



# Cornerstones: ESG & CoC Cost Eligibility for RRH

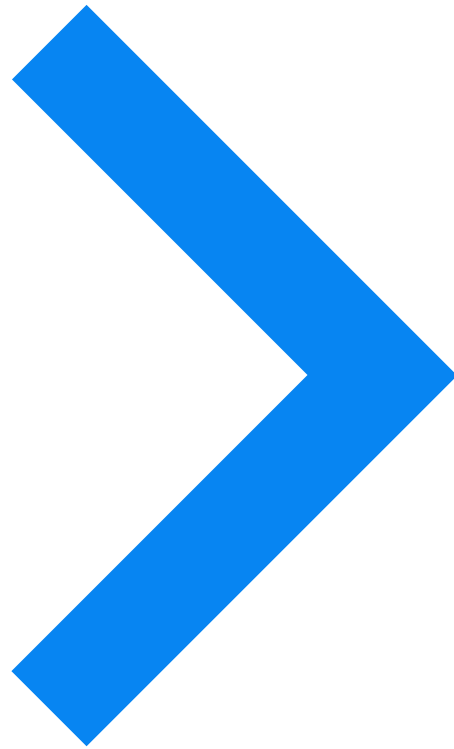
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**Welcome!**

**Please enter your name, pronouns,  
agency affiliation in the chat box.**

**Please use the chat frequently  
throughout our session today.**

# Agenda

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- Welcome and Introductions
- Background
- RRH 101
- Eligible Costs under ESG
- Eligible Costs under CoC
- Rent Reasonableness
- Utility Allowance/Utility Assistance
- Inspections
- Resources
- Questions

# Regional TA Team Purpose

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- To provide up-to-date and useful information to communities in the region as they work to end homelessness.
- To maintain an open line of communication and engagement with communities.
- To provide support to communities to implement best practices and to provide support to communities that are struggling with some aspect of managing their homeless response system.
- To learn from YOU! (and facilitate peer learning)

# Equity in Homelessness and Housing Services

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- The COVID-19 pandemic has amplified the historic and current racial biases and discrimination embedded in our systems, processes, and practices.
- People most harmed by COVID, housing instability, and homelessness include racial minorities, especially Black and Indigenous people, those who are elderly, and those who have health problems, especially respiratory problems.
- COVID has also had a significant economic impact on our communities, including job loss, housing instability, and increased risk of homelessness, and these economic effects are also most likely to impact certain racial groups, especially Black and Indigenous people.
- Rapid Re-Housing providers are uniquely positioned to both address these biases in housing, as well as working to provide safe places for all members of our communities to call home.
- Your Region 6 HUD TA team is here to support you and your community in advancing efforts to be more equitable and to close racial disparities, including through your housing location and landlord outreach efforts.
- More information available on the [Racial Equity](#) section of the HUD Exchange

# What We Know About Homelessness

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- Homelessness is often the direct result of a financial crisis or other crisis.
- Most households experiencing homelessness are not significantly different from other poor households– except for racial disparities.
- Homelessness is disproportionately experienced by BIPOC– Black people comprise 13% of the total population, 26% of people living in poverty and 40% of people experiencing homelessness. Indigenous people are also significantly overrepresented amongst the homeless population.
- Prolonged exposure to homelessness has a significant negative effect on adults and children.
- Short-term assistance has shown tremendous promise in resolving the immediate crisis of homelessness. Most households experiencing homelessness will be able to exit homelessness with shorter-term and less intensive assistance.

# What is Rapid Re-Housing?

Rapid Re-Housing (RRH)  
**ends homelessness** for  
families and individuals.

## RRH HELPS



### **FIND** HOUSING

Help people quickly find housing  
within one month or less.

### **PAY** FOR HOUSING

Help people pay for housing short  
term; longer-term help an option.

### **STAY** IN HOUSING

Help access services so  
people can stay in housing.

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The **Core Components** of Rapid Re-Housing help people  
**find** housing fast, **pay** for housing, and **stay** in housing.

**Housing  
Identification**

**Rent and  
Move-in  
Assistance**

**RRH Case  
Management &  
Services**

# Rapid Re-Housing Key Concepts

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- **Housing First**

No preconditions. Homelessness has a solution, and the solution is housing.

- **Crisis Response**

A short-term intervention designed to solve the immediate crisis and prevent near-term recurrent

- **Client Choice**

People can and should make choices about their priorities, their housing, and their services

- **Progressive Assistance**

Assistance (including financial) is individualized, flexible, and always "just enough" to resolve the crisis and stabilize



## What Rapid Re-Housing does

- + Reduces the length of time people are homeless
- + Helps people successfully exit homelessness to their own housing.
- + Minimizes impact of homelessness on employment, school attendance, health, etc.
- + Allows people to secure resources to help with other longer-term problems and goals (if they choose)
- + Reduces overall number of people experiencing homelessness

## What Rapid Re-Housing doesn't do

- X Cure poverty
- X Ensure people will have affordable housing; i.e., eliminate rent burden
- X Protect people from the impact of the housing market, job market, bad choices or bad judgement
- X Elimination housing mobility

## WHAT ARE THE RESULTS?

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### Families Are Homeless for Less Time

Families who use RRH exit shelter three months faster than those who don't

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### Re-housing Costs Go Down

The average rapid re-housing cost per stay, (\$6,578) is far lower than for transitional housing (\$30,336) or emergency shelter (\$16,829)

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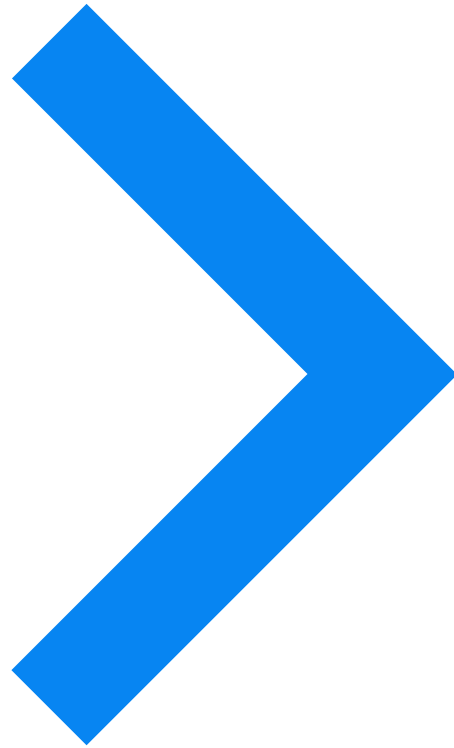
### Families Stay Housed

Families who lease rental housing with RRH are significantly less likely to return to shelter than those who don't

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### Systems Become More Efficient

By quickly moving people back into housing, RRH reduces the bottlenecks that can prevent other households from getting the help they need.



## Eligible Costs under ESG

# ESG RRH Eligible Costs Summary

Rental Assistance	Housing Relocation and Stabilization Services	
	Financial Assistance	Services
<ul style="list-style-type: none"> <li>• Short-term rental assistance</li> <li>• Medium-term rental assistance</li> <li>• Rental arrears</li> </ul>	<ul style="list-style-type: none"> <li>• Rental application fees</li> <li>• Security deposits</li> <li>• Last month's rent</li> <li>• Utility deposits</li> <li>• Utility payments</li> <li>• Moving costs</li> </ul>	<ul style="list-style-type: none"> <li>• Housing search and placement</li> <li>• Housing stability case management</li> <li>• Mediation</li> <li>• Legal services</li> <li>• Credit repair</li> </ul>

The **total period** for which any program participant may receive Rapid Re-Housing services must not exceed **24 months during any 3-year period**.

**Note:** staff AND overhead costs directly related to carrying out the above activities are eligible program expenses. These should not be categorized as administrative expenses

# Rental Assistance

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Short-term rental assistance (0–3 months)

Medium-term rental assistance (4–24 months)

Rental arrears (One-time payment for up to 6 months of rent in arrears)

**Reminder:** staff AND overhead costs directly related to carrying out the above activities are eligible **RENTAL ASSISTANCE** expenses. These should not be categorized as administrative expenses

# Housing Relocation and Stabilization Services – Financial Assistance

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**Financial Assistance** ([§ 576.105\(a\)](#)), which may be used to pay housing owners, utility companies and other third parties for the following:

- Rental Application Fees (when charged by owner to all applicants)
- Security Deposits that is equal to no more than 2 months' rent
- Last Month's Rent paid at the same time of security deposit and first month's rent
- Utility Deposits (when required by utility company for all customers)
- Utility Payments (up to 24 months of payments per service, including up to 6 months of arrears per service)
- Moving Costs (e.g. truck rental, moving company, up to 3 months of storage)

**Reminder:** staff AND overhead costs directly related to carrying out the above activities are eligible **Housing Relocation and Stabilization Services – Financial Assistance** expenses. These should not be categorized as administrative expenses

## Housing Relocation and Stabilization Services – **Services**

Costs of Providing the Following Services ([§ 576.105\(b\)](#)), when necessary to assist a program participant to obtain or maintain housing:

Housing  
search and  
placement

Housing  
stability case  
management

Mediation

Legal  
services

Credit repair

**Reminder:** staff AND overhead costs directly related to carrying out the above activities are eligible **Housing Relocation and Stabilization Services – Services** expenses. These should not be categorized as administrative expenses

# Housing Relocation and Stabilization Services – Services

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**Housing search and placement:** services or activities necessary to assist program participants in locating, obtaining, and retaining suitable permanent housing, include the following:

1. Assessment of housing barriers, needs, and preferences;
2. Development of an action plan for locating housing;
3. Housing search;
4. Outreach to and negotiation with owners;
5. Assistance with submitting rental applications and understanding leases;
6. Assessment of housing for compliance with Emergency Solutions Grant (ESG) requirements for habitability, lead-based paint, and rent reasonableness;
7. Assistance with obtaining utilities and making moving arrangements; and
8. Tenant counseling.



# Housing Relocation and Stabilization Services – Services

**Note for RRH: Housing stability case management** cannot exceed 30 days while a household is literally homeless and seeking permanent housing. Once the household is housed, housing stability case management can be provided for up to 24 months

**Housing stability case management:** Component services and activities consist of:

1. Using the coordinated entry system to evaluate individuals and families applying for or receiving HP or RRH assistance;
2. Conducting the initial evaluation required under [§ 576.401\(a\)](#), including verifying and documenting eligibility, for individuals and families applying for homelessness prevention or rapid re-housing assistance;
3. Counseling;
4. Developing, securing, and coordinating services and obtaining Federal, State, and local benefits;
5. Monitoring and evaluating program participant progress;
6. Providing information and referrals to other providers;
7. Developing an individualized housing and service plan, including planning a path to permanent housing stability; and
8. Conducting re-evaluations required under [§ 576.401\(b\)](#).

# Housing Relocation and Stabilization Services – Services

## Mediation

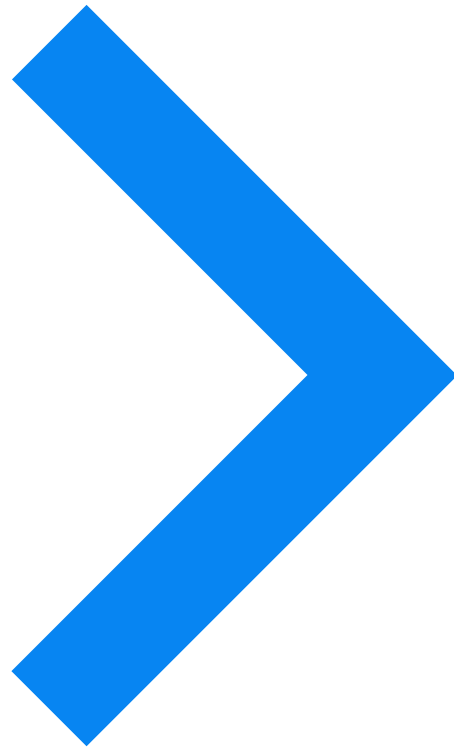
- ESG funds may pay for mediation between the program participant and the owner or person(s) with whom the program participant is living, provided that the mediation is necessary to prevent the program participant from losing permanent housing in which the program participant currently resides.

## Legal Services

- ESG funds may pay for legal services, as set forth in [§ 576.102\(a\)\(1\)\(vi\)](#), except that the eligible subject matters also include landlord/tenant matters, and the services must be necessary to resolve a legal problem that prohibits the program participant from obtaining permanent housing or will likely result in the program participant losing the permanent housing in which the program participant currently resides.

## Credit Repair

- ESG funds may pay for credit counseling and other 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. This assistance does not include the payment or modification of a debt.



## Eligible Costs under CoC

# CoC RRH Eligible Costs Summary

Rental Assistance	Supportive Services	
<ul style="list-style-type: none"><li>• Rental assistance (up to 24 months)</li><li>• Security deposits</li><li>• Last month's rent</li><li>• Vacancy payments</li><li>• Utility allowance</li><li>• Staff and overhead costs</li></ul>	<ul style="list-style-type: none"><li>• Annual assessment of Service Needs</li><li>• Moving costs</li><li>• Case management</li><li>• Childcare</li><li>• Education services</li><li>• Employment assistance and job training</li><li>• Food</li></ul>	<ul style="list-style-type: none"><li>• Housing search and counseling services</li><li>• Legal services</li><li>• Life skills training</li><li>• Mental health services</li><li>• Outpatient health services</li><li>• Substance abuse treatment services</li><li>• Transportation</li><li>• Utility deposits</li></ul>

**Note:** staff AND overhead costs directly related to carrying out the above activities are eligible program expenses. These should not be categorized as administrative expenses

# Eligible Rental Assistance Costs

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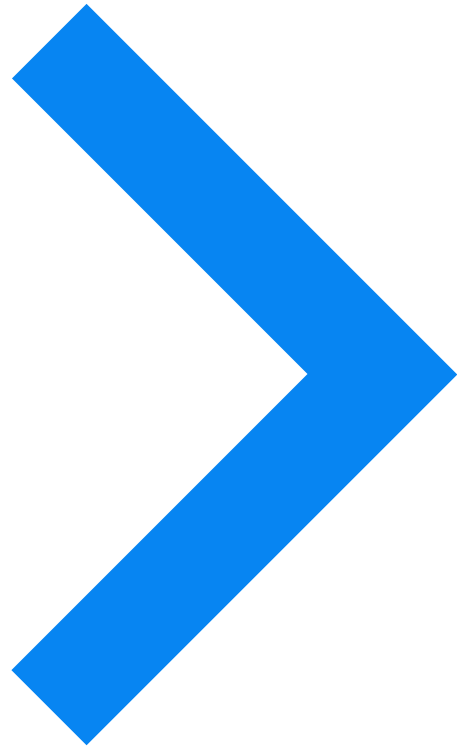
- Up to 24 months of **rental assistance**
- **Security deposits**, equal to up to 2 months of rent
- Advanced payment of **last months rent**
- **Vacancy payments** equal to one months rent
- **Utility allowance** for any tenant-paid utilities not included in rent
- **Staff and overhead costs** related to administration of rental assistance
  - Processing rental payments to landlords
  - Examining participant income and family composition
  - Providing housing information and assistance
  - Receiving new participants into the program
  - HQS inspections

**Note:** The **total period** for which any program participant may receive CoC Rapid Re-Housing Rental Assistance must not exceed **24 months**.

# Eligible Supportive Services Costs

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- All supportive services provided must help program participants obtain and maintain housing
- Supportive services to RRH participants may be provided for up to six months after program exit
- Supportive services funds may be used to pay:
  - Salary and benefits of staff who directly deliver eligible supportive services
  - Eligible services contracted with and performed by another agency
  - Any overhead costs directly related to providing supportive services
- Services not specified in the CoC Interim Rule are not eligible ([§ 578.53\(d\)](#))



# Rent Reasonableness

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## What is it?

- Ensuring that a unit that is supported by grant funds is not more expensive than a similar unit that is not supported by grant funds.
- The rent paid must be reasonable in relation to rents be charged for comparable units, taking into account the location, size, type, and age of unit, as well as any amenities, housing services, maintenance, and utilities provided by the owner.

## How do you determine rent reasonableness?

- Reviewing advertisements for comparable rent units.



# Rent Reasonableness

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## How do I document rent reasonableness?

- In several ways, however using [HUD's Rent Reasonableness Checklist](#) is the easiest
- Documentation (e.g., unit rent/description, evidence that the units share the same features, etc.) must be maintained in the client/unit file
- Also, acceptable: written verification signed by the property owner or management on letterhead affirming that the rent for the unit assisted with ESG Program funds is comparable to current rents charged for similar units managed by the same owner

# Gross Rent

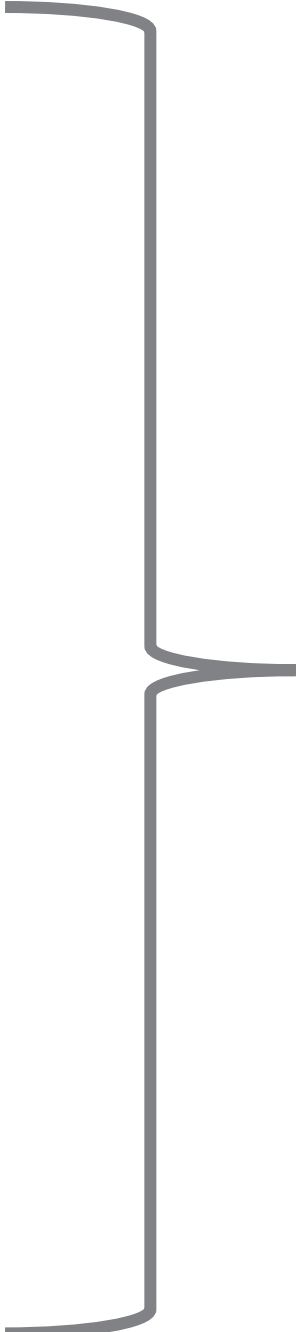
Total Contract Rent Amount



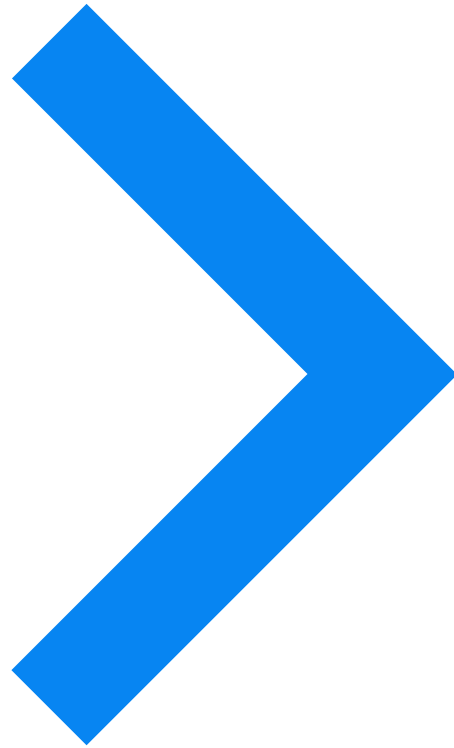
Fees Required for Occupancy under the lease (other than late fees and pet fees)



Monthly utility allowance established by the public housing authority for the area in which the housing is located



**GROSS RENT**



# Utility Allowance and Utility Assistance

## Utility Allowance

Used to determine whether the unit meets the FMR and Rent Reasonableness standard

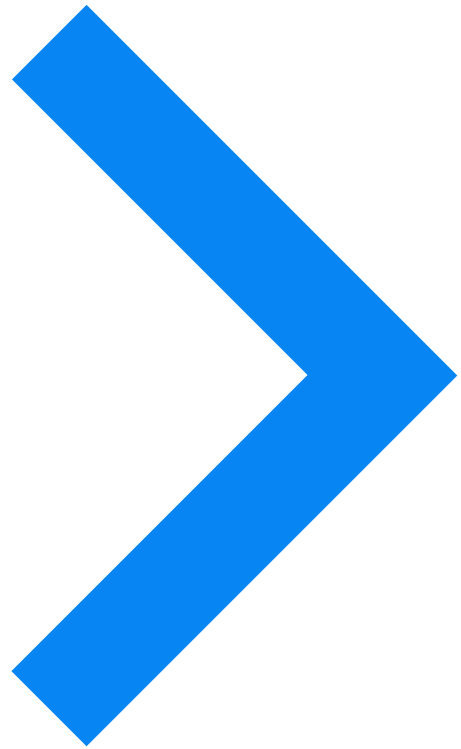
## Utility Assistance

May be based on *actual utility costs incurred*

**Note:** this is only for ESG

Utilities that are **not** included in the program participant's rent may be paid using rental assistance funds

More guidance at: [HUD Notice: CPD-17-11 "Determining a Program Participant's Rent Contribution, Occupancy Charges or Utility Reimbursement in the Continuum of Care \(CoC\) Program when the Program Participant is Responsible for the Utilities."](#)



# Inspections and Housing Standards

# Inspections

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## ESG

**Units must pass  
HUD Habitability  
Standards**

## CoC

**Units must meet  
HUD Housing  
Quality  
Standards (HQS)**

Find Comparison Chart in Appendix A at: <https://files.hudexchange.info/resources/documents/ESG-Emergency-Shelter-and-Permanent-Housing-Standards.pdf>

# ESG Habitability Standards

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The recipient or subrecipient cannot use ESG funds to help a program participant remain in or move into housing that does not meet the minimum habitability standards under §576.403(c)

- If an eligible household needs homelessness prevention assistance to remain in its existing unit, the assistance can only be provided if that unit meets the minimum standards.
- If an eligible household needs homelessness prevention or rapid re-housing assistance to move to a new unit, the assistance can only be provided if the new unit meets the minimum standards. The unit the household is leaving does not need to be inspected.
- The housing must also comply with any other standards established by the recipient that exceed or add to these minimum standards.

**Note:** The same standards apply regardless of the amount of ESG funds involved. For example, the recipient or subrecipient must inspect the unit and confirm that it meets the ESG minimum habitability standards, even if the only ESG assistance being provided is for a security deposit or moving assistance.

Source: <https://files.hudexchange.info/resources/documents/ESG-Emergency-Shelter-and-Permanent-Housing-Standards.pdf>



# Resources

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## ESG

- [ESG: Emergency Solutions Grants Program](#)
- [Virtual Binder: ESG Eligible Activities – Homelessness Prevention and Rapid Re-Housing](#)
- [ESG Rent Reasonableness and FMR](#)
- [Applicable Requirements for Rental Assistance and Housing Relocation and Stabilization Services Matrix](#)

## CoC

- [CoC At A Glance: Rental Assistance](#)
- [CoC At A Glance: Supportive Services](#)
- [CoC Rent Reasonableness and Fair Market Rent](#)

Rapid Re-Housing ESG vs. CoC: [https://files.hudexchange.info/resources/documents/Rapid\\_Re-Housing\\_ESG\\_vs\\_CoC.pdf](https://files.hudexchange.info/resources/documents/Rapid_Re-Housing_ESG_vs_CoC.pdf)





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