

## **Emergency Shelter Grants**

### **Summary**

Emergency Shelter Grants (ESG) program is designed to be the first step in a continuum of assistance to prevent homelessness and to enable homeless individuals and families to move toward independent living.

The U.S. Department of Housing and Urban Development (HUD) made available the Emergency Shelter Grant for states and communities to provide emergency shelter beds for homeless individuals and families.

ESG is a formula-funded program that uses the Community Development Block Grant (CDBG) formula as the basis for allocating funds to eligible jurisdictions, including states, territories, and qualified metropolitan cities and urban counties.

To receive funds from the ESG program, the lead agency (DHCD) must submit and obtain approval of a Consolidated Plan. This 3- to 5-year plan provides the framework for a process used by States and local areas to identify housing, homeless, community and economic development needs and resources to develop a strategic plan to meet those needs.

State ESG grantees are required to distribute their entire grant for projects operated by local government agencies or private non-profit organizations.

### **ESG Program Objectives:**

Pursuant to an understanding between the Commonwealth of Massachusetts and HUD, the Commonwealth has been afforded the opportunity to utilize ESG to support services and unmet needs in the Continuum of Care. This understanding evolved as a result of the fact that the Commonwealth has historically funded emergency shelter programs such that no individual or family will be without a bed in the winter months. Annually, the Commonwealth certifies to HUD that the emergency shelter needs for individuals and families will be met during the fiscal year.

The Commonwealth of Massachusetts funds an array of services to homeless families and individuals and to families and individuals at-risk of homelessness. While our commitment to these families and individuals has been significant, flexible options to prevent homelessness and to provide supportive services to those transitioning to permanent housing had been identified as gaps in the service continuum. We will conduct regional meetings to seek input from homeless providers of service needs and gaps. Consistent with the policy promoted by HUD's CoC process, we seek to ensure an equitable distribution of resources across the Commonwealth in meeting the needs of the homeless. Furthermore, consistent with HUD's principles, we seek to fill not only geographic gaps in the system but also programmatic gaps where there continue to be insufficient resources due to high need, i.e. – entitlement communities such as the city of Boston and others.

### **ESG Program Funding Cycle**

- Step 1 - HUD notifies eligible jurisdictions of funding availability
- Step 2 – Eligible jurisdictions prepare Consolidated Plan
- Step 3 – Consolidated Plan is approved
- Step 4 – Grant agreement is executed between HUD and the grantee
- Step 5 – Grantee further allocates funding to nonprofit organizations
- Step 6 – Grantee executes grant agreement with each recipient of ESG funding
- Step 7 – Recipients request ESG funding from grantee (for costs already incurred)
- Step 8 – Grantee draws down ESG funds and reimburse recipient.

## **Funding Match**

ESG funding requires a dollar-for-dollar match. Funds used to match a previous ESG grant may not be used to match a subsequent grant award.

Match can be

- cash;
- the value or fair rental value of any donated material or building;
- the value of any lease on a building; any salary paid to staff to carry out the program of the recipient; and
- the value of the time and services contributed by volunteers to carry out the program of the recipient at a current rate of \$5 per hour. Volunteers providing professional services such as medical or legal services are valued at a reasonable and customary rate in the community.

## **Allocation of ESG Funding**

As a state agency, we are required to make funds available to private nonprofit organizations or local governments. In order to do this, we develop an RFP and seek proposals. Once the proposals are received, the proposals are reviewed by the interagency task force on housing and homeless (IATF). It is recommended by HUD that other stakeholders participate as well and we will seek recommendations from the IATF.

## **Grantee Recipient Agreements**

The state signs separate grant agreements with each recipient of ESG funding. Although DTA is the grantee, DTA ISA's funding to the appropriate state agency and the agency is responsible for monitoring of these funds. Agencies that are involved in this process are DTA, DMH, DPH, DSS, DVS, MRC, and DMR.

The grantee has the contractual responsibility for ensuring that the stated goals and objectives for each of their recipients' projects are successfully carried out and documented. This contractual responsibility encompasses oversight on each of the recipients that includes compliance with the grant agreement, regulations, sound financial record keeping, reporting etc. (I believe some agencies have done this better than others, and will attempt to enforce this with next year's funding allocation process.

## **ESG Eligible Activities**

- **Renovation, rehabilitation, and conversion of buildings** for use as emergency shelters or transitional housing for the homeless
- **Operating costs** can be maintenance, operation, insurance, utilities, furnishings, and no more than 10% of the amount of any grant received under this subtitle may be used for costs of staff.
- **Essential services (30% max. of funding – waivable)** includes services concerned with employment, health, drug abuse, education and may include:
  - assistance in obtaining permanent housing; medical and psychological counseling and supervision; employment counseling; nutritional counseling; substance abuse treatment and counseling; assistance in obtaining other federal, state, or local assistance; other services such as child care, transportation, job placement and job training; and staff salaries necessary to provide the above services

The essential services that are funded must be new services or expanded services and cannot be used to replace existing government or non-profit funding of services.

- **Homeless prevention (30% max of funding - not waivable)** include efforts to prevent homelessness such as financial assistance to families who have received eviction notices or notices of termination of utility services (rules apply)
- **Administration – 5% -** staff to operate the program, preparation of progress reports, audits, and monitoring of recipients.

## **Reporting to HUD**

HUD expects regular reporting to be done on IDIS (at a minimum annually). This includes both program and financial information. Historically (and presently) we don't have IDIS set up to insert program information as we set up activities (normally would be nonprofits) by state agencies (which may include many contracted nonprofits). HUD is aware of this and has not offered me a way to do it differently. I may want to expand the role of IDIS in the next funding cycle.

## **Current State of Massachusetts Funding**

This year, the ESG allocation was increased \$2,168,000 to \$2,521,341. This increase was due to the de-entitlement of two cities – Lawrence and Medford.

DTA - \$779,103.15 (of which \$126,067 is for admin and \$52,775.15 is for winter beds) – 10 contracts

DMH - \$243,150 – 6 contracts

DMR - \$30,000 – 1 contract

DPH - \$464,010 – 8 contracts

DSS - \$523,824 – 16 contracts

MRC - \$123,395 – 1 contracts

VET - \$80,000 – 7 contracts

CSP Tech - \$128,000

Total amount allocated:       \$2,371,482.15

Remaining amount               \$149,858.85

This money should be allocated in some way. My suggestion, since we can't give the money to Lawrence and Medford, is to use it for HMIS training/Technical Assistance.