

# EMERGENCY SOLUTIONS GRANT – CARES (ESG-CV)

Program Guidelines | January 2021



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## Section I – Introduction

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**Emergency Solutions Grant – CARES (ESG-CV)** - The Coronavirus Aid, Relief, and Economic Security Act of 2020 (CARES Act) provided for a supplemental appropriation of Homeless Assistance Grants under the Emergency Solutions Grant (ESG) as 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 CARES Act provides for two allocations of homeless assistance funds to prevent, prepare for, and respond to coronavirus, among individuals and families who are homeless or receiving homeless assistance and to support additional homeless assistance and homelessness prevention activities to mitigate the impacts created by coronavirus.

In accordance with the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Public Law 116-136, the US Department of Housing and Urban Development (HUD) developed a new formula for these awards, accounting for variables that quantify the population currently experiencing and at risk of homelessness including:

- Total Homeless Population
- Unsheltered Homeless Population
- Total Very Low Income (VLI) Renters
- VLI Renters that are Overcrowded or without a Kitchen or Plumbing

Based on this formula, the Commonwealth of Pennsylvania, through the Department of Community and Economic Development (DCED), has received the second allocation of ESG-CV funds – an appropriation of \$19,930,907. A total of \$2,997,961 of the ESG CV round 2 funds were allocated to communities through the ESG CV Code Blue grant for winter sheltering during the 2020-2021 season. The remaining \$16,932,946 is available through this ESG CV round 2 application.

DCED's priority for the use of these ESG funds will be to assist homeless providers and communities prepare for, prevent the spread of and respond to the coronavirus. DCED will use the ESG CARES funding to support applicants who will work to end or prevent homelessness quickly and as efficiently as possible for all vulnerable populations.

All funded applicants will use a coordinated entry process established by their 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 page 4) 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 and address the priorities and any published supplemental requirements of the CARES Act, and the Office of Community Planning & Development (CPD) issued Notice CPD-20-08 in order to prepare for, prevent the spread of and respond to the coronavirus.

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.

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.

## 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. For ESG CV round 2 funds, Public Housing Authorities and Local Redevelopment Authorities may apply directly.

### **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. For this supplemental allocation of funds ONLY, has an annual income that does not exceed the Very Low-Income limit for the area, as determined by HUD, and as prescribed in the CARES Act;
  - 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.

**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, public housing agencies, redevelopment authorities, or non-profits that is awarded state ESG CV round 2 funds.

**Homeless Definition – (all participants must meet the definition of homeless or document eligibility for “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 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 that do not exceed the Very Low-Income of the area, as established annually by HUD.

**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.

**Prepare for...coronavirus** – Activities carried out by a recipient or subrecipient prior to or during a coronavirus outbreak in their jurisdiction to plan to keep people healthy and reduce the risk of exposure to coronavirus and avoid or slow the spread of disease.

**Prevent...coronavirus** – Activities designed to prevent the initial or further spread of the virus to people experiencing homelessness, people at risk of homelessness, recipient or subrecipient staff, or other shelter or housing residents.

**Respond to coronavirus** – Activities carried out once coronavirus has spread to people experiencing homelessness, provider staff or once individuals and families lose or at risk of losing their housing as a result of the economic downturn caused by coronavirus.

**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 CV round 2 application proposal.

**Temporary Emergency Shelter** – any structure or portion of a structure, which is used for a limited period of time because of a crisis, such as a natural disaster or public health emergency, to provide shelter for individuals and families displaced from their normal place of residence or sheltered or unsheltered locations. Examples of temporary emergency shelters include:

1. an overnight, daytime, or 24-hour shelter in which program participants are only provided a safe place to sleep, rest, bathe, and eat;
2. a shelter where one or more services are made available on-site, whether by shelter staff or contractors or through a memorandum of understanding with another subrecipient or service provider; and
3. a shelter designed to facilitate the movement of homeless individuals and families into permanent housing within a fixed period of time (e.g., within 12 months) and employs or contracts with one or more case managers or service providers to provide services.

## **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 ONLY to the extent the project will address a demonstrated regional (regional is defined as more than one county) need. Additionally, nonprofits must adhere to CFR 576.202 (a)(2): Private nonprofit organizations seeking funding for emergency shelter activities must obtain a certification of approval from the unit of general purpose local government for the geographic area in which those activities are to be carried out. To fulfill this requirement the nonprofit must complete the Certificate of Local Government Approval for Nonprofit Organizations Receiving ESG Funds from State Recipients.

For this allocation of funds only, DCED will accept applications directly from Public Housing Authorities and Local Redevelopment Authorities.

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 are eligible to compete for DCED ESG-CV round 2 funding but will not receive priority over the non-entitlement applicants (those entities who did not receive a direct allocation of ESG-CV funds from HUD).

**2. Eligible Activities**

DCED intends to make grants of \$25,000 or more for any single activity or combination of ESG CV round 2 activities as outlined below:

- 1.) Rapid Rehousing,
- 2.) Street Outreach,
- 3.) Homelessness Prevention,
- 4.) Emergency Shelter,
- 5.) Temporary Emergency Shelter,
- 6.) Homeless Management Information System (HMIS), and
- 7.) Administrative costs.

The CARES Act has removed the maximum percent allowable for shelter and street outreach activities under the ESG-CV. As a result, for use of funds under this program, there is NO CAP on the percent of funds that may be requested for the Emergency Shelter and Street Outreach component.

Administrative funds may not exceed 6% of the total funds requested.

**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 and further articulated in the CARES Act and Notice CPD-20-08. Applicants are encouraged to review this table along with the ESG regulations published on December 5, 2011 and the Notice CPD 20-08 released September 1, 2020 for a more complete description of each activity. If an activity is not listed, it is not considered eligible for this funding application.



<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>Hazard Pay</b>	For staff working directly to prevent, prepare and respond to coronavirus among persons who are homeless or at-risk of homelessness. Examples under this component would be street outreach team members and staff providing essential services.

<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>Shelter Operations</b>	<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 (see CPD Notice 20-08 for expanded activities and populations eligible for hotel/motel)</li> <li>• Utilities</li> <li>• Food</li> <li>• Furnishings</li> <li>• Insurance</li> </ul>
<b>Renovation</b>	<p>Eligible costs include labor, materials, tools, and other costs for renovation (including major rehabilitation of an emergency shelter or conversion of a building into an emergency shelter). The emergency shelter must be owned by a government entity or private nonprofit organization.</p> <p>Minimum Use Period – 24 CFR 576.102(4)(c)(1) requires minimum period of use for buildings renovated with ESG funds.</p> <ul style="list-style-type: none"> <li>• Major Renovation – costs exceeding 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 exceeding 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 3 months of the contract. Work should be completed within the first 6 months of the contract.</li> <li>• All additional funding necessary for the project must be in place</li> </ul>
<b>Hazard Pay</b>	<p>For staff working directly to prevent, prepare and respond to coronavirus among persons who are homeless or at-risk of homelessness. Examples under this component would be emergency shelter intake staff, maintenance staff, security staff.</p>

*Please note: All Emergency Shelter Activities under ESG CV round 2 are time limited to January 31, 2022. Any emergency shelter essential services, operations, renovations must be complete and/or cease as of this date.*

For both Rapid Re-housing and Homelessness Prevention Components	
Housing Relocation and Stabilization Services (24CFR §576.105)	
(a) Financial Assistance	
<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) Services Costs	
<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>Landlord Incentives</b>	<p>To add the eligible cost of paying for landlord incentives as reasonable and necessary to obtain housing for individuals and families experiencing homelessness and at risk of homelessness. Amount of the incentive provided cannot be more than three times the monthly rent charged for the unit.</p>
<b>Hazard Pay</b>	<p>For staff working directly to prevent, prepare and respond to coronavirus among persons who are homeless or at-risk of homelessness.</p>

<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 are limited to those services necessary to help participants obtain housing or keep them from losing housing where they currently reside.</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 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>	Up to 12 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. Unless participant reached the 24-month maximum between January 1, 2020 and March 1, 2021 and are in need of additional assistance, then six months of additional assistance may be provided.



<b>Requirements and Restrictions</b>	<ul style="list-style-type: none"> <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>
<b>HMIS (24CFR § 576.107)</b>	
<b>HMIS</b>	<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>
<b>Eligible Costs</b>	<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>
<b>Administrative Costs (24CFR §576.108)</b>	
<b>Administrative Costs</b>	<p>Applicants may request up to 6% 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>

Temporary Emergency Shelter	
Temporary Emergency Shelters	<p>As permitted by the CARES Act, ESG-CV funds may be used to pay for temporary emergency shelters for individuals and families experiencing homelessness in order to prevent, prepare for, and respond to coronavirus. Temporary Emergency Shelters shall not be subject to the minimum periods of use required by 416(c)(1) of such Act (42 U.S.C. 11375(c)(1)). Shelters shall be in use only for period of time needed for coronavirus response. <b>Time limited to January 31, 2022.</b></p> <p>Eligible costs include:</p> <ul style="list-style-type: none"> <li>• Leasing existing real property or temporary structures to be used as temporary emergency shelters;</li> <li>• Acquisition of real property (e.g. hotels, ancillary structures, parking lots). The total amount of ESG-CV funds used for acquisition must not exceed \$2.5 million per real property;</li> <li>• Renovation (including major rehabilitation and conversion) of real property (e.g., hotels) into temporary emergency shelters. Eligible costs include labor, tools, and other costs for renovation;</li> <li>• Shelter operations costs including the costs of maintenance (including minor or routine repairs), rent, security, fuel, equipment, insurance, utilities, food, furnishings, supplies necessary for the operation of the temporary emergency shelter;</li> <li>• Services, including essential services under 24 CFR 576.102(a)(1), housing search and placement services under 24 CFR 576.105(b)(1), and housing search and counseling services as provided under 24 CFR 578.53(e)(8); except as otherwise stated in this Notice or 24 CFR part 576.408</li> </ul> <p>For renovations funded by the CARES Act for the purpose of providing temporary emergency shelter to prevent the spread of, prepare for, or respond to coronavirus (including for costs associated with major renovation and conversion of a building into a temporary emergency shelter) HUD, under Notice CPD-20-08, has waived the minimum use periods. However, the property's use and disposition will be subject to the real property requirements in 2 CFR 200.311. <b>This only applies to temporary emergency shelter.</b></p>

## Section II – Program Requirements

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### A. ESG-CV Round 2 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. On March 27, 2020 the Coronavirus Aid, Relief, and Economic Security Act, the CARES Act, P.L. 116-136, was signed into law to address the economic and community fallout resulting from the coronavirus pandemic in the United States. Division B, Title XII of the CARES Act includes \$48.5 billion in funding assistance for transportation and housing activities to address the global health pandemic. A total of \$4 billion will be made available in Homeless Assistance Grants to prevent, prepare for, and respond to coronavirus among individuals and families who are homeless or receiving homeless assistance and to support additional homeless assistance and homelessness prevention activities to mitigate the impacts created by coronavirus under the Emergency Solutions Grant program as authorized under the McKinney-Vento Homeless Assistance Act, as amended.

The CARES Act authorizes the U.S. Department of Housing and Urban Development (HUD) to make grants to states, units of general purpose local government, and territories using distribution methods identified in the CARES Act and Notice CPD 20-08 for rapid rehousing and homeless prevention assistance, street outreach, the rehabilitation or conversion of buildings for use as emergency shelters for the homeless, for the payment of certain expenses related to operating emergency shelters and the new activities described in the Notice CPD 20-08.

### B. DCED Funding Priorities for Emergency Solutions Grant-CARES Act (ESG-CV Round 2)

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 CARES (ESG-CV) 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-CV 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 identify activities to prevent, prepare for and respond to coronavirus. DCED reserves the right to modify any of the priorities as deemed necessary. Decisions to modify priorities are based on data assessments and emerging needs resulting from the impacts of coronavirus in Pennsylvania.

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-CV 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 and is administered by an organization with capacity to fulfill all programmatic requirements.

DCED will contract directly with non-profit organizations that apply for a regional based project and demonstrates capacity to administer the grant, however private nonprofit organizations providing emergency shelter activities are required to obtain a certification of approval from the unit of local government for the area(s) in which the emergency shelter activities are to be carried out.

Applicants who have identified sub-recipients who increase equity as described on page 15 will also be given priority.

## **C. Required Match**

The CARES Act has waived the match requirements for the ESG-CV appropriation, therefore DCED requires **NO** match for the use of these funds.

## **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 and impact of the coronavirus pandemic. Describe the nature of and impact of the pandemic in their homeless community and how the agency proposes to prevent, prepare for and respond to coronavirus among individuals and families who are homeless or receiving homeless assistance and support additional homeless assistance and homelessness prevention activities to mitigate the impact created by coronavirus.

### **2. HMIS**

Grantees are required to input their homeless data into an HMIS. Domestic violence 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 no 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-CV activities are consistent with CoC's strategies and objectives for preventing and ending homelessness. The impact of ESG-CV 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. Increasing Equity**

HUD has instructed that recipients should take steps to appropriately address racial inequities in planning and procurement. Specifically, grantees and sub-recipients should assess their procurement process to engage organizations in service delivery to include smaller community-based organizations and those led by people of color. Making these changes will:

- Reduce barriers reported by these providers in existing procurement processes, including smaller overall budgets, less access to funding, and less access to government grants;
- Increase the availability of culturally appropriate services in areas of need; and
- Ensure services are delivered by organizations best equipped to meet the needs of marginalized populations and communities that have been disinvested in.

DCED strongly encourages applicants to identify providers to act as sub-recipients that are led by and specifically serve communities that have been underrepresented or poorly served. Additionally, the providers should be located in, or deeply connected to areas with significant populations of targeted racial or ethnic groups. Applicants who are able to expand their sub-recipient pool to include sub-recipients that meet these qualifications will be given priority for funding.

**7. Solicitation of Participants**

Conducting outreach to the community to solicit participants is a reimbursable expense. The applicant must identify 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-CV services available, newspaper notifications, etc. The outreach must identify the specific ESG-CV services available and should not be an advertisement for other services in your agency.

**8. 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-CV funding will not be considered for programs that have a residency requirement.

**9. Program 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.

**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.

ESG CV grantees will not be required to submit reports directly to HUD for this funding. DCED is responsible for reporting to HUD quarterly on the use of ESG CV funds. Data will be uploaded from HMIS for the submission of these reports. It is critical that grantees and subrecipients are ensuring that data is entered timely into HMIS for any participants served. If you are a Victim Service Provider (VSP) it will be necessary to establish a comparable database that meets HUD requirements and all client data should be recorded in the comparable database. Information on VSP Comparable database and Reporting Requirements can be found at: <https://www.hudexchange.info/resource/6103/covid19-homeless-system-response-vsp-comparable-database-and-reporting-requirements/>

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

The requirement at 24 CFR 576.106(d) that prohibits rental assistance where the rent for the unit exceeds the Fair Market Rent established by HUD, as provided under 24 CFR Part 888, is waived so long as the rent complies with HUD's standards 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 at: <https://www.hudexchange.info/resource/3070/esg-rent-reasonableness-and-fmr/>

**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 at: [www.hudexchange.info/resource/3766/esg-minimum-habitability-standards-for-emergency-shelters-and-permanent-housing/](http://www.hudexchange.info/resource/3766/esg-minimum-habitability-standards-for-emergency-shelters-and-permanent-housing/)

Federal habitability and environmental review standards and requirements shall not apply to the use of ESG-CV funds for those temporary emergency shelters that have been determined by State or local health officials to be necessary to prevent, prepare for, and respond to coronavirus.

## E. Federal Requirements

### 1. **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. If the subrecipient is a legal or a victim service provider choosing not to use the CoC centralized or coordinated assessment system, grantee must have available and consistently apply written standards for assessment.

### 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. 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 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).

The 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. As required by 24 CFR 576.401(a) and (c), the recipient and its subrecipient must determine the available services and assistance that each ESG-CV program participant will need to achieve independent living and avoid further housing instability or homelessness, and the recipient and its subrecipient must assist each ESG-CV program participant, as needed, to obtain those services and assistance. Please be advised that HUD has made an across-the-board waiver of the ESG requirement in 24 CFR 576.401(e)(1) that housing stability case managers meet not less than once per month with each program participant receiving homelessness prevention or rapid re-housing assistance. This waiver was issued in CPD Notice 20-08.

**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.

Federal habitability and environmental review standards and requirements shall not apply to the use of ESG-CV funds for those temporary emergency shelters that have been determined by State or local health officials to be necessary to prevent, prepare for, and respond to coronavirus.

**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.

Federal habitability and environmental review standards and requirements shall not apply to the use of ESG-CV funds for those temporary emergency shelters that have been determined by State or local health officials to be necessary to prevent, prepare for, and respond to coronavirus.

**11. Real Property Requirements – 2 CFR 200.311**

Part 200 requires that, when real property is no longer needed for the originally authorized purpose, the Grantee must obtain disposition instructions from DCED.

**12. 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.

**13. 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).

**14. 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.

**15. Applicability of OMB Circulars**

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

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

Grantees 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;

**17. 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 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).

## F. Application Process

In an effort to expedite the application process and ensure ESG-CV resources are able to address immediate and local needs resulting from the coronavirus, certain elements of the DCED application to demonstrate compliance with federal requirements of the ESG-CV must be available for inspection at the request of DCED or HUD at any time during the life of the grant and must be available for physical inspection during monitoring.

### 1. Application Submission

ESG-CV round 2 guidelines and application kit will post on DCED's website effective January 11, 2021. DCED will accept applications until February 26, 2021.

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

Pennsylvania's ESG-CV 2 is a competitive process. DCED will review all submissions for completeness of application materials. **Incomplete applications may not be considered for funding.**

All questions related to these guidelines should be directed to:

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

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



**2. Public Participation**

- a. The CARES Act provides for a waiver of the public participation process that DCED has extended to applicants of ESG-CV round 2. Applicants must demonstrate public participation by announcing their activities and the amount they will be requesting electronically, either on a form of social media or on the applicant's website. This must be completed no less than 5 days before having the local governing body approve the application. Applicants must provide a screen shot including the date(s) it was up in social media or the website, when the local governing body will be acting on the application, and showing the directions for citizen comment (mail, email). Applicants also need to make sure the local unit of government has amended their citizen participation plan to allow for this change in participation.

**3. 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 and CARES 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.

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

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

Although services are allowable until September 30, 2022 in accordance with the CARES Act, contracts will not extend beyond 12 months. Therefore, all activities must be completed within 12 months of the executed contract.

As stated in the Notice CPD-20-08, DCED must expend 20% of ESG CV (1 & 2) funds by September 30, 2021 and 80% of ESG CV funds by March 31, 2022. DCED will extend these expenditures deadlines to grantees and will be monitoring to make certain grantees are spending within the timeframes provided.

### **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 February 26, 2021.**

### A. Application Contents

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

*Using addenda section of the ESA application, please upload all completed versions of the required attachments below.*

**Attachments to include with application:**

- ☐ Resolution of Submission by the Local Governing Body or Board President of the Applicant – send original by mail
- ☐ Certification of Local Government Approval for Nonprofit Organizations Receiving ESG Funds from State Recipients
- ☐ Language Access Plan Certification (DCED-CCD-ESG-CV-012)
- ☐ Management Standards (DCED-CCD-ESG-CV-003) for applicants
- ☐ Coordination of Services
- ☐ Statement of Need
- ☐ Public Participation

**2. Sub recipient Forms**

Program Design – only send forms applicable to the application

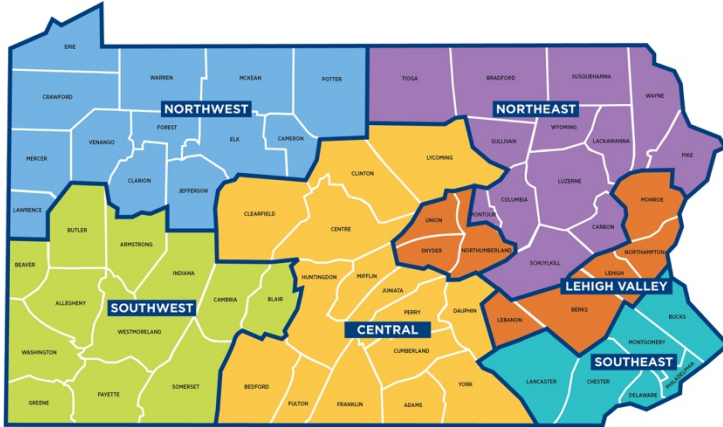
- ☐ Rapid Rehousing (DCED-CCD-ESG-CV-004A)
- ☐ Street Outreach (DCED-CCD-ESG-CV-004B)
- ☐ Homelessness Prevention (DCED-CCD-ESG-CV-004C)
- ☐ Emergency Shelter/ Temporary Emergency Shelter (DCED-CCD-ESG-CV-004D)
- ☐ HMIS

**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

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## Website and Best Practice References

- **Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH ACT)**  
[www.hudexchange.info/resource/1717/s-896-hearth-act/](http://www.hudexchange.info/resource/1717/s-896-hearth-act/)
- **Interim ESG Regulations: 24 CFR Part 576**  
[www.hudexchange.info/resource/1927/hearth-esg-program-and-consolidated-plan-conforming-amendments/](http://www.hudexchange.info/resource/1927/hearth-esg-program-and-consolidated-plan-conforming-amendments/)
- **HEARTH Homeless Definition Final Rule: 24 CFR Parts 91, 582 and 583**  
[hudexchange.info/resource/1928/hearth-defining-homeless-final-rule/](http://hudexchange.info/resource/1928/hearth-defining-homeless-final-rule/)
- **HUD Coronavirus Resources**  
[www.hudexchange.info/homelessness-assistance/diseases/](http://www.hudexchange.info/homelessness-assistance/diseases/)  
[www.hud.gov/coronavirus](http://www.hud.gov/coronavirus)
- **PA East and West Balance of State Continuum of Care Website**  
[www.pennsylvaniacoc.org](http://www.pennsylvaniacoc.org)
- **Department of Community & Economic Development Website**  
[dced.pa.gov](http://dced.pa.gov)

## Best Practices Resources

- **Solutions and Best Practices to Ending Homelessness**  
[www.endhomelessness.org/pages/solutions](http://www.endhomelessness.org/pages/solutions)
- **The Solutions Database**  
[www.usich.gov/solutions](http://www.usich.gov/solutions)
- **Federal Strategic Plan to Prevent and End Homelessness**  
[www.usich.gov/resources/uploads/asset\\_library/Home-Together-Federal-Strategic-Plan-to-Prevent-and-End-Homelessness.pdf](http://www.usich.gov/resources/uploads/asset_library/Home-Together-Federal-Strategic-Plan-to-Prevent-and-End-Homelessness.pdf)
- **What Gets Measured, Gets Done: A Toolkit on Performance Measurement for Ending Homelessness**  
<https://endhomelessness.org/resource/a-toolkit-on-performance-measurement/what-gets-measured-what-gets-done/>