 2021.**

### A. Application Contents

**1. Each application must contain the following, except where noted.**

- Match Waiver Letter, if necessary; and signed by the Chief Elected Official
- Match Commitment Letter covering the exact amount of ESG request
- Resolution of Submission by the Local Governing Body or Board President of the Applicant
- Limited English Proficiency Guidance for ESG Applicants (*DCED-ESG-010*)
- Certification of Completion of a Four-Factor Analysis for Limited English Proficiency Persons and Certification of the Activities to be Included in the Language Assess Plan (*DCED-ESG-011*)
- Language Access Plan Certification (*DCED-ESG-012*)
- Statement of Assurances (*DCED-ESG-002*)
- Management Standards (*DCED-ESG-003*) for applicants
- Written Standards (*see Appendix B*)
- Statement of Need
- Coordination of Services
- Project Budget – overall for entire project

**2. Sub recipient Forms**

*(send all forms for each sub recipient)*

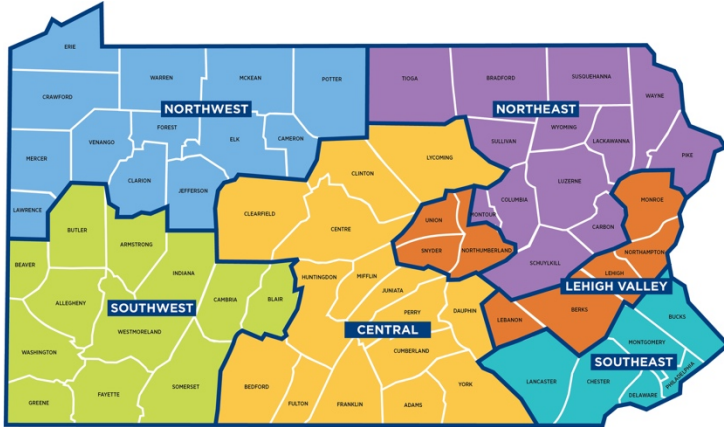
- Program Design – only send forms applicable to the application
- Rapid Rehousing (*DCED-ESG-004A*)
- Street Outreach (*DCED-ESG-004B*)
- Emergency Shelter Component (*DCED-ESG-004D*)
- Homelessness Prevention (*DCED-ESG-004C*)
- Homeless Management Information System (HMIS) (*DCED-ESG-004E*)
- Sub-Recipient Budget (*DCED-ESG-008*)

**3. Additional Forms for Emergency Shelter Renovations or Conversions**

- Inspection Standards Form (if applicable)
- Deeds or Long-Term Lease – for shelter applicants
- 3 or 10 Year Commitment Letter – for shelter applicants
- Appraisal or Cost Level Ratio
- Signed Current Code Inspection Report and/or Occupancy permit (No less than one year old)
- Code Deficiency report or citation
- Estimate of Energy Savings by Professional
- Estimate for bathroom renovations specific to comply with Equal Access requirement

# Regional Offices

## Pennsylvania Department of Community and Economic Development dced.pa.gov



### **Southeast**

*Bucks, Chester, Delaware, Lancaster, Montgomery and Philadelphia counties*

Department of Community and Economic Development  
Aliyah Stanger, Director  
110 North 8<sup>th</sup> Street, Suite 505  
Philadelphia, PA 19107-2471  
(215) 560-5830  
Fax: (215) 560-5832  
astanger@pa.gov

### **Northeast**

*Bradford, Carbon, Columbia, Lackawanna, Luzerne, Montour, Pike, Schuylkill, Sullivan, Susquehanna, Tioga, Wayne and Wyoming counties*

Department of Community and Economic Development  
Paul Macknosky  
2 North Main Street  
Pittston, PA 18640  
(570) 963-4122  
Fax: (570) 654-6315  
pmacknosky@pa.gov

### **Lehigh Valley**

*Berks, Lehigh, Monroe, Lebanon, Northampton, Northumberland, Snyder, and Union counties*

Department of Community and Economic Development  
Fadia Halma, Director  
400 North Street, 4<sup>th</sup> Floor  
Commonwealth Keystone Building  
Harrisburg, PA 17120-0225  
(717) 877-8481  
fhalma@pa.gov

### **Central**

*Adams, Bedford, Centre, Clearfield, Clinton, Cumberland, Dauphin, Franklin, Fulton, Huntingdon, Juniata, Lycoming, Mifflin, Perry, and York counties*

Department of Community and Economic Development  
Marita Kelley, Director  
400 North Street, 4<sup>th</sup> Floor  
Commonwealth Keystone Building  
Harrisburg, PA 17120-0225  
(717) 720-7301  
Fax (717) 783-4663  
markelley@pa.gov

### **Southwest**

*Allegheny, Armstrong, Beaver, Blair, Butler, Cambria, Fayette, Greene, Indiana, Somerset, Washington, and Westmoreland counties*

Department of Community and Economic Development  
Johnna Pro, Director  
301 Fifth Avenue, Suite 250  
Pittsburgh, PA 15222  
(412) 565-5098  
Fax: (412) 565-2635  
jopro@pa.gov

### **Northwest**

*Cameron, Clarion, Crawford, Elk, Erie, Forest, Jefferson, Lawrence, McKean, Mercer, Potter, Venango, and Warren counties*

Department of Community and Economic Development  
Kim Thomas, Director  
100 State Street, Suite 205  
Erie, PA 16507  
(814) 871-4245  
Fax: (814) 454-7494  
kimbethoma@pa.gov

## Appendix A – FY 2021 ESG Direct Entitlement Areas

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<u>NAME</u>	<u>STATE</u>	<u>ESG21-Total</u>
Lancaster City . . . . .	.PA . . . . .	.\$145,679
Harrisburg . . . . .	.PA . . . . .	.\$167,150
Bucks County . . . . .	.PA . . . . .	.\$185,622
Northampton County . . . . .	.PA . . . . .	.\$188,678
York County . . . . .	.PA . . . . .	.\$190,325
Allentown . . . . .	.PA . . . . .	.\$196,589
Berks County . . . . .	.PA . . . . .	.\$204,151
Reading . . . . .	.PA . . . . .	.\$218,413
Chester County . . . . .	.PA . . . . .	.\$220,571
Scranton . . . . .	.PA . . . . .	.\$239,150
Lancaster County . . . . .	.PA . . . . .	.\$249,942
Erie . . . . .	.PA . . . . .	.\$270,566
Montgomery County . . . . .	.PA . . . . .	.\$280,785
Beaver County . . . . .	.PA . . . . .	.\$287,886
Washington County . . . . .	.PA . . . . .	.\$305,020
Delaware County . . . . .	.PA . . . . .	.\$316,845
Westmoreland County . . . . .	.PA . . . . .	.\$333,133
Luzerne County . . . . .	.PA . . . . .	.\$356,450
Allegheny County . . . . .	.PA . . . . .	.\$1,189,410
Pittsburgh . . . . .	.PA . . . . .	.\$1,214,418
Philadelphia . . . . .	.PA . . . . .	.\$3,806,670

## Appendix B – 2021 Emergency Solutions Grant Application Written Standards List

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Grantees must provide a copy of their written standards for ESG or the standards of the local Continuum of Care that specifically outlines how all ESG funds must be administered. The standards must be effective for ensuring individuals and families applying for and receiving assistance, are able to gain or re-gain long-term housing stability and avoid relapses in homelessness. The standards will include the following:

- Policy for Evaluating Eligibility
- Standards for Targeting
- Policy for Admissions
- Emergency Shelter Essential Services Prioritization Policy
- Coordination Policy
- Rapid Rehousing/Homelessness Prevention Prioritization Policy
- Standards for Participant Rent Responsibility
- Standards for Length of Time for Rental Assistance
- Standards for Housing Stabilization and/or Relocation
- Utilization of Limited English Proficiency

## Appendix C – Resources

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### Website and Best Practice References

- [Homeless Emergency Assistance and Rapid Transition to Housing \(HEARTH ACT\)](#)
- [Interim ESG Regulations: 24 CFR Part 576](#)
- [HEARTH Homeless Definition Final Rule: 24 CFR Parts 91, 582 and 583](#)
- [PA East and West Balance of State Continuum of Care Website](#)
- [Department of Community & Economic Development Website](#)

### Best Practices Resources

- [Solutions and Best Practices to Ending Homelessness](#)
- [The Solutions Database](#)
- [Federal Strategic Plan to Prevent and End Homelessness](#)
- [What Gets Measured, Gets Done: A Toolkit on Performance Measurement for Ending Homelessness](#)