

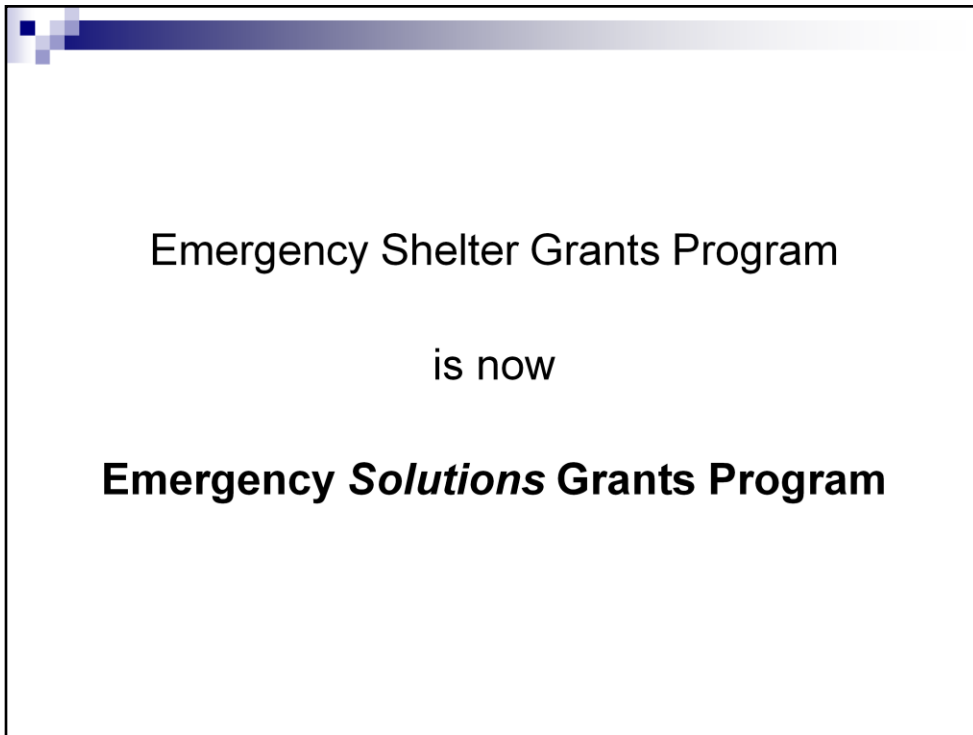


## Introduction to North Carolina's Emergency Solutions Grants Program

March 2, 2012

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These slides and notes are from the March 2, 2012 conference call to review preliminary information about changes to the NC ESG program. Clarification has been added to several slides. The State encourages call participants as well as individuals that missed the call to review the information in this packet.



The HEARTH Act changed the Emergency Shelters Grants Program to the Emergency Solutions Grants Program.

FY11 funding (July 2011 – June 2012 contracts) was given to ESG recipients under Emergency Shelter Grant Rules.

Moving forward, funding will be awarded under Emergency Solutions Grant Rules.

The Homelessness Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act), enacted in law on May 20, 2009, consolidates three of the separate homeless assistance programs administered by HUD under the McKinney-Vento Homeless Assistance Act into a single grant program, and revises the Emergency Shelter Grants program and renames it as the Emergency Solutions Grants Program. The HEARTH Act also codifies into law the Continuum of Care planning process, a longstanding part of HUD's application process to assist homeless persons by providing greater coordination in responding to their needs.



## NEW Program Goal

- Assist people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness.

The change in the program's name reflects the change in the program's focus from addressing the needs of homeless people in emergency shelters to assisting people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness.

The Emergency Solutions Grants (ESG) Program builds upon the existing Emergency Shelter Grants program, but places greater emphasis on attaining permanent housing. The key changes that reflect this new emphasis are the expansion of the homelessness prevention component of the program and the addition of a new rapid re-housing assistance component.



## Two Pots of Funding

- FY11 2<sup>nd</sup> Allocation
- FY12 Full Allocation

The change in rules from Emergency Shelter Grants to Emergency Solutions Grants will first be implemented with two pots of funding: the FY2011 2<sup>nd</sup> allocation and the full FY2012 allocation.

The State will be creating a new process for distributing ESG funding to reflect the new program rules and goals.

# FY2011 NC ESG Funds

<b>FY11 Total Allocation</b>	<b>\$4,030,542</b>
Admin	\$302,290
Total for Programming	\$3,728,252
<b>First FY11 Allocation Total</b>	<b>\$2,579,547</b>
Admin	\$128,977
Programming: Has been allocated to agencies for July 2011- June 2012	\$2,450,570
<b>Second FY11 Allocation Total</b>	<b>\$1,450,995</b>
Admin	\$173,313
Programming: To be allocated for Rapid Re-Housing after Substantial Amendment is approved (summer 2012)	\$1,277,682

For FY2011, HUD divided ESG funding into two allotments.

While HUD allows two years to spend these funds, the North Carolina ESG Program typically spends the funds within one year.

The first allotment was dispersed to ESG shelter and transitional housing grantees via the traditional ESG application and under Emergency *Shelter* Grant rules. Grantees received this funding to spend between July 2011 and June 2012. If you are currently receiving an ESG grant, it is from this pot of funding.

The second allotment was held back by HUD until after new Emergency *Solutions* Grants Program regulations were published. The State expected that second allotment to come in the fall of 2011. However, the regulations were slow to be published and instructions from HUD for what the State had to do in order to release those funds were not published until January 2012.

The second allotment from FY2011 will not be available to grantees until the summer of 2012. These funds will most likely be dispersed with FY2012 funds.

## FY2012 Allocation

FY2012 Allocation Total	\$4,629,495
Admin*	\$347,212
Total for Programming for Agencies	\$4,282,283
Max amount allowed by HUD for Emergency Shelter, Transitional Housing & Street Outreach**	\$ 2,569,370

\*Admin is used by the State to run the ESG program.

\*\*The State can not spend more than this amount on Street Outreach, Emergency Shelter, or existing Transitional Housing grantees. The State can not fund any new Transitional Housing Programs. The remainder of the funding *must* be spent on Rapid Re-Housing, Prevention or HMIS activities. The State *may* choose to spend *more* on Rapid Re-Housing activities and *less* on Emergency Shelter & Transitional Housing.

\*Admin is used by the State to run the ESG program. Under new rules, the State can share a portion of this admin with non-profits, but does not have to. The State is required to share a fair portion of admin funds with any local units of government that receive ESG funds.

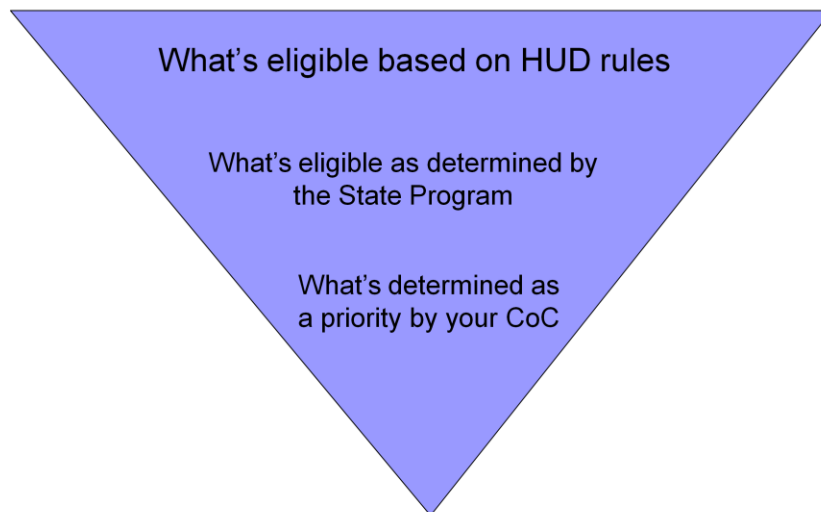
Under new HEARTH regulations, no more than 60% of ESG dollars can be used for street outreach, emergency shelter, or existing transitional housing programs.

HEARTH legislation also increased ESG funding. Because ESG is now receiving a higher appropriation, this new cap on these activities does not necessarily mean that any existing grantees' funding will be cut.

In 2011, ESG allocated \$2.45 million to shelter and transitional housing, which is less than the \$2.6 million allowed for FY2012.

However, the NC ESG office expects that Rapid Re-Housing will be a priority for communities to fund as it has been proven to produce impressive permanent housing outcomes while being cost-effective.

## Filtering Eligible Activities



HUD rules outline which activities state and entitlement grantees can fund with ESG dollars.

The State plans to further define eligible activities under the State ESG Program. For example, while rehabilitation is an eligible activity, the State has never funded rehabilitation, nor does it plan to.

Furthermore, under HEARTH rules, the CoC must now be involved in making ESG funding decisions. The extent of the CoC's involvement of this year's funding cycle will be fleshed out in the next month. At a minimum, the CoC will be asked to prioritize activities that are funded within its jurisdiction.

This means eligible activities may be further narrowed based on CoC priorities.

Interested applicants should not assume that all of HUD's eligible activities will be funded under the NC ESG program.

## HUD's Eligible Activities

- Street Outreach
- Emergency Shelter
- Homelessness Prevention
- Rapid Re-Housing Assistance
- HMIS

These are the eligible activities as determined by HUD. The following slides cover what is eligible under HUD's rules. The activities described may not all be eligible under the NC ESG Program. The State and CoCs may decide not to fund all HUD eligible activities based on outcomes and priorities.

Please note that transitional housing is not listed as an eligible activity. Under new ESG rules, transitional housing programs that were funded in FY11 can continue to receive funding. However, transitional housing programs that did not receive ESG funding in FY11 will not be eligible to receive any future funding.

The NC ESG Office encourages watching the HUD Webinar: ESG Program Components and Activities in order to learn more about eligible costs and activities and key program requirements. This webinar is available as a recorded webinar and slides. HUD's webinar covered more detailed information than the State ESG call.

The webinar is available to watch as a video or to view as slides at:  
<http://www.hudhre.info/index.cfm?do=viewResource&ResourceID=4540>

The video contains more detailed information than the slides.






## Eligible Activities Street Outreach

- Provides Emergency Care and Services to Unsheltered Persons
- Limited to 60% of Allocation for Street Outreach + Emergency Shelter Activities
- Limited to Amount Allocated for Street Outreach in FY 10 (Hold Harmless)

# Eligible Activities

## Street Outreach - Engagement






## Eligible Activities

### Street Outreach - Engagement

- Locate, Identify, Build Relationships, Provide Immediate Support and Intervention;
- Connect with Homeless Programs & Other Social Service Agencies
- Make Initial Assessment of Needs & Eligibility
- Provide Meals, Blankets, Clothes, or Toiletries
- Provide Non-Facility Based Care
- Eligible Costs Include Cell Phones for Outreach Workers



## Eligible Activities

### Street Outreach – Case Mgmt.

- Cost of Assessing Housing & Service Needs
- Arranging, Coordinating and Monitoring Services Provided to Consumers
- Using Centralized or Coordinated Assessment System(s)
- Conducting the Initial Evaluation



## Eligible Activities

### Street Outreach – Case Mgmt.

- Verifying and Documenting Eligibility
- Counseling and Coordination of Services
- Obtaining Federal, State, and Local Benefits
- Providing Information & Referral
- Creating Service Plan for Housing

## Eligible Activities

### St. Outreach – Emer. Health SVCS



- Outpatient Treatment of Medical Conditions in Community Settings
- Used When Other Resources Are Unavailable or Inaccessible



## Eligible Activities

### St. Outreach – Emer. Health SVCS

- Assess Consumers Health Problems
- Develop Treatment Plan
- Assist Consumers in Understanding Their Health Needs
- Assist Consumer in Obtaining Emergency Medical Treatment
- Provide Medication and Follow-Up Services

## Eligible Activities

### St. Outreach – Emer. Mental Health Svcs.

- Outpatient Treatment of Medical Conditions in Community Settings
- Used When Other Resources Are Unavailable or Inaccessible







## Eligible Activities

### St. Outreach – Emer. Mental Health Svcs.

- Crisis Interventions
- Prescription of Psychotropic Medication
- Explain About the Use & Management of Medications
- Therapeutic Approach to Address Multiple Problems



## Eligible Activities

### St. Outreach – Emer. Mental Health Svcs.

- Eligible costs are the direct outpatient treatment of mental health professionals by licensed professionals of mental health operating in community based settings including parks, streets and other places where unsheltered are living

# Eligible Activities

## St. Outreach – Transportation

- Costs of Travel by Outreach Workers, Social Workers, Medical Providers and Other Service Providers are Eligible During Provision of Services.





## Eligible Activities

### St. Outreach – Transportation

- Transporting Unsheltered People to Emergency Shelters or Other Service Facilities Are Also Eligible Including:
  - Cost of Consumer Travel on Public Transportation
  - Allowance for Mileage Reimbursement for Service Workers that Use Personal Vehicle
  - Purchase or Lease of Vehicle for Recipients
  - Gas, Insurance, Tax and Maintenance

## Eligible Activities

### St. Outreach – Special Populations

- Homeless Youth
- Victims of Dating Violence, Sexual Assault, Stalking
- People Living with HIV/AIDS





## Eligible Activities

### St. Outreach – Special Populations

- \*If grantee is local government, ESG funds can't be used to replace local government funds for street outreach and emergency shelter services during the immediately preceding 12-month period unless HUD determines local government is in severe financial deficit

## Eligible Activity – Emergency Shelter





## Eligible Activity Emergency Shelter

- Costs associated with providing services to homeless people in emergency shelters and operating expenses

These eligibility activities are almost the same as previous eligible activities under the Emergency Shelter Grant program.





## Eligible Activity

### Emergency Shelter - Services

- Case Management Including Centralized or Coordinated Assessment System
- Conduct the Initial Evaluation and Documenting Eligibility
- Counseling
- Coordinate Services for Federal, State and Local Benefits
- Monitor & Evaluate Consumer Progress
- I & R
- Provide Risk Assessment and Safety Planning for DV Consumers
- Develop Housing & Service Plans



## Eligible Activity

### Emergency Shelter - Services

- Provide Child Care for Children Under the Age of 13 From Licensed Provider Including Meals and Snacks
- Provide Instruction and Training Including Basic Education and Provision for Books & Supplies
- Provide Employment Assistance and Job Training Including Classroom, On-line and Computer Based Instruction, and Stipends to Assist Consumer in Job Placement



## Eligible Activity

### Emergency Shelter - Services

- Outpatient Treatment for Medical Conditions
- Legal Fees at Hourly Rate (When Unavailable From Other Resources) for Child Support, Guardianship, Paternity, Emancipation, Legal Separation, Order of Protection, Civil Remedies for DV, Appeal of Veterans and Public Benefit Denial and Resolution for Outstanding Warrants



## Eligible Activity

### Emergency Shelter - Services

- Life Skills Training  
Such as Budgeting,  
Managing Money,  
Resolving Conflict,  
Shopping for Food,  
Improving Nutrition,  
Using Public  
Transportation and  
Parenting
- Mental Health and  
Substance Abuse  
Services When Other  
Resources are  
Unavailable



## Eligible Activity

### Emergency Shelter - Services

- Routine or Minor Repairs
- Rent, Fuel, Equipment, Insurance
- Food and Furnishings
- Hotel Voucher When Appropriate  
Emergency Shelter Unavailable
- Relocation Payments
- Prohibition Against Involuntary Family Separation

## Eligible Activities Homeless Prevention



While an eligible activity, HUD has stated clearly that they prefer communities not use their funds for prevention, but to focus on Rapid Re-Housing instead.



## Eligible Activity

### Homeless Prevention

- Provide Housing Relocation & Stabilization and Short and/or Medium Term Assistance to Prevent Person From Moving Into an Emergency Shelter
- Provided Only to Persons Who Meet Criteria Under “At Risk”
- Provide for Persons With Annual Below 30% of Median Family Income for Area



## Eligible Activity


### Homeless Prevention

- Must Be Necessary for Consumer to Regain Stability in Consumer's Current Permanent Housing or Move Into Other Permanent Housing



# Eligible Activities Rapid Re-Housing






## Eligible Activity

### Rapid Re-Housing

- Provides Housing Relocation and Stabilization Services and Short and/or Medium Term Rental Assistance to Help Persons Move Quickly Into Permanent Housing & Achieve Stability
- Permanent Housing



## Eligible Activity

### Rapid Re-Housing


- Provided to Persons That Are Homeless & Live in Emergency Shelter & in Conjunction With Housing Relocation and Stabilization Services

## Eligible Activity

### Rapid Re-Housing


- Paying Off Past Due Rent or Utilities
- Commitment to Pay Rent for a Limited Number of Future Months
- Providing Other Housing Stabilization Services to Address Other Tenancy Issues





## Eligible Activity Rapid Re-Housing

- Rental Application Fees
- Security Deposits
- Utility Deposits & Payments
- Moving Costs
- Housing Search and Placement
- Case Management
- Mediation
- Legal Services
- Credit Repair
- Counseling
- I & R
- Monitoring and Evaluation of Progress
- Short Term (3 Months) and Medium Term Rental Assistance (3 to 24 Months)



## Eligible Activity Rapid Re-Housing

- Rental Arrears Up to 6 Months of Rent for Persons that have Rental Agreement

■ Eligible Activity: Rapid Re-Housing –  
Short & Medium Term Rental  
Assistance

- May Be Tenant or Project Based
- May Only Be Used Once for Consumer Receiving Tenant Based Subsidy
- May Not be Provided to Consumer Who Has Been Provided Replacement Housing Payments
- May Not be Provided if Rent Exceeds Fair Market Rent



## Eligible Activity

### Rapid Re-Housing – Short & Medium Term Rental Assistance

- May Only Make Payments to Property Owner
- May Only Be Made When Consumer Has Lease



# Eligible Activities HMIS





## Eligible Activities

### HMIS

- Any Agency Receiving ESG Funds Is Required to Participate in HMIS (unless waived by federal statute – i.e. DV programs)

ESG recipients will be required to enter HMIS data into the Carolina Homeless Information Network (CHIN).

For more information about CHIN, visit [www.nchomeless.org](http://www.nchomeless.org)



## Eligible Activities HMIS

- Purchase or Lease of Computer Hardware
- Purchase Software or Software Licenses
- Purchase or Lease Equipment Including Telephones, Fax Machine and Furniture
- Purchase Technical Support
- Purchase Office Space
- Purchase High Speed Data Transmission



## Eligible Activities HMIS

- Pay Salaries for Operating Data Including:
  - Completing Data Entry
  - Monitoring and Review Data Quality
  - Reporting to HMIS Lead
  - Training Staff
  - Travel Cost to Attend Training
- Travel Cost to Conduct Intake
- Fees Charged by HMIS Lead Agency

# Eligible Activities

## Admin

- State May Use Up to 7.5% of Grant for Administrative Fees
- May share with grantees
- Must share with any grantees that are units of local government






# NEXT STEPS

There will be many changes to the NC ESG Program. The following slides outline the next steps that will be taken to create and implement the new NC ESG program rules.

Under these new program rules, the NC ESG program will be moving away from what many have perceived as buying beds and moving towards investing in permanent housing outcomes.

HUD wants to create a new crisis response system that connects sheltered and unsheltered homeless people to rapid re-housing services, and thus they want ESG funds to be spent on these activities.

In the future, HUD is going to require a centralized/coordinated intake system. HUD will release more information about this once the CoC regulations are published, so at this point, all that is known is that it will happen and the State will provide more information when it's available. It is expected that ESG funded programs will be required to participate in this new intake system.



## What's changing with my funding? How will this new program goal affect me?

Under new rules, the State **CAN** continue to fund current ESG grantees and current activities

However the State or CoCs **MAY** choose to change how ESG funding is invested to better meet new program goal

If you're currently receiving ESG funding, there is nothing that says you're automatically going to lose those dollars. At the same time, HUD has said they've learned through other communities' experiences that if they change the programs they fund and implement an aggressive RRH program, they will have better outcomes than the current system and will reduce numbers of homeless people.

Under the new HEARTH legislation, the amount of money that a community receives in competitive Continuum of Care (CoC) funding will be based on the entire community's outcomes. Not just individual funded programs as before, but the whole community. Since ESG programs will now influence the CoC's competitiveness, the CoC will have a higher stake in how ESG funds are spent in the CoC's area.

In addition, under HEARTH regulations, the ESG Program is now required to consult with the CoC on how ESG funds are spent.

All of these factors may impact your funding. All NC counties are part of an active CoC. To find out which CoC you are in and how to contact your CoC lead, visit [www.ncceh.org/CoC](http://www.ncceh.org/CoC)

## Creating a Plan

- The State must create a plan for how the ESG program will be administered under these new rules.
- The Plan is expected to:
  - Involve Continuum of Care in funding decisions
  - Consider program outcomes in funding decisions
  - Incentivize rapid re-housing programs
  - Streamline state contracts
  - Assist in retooling the crisis response system and move NC towards ending homelessness

The State is in the process of creating a plan for how future ESG funds will be awarded to grantees. The goals listed above will guide the State's decisions.

In addition to following the new Emergency Solutions Grants Program regulations, the State intends to use this opportunity to improve and streamline the NC ESG Program. The State will use the ESG program to further the goals of Federal Strategic Plan to Prevent and End Homelessness.

For more information on the Federal Strategic Plan, visit the U.S. Interagency Council on Homelessness website at [www.usich.gov](http://www.usich.gov)





## Next Steps

- In order to allocate funds, the State must submit a substantial amendment to the Consolidated Plan.
- The State is creating a plan for how to implement these new rules and move North Carolina forward toward ending homelessness.
- The State will be soliciting feedback on its plan in a number of ways.

HUD is requiring that ESG recipients (states and entitlement communities) submit their plan for implementing new ESG regulations as a substantial amendment to North Carolina's Consolidated Plan.

The State will follow their Consolidated Plan's citizen participation plan to solicit feedback.

## Opportunities to provide input:

- CoC nominations for representatives to ESG CoC meeting
- March 15: CoC representatives meet with ESG staff
- April 4 - May 4 : Public Comment Period
- The week of April 30 Public Hearing
- April: Regional Trainings on Plan

Feedback will be solicited in the following forums:

- In order to involve stakeholders in creating the plan, a one-day planning session will be held in Raleigh with representatives from North Carolina's twelve Continua of Care. CoCs will nominate representatives for this meeting and the State will select from this group to create the most diverse and knowledgeable group possible. The NC ESG Office will send nomination forms to the CoC lead agency. (To view the list of CoC lead agencies, visit [www.nceh.org/CoC](http://www.nceh.org/CoC)) The selected stakeholders group will meet in Raleigh on March 15, 2012.
- Written comments on the substantial amendment will be accepted during the public comment period between April 4<sup>th</sup> and May 4<sup>th</sup>, 2012.
- A Public Hearing on the substantial amendment will be held in Raleigh the week of April 30, 2012.
- The State plans to hold regional educational meetings on the plan during the month of April. Dates and locations will be released as they become available.



## Timeline

- March 15: CoC leaders & representatives meet to discuss State Plan
- April 4: Plan available to the public
- April 4 – May 4: Public Comment Period
- May 15: State submits Substantial Amendment to HUD

All of this planning work and creation of a new ESG application must be done within a tight timeframe.

After the stakeholders meeting on March the 15<sup>th</sup>, the State will work to continue to refine the plan. The draft plan will be made available to the public on April 4<sup>th</sup>, beginning the public comment period. After the public comment period closes on May 4<sup>th</sup>, the State will finalize the plan and submit the final substantial amendment to HUD on May 15<sup>th</sup>.

## Timeline continued

- HUD has 45 days (no later than June 29) to approve State's Substantial Amendment
- State has 60 days to allocate funding from HUD Contract date (no later than August 28)
- The State will make every effort to expedite the process to minimize any gaps in funding. However, grantees should be prepared for a delay in FY12-13 contracts because of HUD's timeline.

The State must submit the Substantial Amendment to HUD by May 15.

After it is submitted, HUD has 45 days to approve the Substantial Amendment (no later than June 29).

After approval, the State has 60 days to allocate funds (no later than August 28).

The State will do everything it can to expedite the funding process, but grantees should be prepared for a delay in FY12-13 contracts.



## More Information

- [www.hudhre.info/esg](http://www.hudhre.info/esg)
- [www.ncceh.org/esg](http://www.ncceh.org/esg)

To view information on ESG from the U.S. Department of Housing and Urban Development, visit [www.hudhre.info/esg](http://www.hudhre.info/esg)

For information specific to North Carolina, visit the North Carolina Coalition to End Homelessness website at [www.ncceh.org/esg](http://www.ncceh.org/esg)