



**Texas Department of Housing and Community Affairs  
Emergency Solutions Grants (ESG) Program  
Guide on Eligible ESG Uses**

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## Table of Contents

<b>1. STREET OUTREACH .....</b>	<b>3</b>
ENGAGEMENT .....	3
CASE MANAGEMENT .....	3
EMERGENCY HEALTH SERVICES .....	4
EMERGENCY MENTAL HEALTH SERVICES .....	4
TRANSPORTATION .....	4
SERVICES SPECIAL POPULATIONS .....	4
STAFF AND OVERHEAD COSTS .....	5
<b>2. EMERGENCY SHELTER .....</b>	<b>5</b>
ESSENTIAL SERVICES .....	5
<i>Case Management</i> .....	5
<i>Child Care</i> .....	5
<i>Education Services</i> .....	5
<i>Employment Assistance and Job Training</i> .....	6
<i>Outpatient Health Services</i> .....	6
<i>Legal Services</i> .....	6
<i>Life Skills Training</i> .....	7
<i>Mental Health Services</i> .....	7
<i>Substance Abuse Treatment Services</i> .....	7
<i>Transportation</i> .....	8
<i>Services Special Populations</i> .....	8
REHABILITATION AND RENOVATION .....	8
SHELTER OPERATIONS .....	8
ASSISTANCE UNDER "URA" .....	9
<b>3. HOMELESSNESS PREVENTION (FOR PERSONS AT-RISK OF HOMELESSNESS) AND 4. RAPID RE-HOUSING (FOR HOMELESS PERSONS) .....</b>	<b>9</b>
HOUSING RELOCATION AND STABILIZATION SERVICES .....	9
SHORT-TERM AND MEDIUM-TERM RENTAL ASSISTANCE .....	11
<b>5. HOMELESS MANAGEMENT INFORMATION SYSTEMS COSTS .....</b>	<b>11</b>
HARDWARE, EQUIPMENT AND SOFTWARE .....	11
STAFFING: PAYING SALARIES FOR OPERATING HMIS .....	11
TRAINING AND OVERHEAD COSTS .....	12
<b>6. ADMINISTRATION COSTS - (LIMITED TO 3.25%) .....</b>	<b>12</b>
GENERAL MANAGEMENT, OVERSIGHT AND COORDINATION .....	12
TRAINING .....	12
ENVIRONMENTAL REVIEW .....	12
<b>7. INDIRECT COSTS .....</b>	<b>12</b>
<b>8. INELIGIBLE EXPENSES .....</b>	<b>13</b>

## Guide on Eligible ESG Uses

This guide provides an overview of eligible ESG uses. Its purpose is to serve as a reference document to determine which activities are allowable under the ESG program. The guide is based on the eligible uses outlined in sections [24 C.F.R. § 576.101-109](#). In addition to using this guide, all Subrecipients must follow all the applicable program components guidance found on the [ESG Interim Rule](#).

Emergency Solutions Grants (ESG) program funds may only reimburse costs directly related to the following eligible activities:

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

Costs should be budgeted based on an allocation method meeting Office of Management and Budget regulations related to cost allocation.

### 1. Street Outreach

#### **(Limited to 60% of budget when combined with Emergency Shelter)**

Services provided to **unsheltered individuals** including services provided to special populations (homeless youth, victims of domestic violence and related crimes and threats, and people with HIV/AIDS). Unsheltered homeless people means individuals and families who qualify under paragraph (1)(i) of the homeless definition of under **24 C.F.R. § 576.2**.

Services must be provided on the street, in parks, in abandoned buildings, in bus stations, and campgrounds, and other settings where unsheltered persons are staying.

#### **Engagement – 24 C.F.R. § 576.101(a)(1)**

The costs of activities to locate, identify, and build relationships with unsheltered homeless people including:

- Initial assessment of needs and eligibility
- Providing crisis counseling
- Addressing urgent physical needs, such as providing meals, blankets, clothes, or toiletries
- Actively connecting and providing information and referrals to programs targeted to homeless people and mainstream social services and housing programs
- Cell phone costs for outreach workers during the performance of street outreach activities
- Salaries of staff conducting engagement work

#### **Case Management – 24 C.F.R. § 576.101(a)(2)**

The costs of assessing housing or service needs, arranging, coordinating, monitoring the delivery of individualized services including:

- Using a centralized or coordinated assessment system
- Initial evaluation including verifying and documenting eligibility
- Counseling

- Developing, securing, and coordinating services
- Obtaining Federal, state, and local benefits
- Monitoring and evaluating participant progress
- Providing information and referrals to other providers
- Developing an individualized housing and service plan, including planning a path to permanent housing stability
- Salaries of staff conducting case management

**Emergency Health Services – 24 C.F.R. § 576.101(a)(3)**

The costs of outpatient treatment of medical conditions provided by licensed medical professionals operating in community-based settings (e.g. streets, parks, and campgrounds) to those eligible participants unwilling or unable to access emergency shelter or an appropriate healthcare facility. Eligible treatment consists of:

- Assessing participant’s health problems and developing a treatment plans
- Assisting participants to understand their health needs
- Providing or helping participants to obtain appropriate emergency medical treatment
- Providing medication and follow-up services.

**Emergency Mental Health Services – 24 C.F.R. § 576.101(a)(4)**

The costs of outpatient treatment of urgent mental health conditions by licensed mental health professionals in community-based settings (e.g. streets, parks, and campgrounds) to those eligible participants unwilling or unable to access emergency shelter or an appropriate healthcare facility, including:

- Crisis interventions
- The prescription of psychotropic medications
- Explanation about the use and management of medications
- Combinations of therapeutic approaches to address multiple problems

**Transportation – 24 C.F.R. § 576.101(a)(5)**

The costs of travel by outreach workers, social workers, medical professionals, or other service providers are during the provision of services eligible street outreach services, including:

- The costs of transporting unsheltered people to emergency shelters or other service facilities
- The cost of a participant’s travel on public transit
- Mileage allowance for service workers to visit program participants
- Purchasing or leasing a vehicle for staff use in conducting outreach activities, including the cost of gas, insurance, taxes and maintenance for the vehicle
- Costs of staff to accompany or assist participants to use public transportation

**Services Special Populations – 24 C.F.R. § 576.101(a)(6)**

The costs of otherwise eligible Street Outreach services that have been tailored to address the needs of 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, including:

- Engagement
- Case Management
- Emergency Health Services
- Emergency Mental Health Services
- Transportation

### **Staff and Overhead Costs –**

Staff and overhead costs directly related to carrying out eligible Street Outreach activities listed above.

## **2. Emergency Shelter**

### **(Limited to 60% of budget when combined with Street Outreach)**

Services provided to individuals and families who are in an **emergency shelter**, including services provided to special populations (homeless youth, victims of domestic violence and related crimes and threats, and people with HIV/AIDS).

### **Essential Services**

#### **Case Management – 24 C.F.R. § 576.102(a)(1)(i)**

The costs of assessing, arranging, coordinating and monitoring individualized services including:

- Using a centralized or coordinated assessment system
- Initial evaluation including verifying and documenting eligibility
- Counseling
- Developing, securing, and coordinating services
- Obtaining Federal, state, and local benefits
- Monitoring and evaluating participant progress
- Providing information and referrals to other providers
- Developing an individualized housing and service plan, including a path to permanent housing stability
- Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking
- Developing an individualized housing and service plan
- Salaries of staff conducting case management.

#### **Child Care – 24 C.F.R. § 576.102(a)(1)(ii)**

The cost of licensed child care for participant with children under the age of 13, or disabled children under the age of 18, including:

- Child care costs
- Meals and Snacks
- Comprehensive and coordinated sets of appropriate developmental activities

#### **Education Services – 24 C.F.R. § 576.102(a)(1)(iii)**

The cost of instruction or training to enhance participants' ability to obtain and maintain housing: such as literacy, English as a Second Language, GED, consumer education, health education, and substance abuse prevention. Eligible activities include:

- Screening, assessment and testing
- Individual or group instruction
- Tutoring
- Provision of books, supplies and instructional material
- Counseling
- Referral to community resources

### **Employment Assistance and Job Training – 24 C.F.R. § 576.102(a)(1)(iv)**

The cost of services assisting participants secure employment and job training programs, including:

- Classroom, online and/or computer instruction
- On the-job instruction
- Services that assist individuals in securing employment, acquiring learning skills, and/or increasing earning potential
- Job finding, skill-building
- Reasonable stipends in employment assistance and job training programs
- Acquisition of vocational licenses and/or certificates
- Books and instructional material
- Counseling or job coaching
- Employment screening, assessment and testing
- Structured job-skills and job-seeking skills
- Special training and tutoring, including literacy training and pre-vocational training
- Referral to community resources

### **Outpatient Health Services – 24 C.F.R. § 576.102(a)(1)(v)**

The costs of outpatient treatment of medical conditions are allowable, to the extent that other appropriate health services are unavailable within the community. These services must be provided by licensed medical professionals and they include:

- Assessing participant's health problems and developing a treatment plan
- Assisting participants to understand their health needs
- Providing or helping participants to obtain appropriate medical treatment, preventive medical care, and health maintenance services, including emergency medical services
- Providing medication and follow-up services
- Providing preventive and noncosmetic dental care

### **Legal Services – 24 C.F.R. § 576.102(a)(1)(vi)**

The costs of necessary legal services regarding matters that interfere with the participant's ability to obtain and retain housing. These costs are allowable, to the extent that other appropriate legal services are unavailable within the community. Allowable legal services include:

- Hourly fees for legal advice and representation by licensed attorneys with good standing with the Texas bar association
- Hourly fees for legal advice and representation by persons under the supervision of licensed attorneys with good standing with the Texas bar association
- Client intake, preparation of cases for trial, provision of legal advice, representation at hearings, and counseling
- Filing fees and other necessary court costs
- 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
- 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

Legal representation and advice to resolve legal problems that prevent participants from obtaining or retaining permanent housing may include:

- Child support
- Guardianship
- Paternity
- Emancipation
- Legal separation
- Resolution of outstanding criminal warrants
- Appeal of veterans and public benefit claim denials
- Orders of protection and other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking

**Life Skills Training – 24 C.F.R. § 576.102(a)(1)(vii)**

The cost of teaching critical life management skills necessary to assist the participant to function independently in the community, including:

- Budgeting resources
- Managing money
- Managing a household
- Resolving conflict
- Shopping for food and needed items
- Improving nutrition
- Using public transportation
- Parenting

**Mental Health Services – 24 C.F.R. § 576.102(a)(1)(viii)**

The costs of direct outpatient treatment of mental health conditions by licensed mental health professionals, to the extent that other appropriate mental health services are unavailable and inaccessible within the community. The services include:

- Crisis interventions
- Individual, family or group therapy sessions
- Prescription of psychotropic medications
- Explanation about the use and management of medications
- Combinations of therapeutic approaches to address multiple problems

**Substance Abuse Treatment Services – 24 C.F.R. § 576.102(a)(1)(ix)**

The costs of substance abuse treatment services provided by licensed or certified professionals, designed to prevent, reduce, eliminate or deter relapse of substance abuse or addictive behavior, to the extent that other appropriate substance abuse treatment services are unavailable or inaccessible within the community. These services include:

- Client intake and assessment
- Outpatient treatment for up to thirty (30) days
- Group and individual counseling
- Drug testing

**Transportation – 24 C.F.R. § 576.102(a)(1)(x)**

The costs of travel by participants to and from medical care, employment, child care, or other facilities that provide eligible essential services and cost of staff travel to support provision of essential services, including:

- The cost of a participant's travel on public transit
- Mileage allowance for service workers to visit program participants
- Purchasing or leasing a vehicle used for transport of participants and/or staff serving participants, including the cost of gas, insurance, taxes and maintenance for the vehicle
- Travel costs of staff to accompany or assist participants to use public transportation

**Services Special Populations – 24 C.F.R. § 576. 102(a)(1)(xi)**

The costs of otherwise eligible Essential Services that have been tailored to address the needs of the special needs of homeless youth, victims of domestic violence and related crimes/threats, and/or people living with HIV/AIDS in emergency shelters, including:

- Case Management
- Child Care
- Education Services
- Employment Assistance and Job Training
- Outpatient Health Services
- Legal Services
- Life Skills Training
- Mental Health Services
- Substance Abuse Treatment
- Transportation

**Staff and Overhead Costs –**

Staff and overhead costs directly related to carrying out eligible Emergency Shelter activities listed above.

**Rehabilitation and Renovation – 24 C.F.R. § 576.102(a)(2)**

Renovation costs, including major rehabilitation of an emergency shelter or conversion of a building into an emergency shelter. Costs include:

- Labor
- Materials
- Tools
- Other costs for renovation

**Shelter Operations – 24 C.F.R. § 576.102(a)(3)**

The costs to operate and maintain emergency shelters and also provide other emergency lodging when appropriate.\*

- Maintenance ( including minor or routine repairs)
- Shelter rent or lease payments (Facility mortgage payments are not eligible)
- Security services
- Fuel
- Equipment
- Insurance (property and liability) related to facility



- Utilities
- Food for meals provided on site to shelter residents
- Shelter furnishings (beds, tables etc..)
- Supplies necessary for the operation of the emergency shelter, including office and/or computer equipment
- Hotel or motel voucher for family or individual in cases when no appropriate emergency shelter is available.

**Assistance under “URA” – 24 C.F.R. § 576.102(a)(4)**

The costs of assistance required under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) as described in subpart E of 24 C.F.R. Part 576, including:

- Relocation payments and other assistance to persons displaced by a project assisted with ESG funds.

Persons that receive URA assistance are not considered program participants, and relocation payments and other URA assistance are not considered rental assistance or “housing relocation and stabilization services.”

**3. Homelessness Prevention (for persons at-risk of homelessness) and  
4. Rapid Re-housing (for homeless persons)**

The costs allowed for Homelessness Prevention and Rapid Re-Housing are the same: housing relocation and stabilization services and short-term and medium-term rental assistance. Since the activities for both components are the same, it is the participant’s eligibility conditions that distinguish them.

**Staff and Overhead Costs –**

Staff and overhead costs directly related to carrying out eligible Homelessness Prevention and Rapid Re-Housing activities listed below.

**Housing Relocation and Stabilization Services (HRSS)**

**HRSS - Financial Assistance Costs – 24 C.F.R. § 576.105(a)**

- Last month’s rent
- Rental application fees charged by the housing owner to all applicants
- Security deposits that do not exceed more than 2 months’ rent
- Utility deposits required by the utility deposit for all customers
- Utility payments for gas, electric, water and sewage
- Moving Costs, such as truck rental or hiring a moving company
- Temporary storage fees for up to 3 months, provided that the fees are accrued after the date the participant begins receiving assistance under described in 24 C.F.R. § 576.105(b) and before the participant moves into permanent housing.

## **HRSS: Housing Services Costs – 24 C.F.R. § 576.105(b)**

### **Housing Search and Placement costs – 24 C.F.R. § 576.105(b)(1)**

The services or activities necessary to assist program participants in locating, obtaining, and retaining suitable permanent housing including:

- Assessment of housing barriers, needs and preferences
- Development of an action plan for locating housing
- Housing search
- Outreach to and negotiation with owners
- Assistance with submitting rental applications and understanding leases
- Assessment of housing for compliance with ESG requirements for habitability, lead based paint, and rent reasonableness
- Assistance with obtaining utilities and making moving arrangements
- Tenant counseling

### **Housing Stability Case Management – 24 C.F.R. § 576.105(b)(2)**

The costs of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability including:

- Using the centralized or coordinated assessment system
- Conduct the initial evaluation
- Counseling
- Developing, securing and coordinating services including Federal, state, and local benefits
- Monitoring and evaluating program participant progress
- Providing information and referrals to other providers
- Developing an individualized housing and service plan
- Conducting re-evaluations

Housing Stability Case Management assistance cannot exceed 30 days during the period the participant is seeking permanent housing.

### **Mediation – 24 C.F.R. § 576.105(b)(3)**

The costs of mediation between the program participant and the owner or person(s) with whom the program participant is living, to prevent the program participant from losing permanent housing in which they currently reside, including:

- Time and/or services associated with mediation activities

### **Legal Services – 24 C.F.R. § 576.105(b)(4)**

The costs of legal services that are necessary to resolve a legal problem that prohibits the program participant from obtaining or maintaining permanent housing, including:

- Hourly fees for legal advice and representation
- 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
- Client intake, preparation of cases for trial, provision of legal advice, representation at hearings, and counseling
- Filing fees and other necessary court costs
- 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

The costs of providing services necessary to resolve a legal problem that prevents a participant from obtaining or maintaining permanent housing including legal representation and advice for the following matters:

- Landlord/tenant matters
- Child support
- Guardianship
- Paternity
- Emancipation
- Legal separation
- Resolution of outstanding criminal warrants
- Orders of protection and other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking
- Appeal of veterans and public benefit claim denials

#### Credit Repair - 24 C.F.R. § 576.105(b)(5)

The costs of services necessary to assist program participants with critical skills related to household budgeting, managing money, accessing a free personal report problems, including:

- Credit Counseling
- Other services necessary to assist programs participants with critical skills related to household budgeting, managing money, accessing a free personal credit report, and resolving personal credit problems.

#### Short-term and medium-term rental assistance - 24 C.F.R. § 576.106

- Short-term rental assistance (up to 3 months of rent)
- Medium-term rental assistance (up to 24 months of rent)
- Payment of rental arrears (one-time payment up to 6 months, including any late fees on those arrears)

### **5. Homeless Management Information Systems Costs**

The costs of contributing data to the CoC's HMIS. Victim service providers and legal service providers may use ESG funds to pay the costs of establishing and operating a comparable database.

#### Hardware, Equipment and Software costs - 24 C.F.R. § 576.107(a)(1)

- Purchasing or leasing computer hardware
- Purchasing software or software licenses
- Purchasing or leasing equipment, including telephones, faxes and furniture

#### Staffing: Paying salaries for operating HMIS - 24 C.F.R. § 576.107(a)(1)

- Data collection
- Completing data entry
- Monitoring and reviewing data quality
- Completing data analysis
- Reporting to the HMIS Lead
- Training staff on using the HMIS or comparable database

- Implementing and complying with HMIS requirements.

**Training and Overhead costs - 24 C.F.R. § 576.107(a)(1)**

- Obtaining technical support
- Leasing office space
- Paying charges for electricity, gas, water, phone service and high-speed data transmission necessary to operate or contribute data to the HMIS
- Paying costs of staff to travel to and attend HUD sponsored and HUD-approved training on HMIS and programs authorized by Title IV of the McKinney-Vento Homeless Assistance Act
- Paying staff travel costs to conduct intake
- Paying participation fees charged by the HMIS Lead.

**6. Administration Costs - (limited to 3.25%)**

**General management, oversight and Coordination - 24 C.F.R. § 576.108 (a)(1)**

Costs of overall program management, coordination, monitoring and evaluation.

- Administrative services performed under third party contracts or agreements, including general legal services, accounting services, and audit services
- Other costs for goods and services required for administration of the program, including rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance (but not purchase) of office space.
- Staff salaries, wages, and related costs of staff engaged in eligible program administration activities.
- Audit costs for only those associated with any federally required Single Audits.

**Training - 24 C.F.R. § 576.108 (a)(2)**

- Costs of receiving training on ESG requirements and attending HUD-sponsored ESG trainings

**Environmental Review - 24 C.F.R. § 576.108 (a)(4)**

- Costs of carrying out environmental review responsibilities under 24 C.F.R. § 576.407

**7. Indirect Costs**

ESG grant funds may be used to pay indirect costs in accordance with OMB Circular A-87 (2 CFR part 225) or A-122 (2 CFR part 230), as applicable.

Indirect costs may be applied to each eligible activity using the direct cost base specified in the approved cost allocation plan.

## **8. Ineligible Expenses**

- Acquisition of real property
- New construction
- Legal services for immigration and citizenship matters, and issues relating to mortgages
- Inpatient detoxification and other inpatient drug or alcohol treatment
- Payment of temporary storage fees in arrears
- Bad debts/late fees
- Payment or modification of a debt
- Rehabilitation of structures to the extent that those structures are used for inherently religious activities
- Mortgage payments