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Changes Under New ESG

- Explicitly includes essential services related to street outreach
- Adds rapid re-housing (RRH)
- Revises homelessness prevention (HP)
- Increases administration cap from 5% to 7.5%

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Shelter/Street Outreach Activities

- Renovation, rehabilitation, conversion
- Operating costs
- Essential services
- Related to emergency shelter
- Related to street outreach

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HP and RRH Eligible Activities

- Housing relocation & stabilization services:
 - Search, mediation or outreach to property owners, legal services, credit repair, providing security or utility deposits, utility payments, rental assistance for final month at location, assistance with moving costs
 - Other activities that are effective at –
 - (A) stabilizing individuals and families in their current housing; or
 - (B) quickly moving such individuals and families to other permanent housing

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Background: ESG Coordination with CoCs

- ESG grantees must consult with applicable CoCs on allocation of funds to carry out ESG eligible activities
- ESG grantees must participate in any applicable community-wide HMIS
 - Participation means collecting client-level data
 - HMIS costs already eligible under administration, operating, essential services

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Background: CoC Coordination with ESG Grantees

- Evaluate outcomes for projects funded by ESG
- Analyze patterns of use of ESG funds
- Participate in Consolidated Plan for geographic area served by CoC

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Allocation Process

- ESG allocation formula is the same
 - Based on CDBG allocation formula
 - Allocates funds to States and Insular Areas and 1,166 metro cities/urban counties
 - .05% grant minimum applies to metro cities and urban counties

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Eliminates Caps on Eligible Activities
Under Old ESG

- 30% essential services cap
- 30% homelessness prevention
- 10% on staff salaries under operations

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New Cap on Shelter/Street Outreach Activities

- Higher of:
 - 60% of annual ESG grant amount (FY 2011 and beyond)
- or
 - “Hold Harmless Need” (HHN) amount spent on shelter/street outreach activities in base year

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HHN Base Year

- HHN amount based on “the amount expended by such grantee for such activities during fiscal year most recently completed before the effective date under section 1503 of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009.”
 - “such activities” are shelter/street outreach activities
 - “fiscal year” is the base year for HHN calculations

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Calculating HHN in Base Year
(Hypothetical Grant Amount: \$160,000)

	HHN Activities	Non-HHN Activities
Rehabilitation	\$ 10,000	
Operations	\$ 70,000	
Essential Services	\$ 54,000	
Homeless Prevention		\$ 18,000
Administration (5%)		\$ 8,000
Grantee's HHN	\$ 134,000	

Once calculated, HHN amount remains unchanged from year-to-year

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Calculating New Cap on Shelter/Street Outreach Activities
(Hypothetical Grant Amount: \$160,000)

2010 Grant	\$160,000
60% of Grant Award	\$ 96,000 ($\$160,000 \times .60$)
HHN Amount	\$134,000 (as calculated on previous slide)
Maximum amount that grantee may use for shelter/street outreach activities	\$134,000 (higher of 60% of grant (\$96,000) or HHN Amount (\$134,000))

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Determining Minimum for HP/RRH Activities

2011 grant award	\$ 200,000 (Hypothetical)
Less HHN amount	(134,000)
Equals minimum for HP/RRH/Admin	\$ 66,000
Less admin (7.5% of \$200,000)	(15,000)
Equals minimum for HP/RRH	\$ 51,000

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Scenario: Hypothetical 25% Annual Grant Increase

	2010 Base YR	2011	2012	2013
Award amount (increases by 25% each year)	\$160,000	\$200,000	\$250,000	\$312,500
HHN amount	\$134,000	\$134,000	\$134,000	\$134,000
60% of award amount	\$ 96,000	\$120,000	\$150,000	\$187,500
Min amount for Admin, RRH, & HP activities		\$66,000	\$100,000	\$125,000

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Grants Budget Caps Over Time

(with 25% Hypothetical Annual Funding Increase)

	2011	2012	2013
Shelter/Street Outreach	\$ 134,000	\$ 150,000	\$ 187,500
RRH/HP	\$ 51,000	\$ 81,250	\$ 101,563
Administrative costs	\$ 15,000	\$ 18,750	\$ 23,438
Grantee award total	\$ 200,000	\$ 250,000	\$ 312,500

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Subtract maximum admin costs from minimum for non-shelter system expenses

	2011	2012	2013
Minimum amount for Admin, RRH, & HP	\$66,000	\$100,000	\$125,000
Administrative costs (7.5%)	-\$15,000	-\$18,750	-\$23,438
Minimum required for RRH & HP	\$51,000	\$81,250	\$101,563

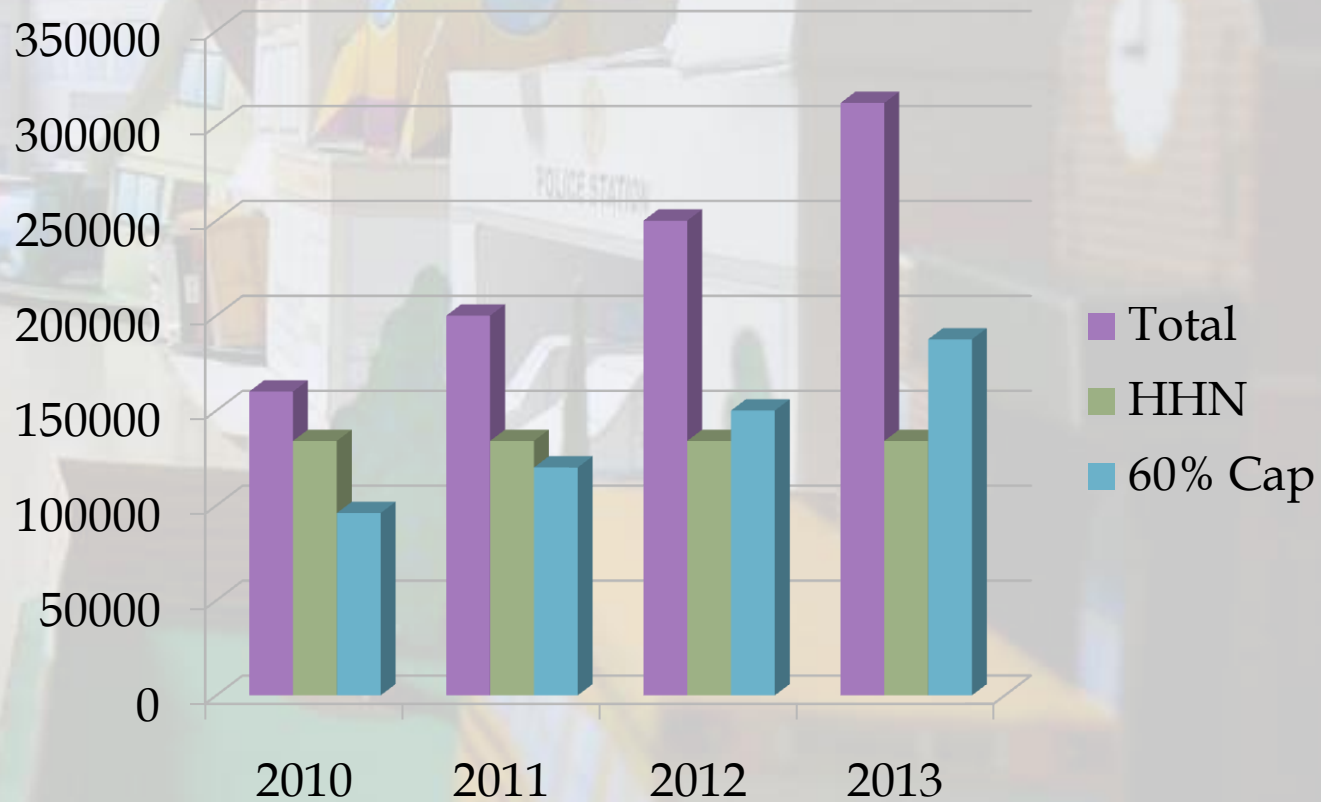
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Grantees Will Still Need To:

- Apply through Consolidated Plan/ Annual Action Plan
- Drawdown funds through Integrated Disbursement and Information System (IDIS)

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Effect of ESG Caps



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HPRP

- Individuals and families at **50% or below of Area Median Income** in temporary need of assistance to end or prevent homelessness
- Must have at least one initial consultation with case manager to determine need and appropriate assistance

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- Homeless, as defined in Section 103(a) of the McKinney-Vento Act, as amended
- Those at risk of homelessness as defined in Section 401(1) of the McKinney-Vento Act, as amended, including individuals & families who:
 - Have income **at or below 30% of Area Median Income**
 - And meet other criteria described in the “at risk of homelessness” definition

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More HPRP Eligible Participant Requirements

- Households must **also meet both of these** circumstances:
 - No appropriate subsequent housing options have been identified; AND
 - The household lacks the financial resources and support networks needed to obtain immediate housing or remain in its existing housing.

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Preventing Involuntary Family Separation

- After May 20, 2011, any emergency shelter that receives ESG funds and serves families with children under age 18 will be prohibited from denying admission to any family based on the age of any child under age 18

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- HEARTH increases the emphasis on use of Continuum of Care (CoC)-wide performance measurement, including ESG-funded projects, to evaluate outcomes
- Analyze patterns of use of funding
- Inform Consolidated Plan and 10-Year Plans to Prevent and End Homelessness
- HMIS will be a critical component of the evaluation process

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HMIS Participation for ESG

- ESG Grantees are responsible for ensuring HMIS participation of the programs it funds.
 - Has always been HUD policy
- McKinney Act as amended by HEARTH makes this a **statutory requirement**
- Sec. 416 (f): PARTICIPATION IN HMIS. – The Secretary shall ensure that recipients of funds under this subtitle ensure the consistent participation by emergency shelters and homelessness prevention and rehousing programs in any applicable community-wide homeless management information system.

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Community Example: Indiana

- **ESG Grantees**

10 ESG Recipients: Indiana Housing and Community Development Authority (IHCDA) plus 9 additional ESG Recipient communities.

- **HMIS**

Everyone under Balance of State uses the same HMIS software solution; Indianapolis uses a different software solution

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Indiana's Challenges

- Indianapolis uses a different HMIS software solution than other CoCs
- Indianapolis' subrecipients also receive ESG funds from IHCD
- 2 HMIS software solutions don't currently exchange or combine data
- Solution needs to combine data from both systems

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Indiana's Solutions

- IHCDA requires ESG data collection in HMIS.
- ESG planning is being merged into Regional Planning Council process.
- Indiana is using lessons learned with HPRP to inform solution development for ESG data collection and reporting.
- By anticipating HEARTH requirements, IHCDA has already begun expanding its HMIS capability to meet Indiana's future needs.

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How Can ESG Grantees Ensure this?

- Make sure that HMIS participation is included in your contracts.
- Coordinate with CoCs on HMIS participation and data quality.
- Emphasize HMIS participation and data quality as part of your regular monitoring processes.
- Consider adding at least a quarterly data quality review, if your regular monitoring doesn't happen that frequently.

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The Homelessness Pulse Project

- Participating communities provide data quarterly on:
 - The number of homeless people in their community
 - The number of **new homeless people served during the quarter**
- Information used by:
 - HUD Secretary Shaun Donovan
 - US Interagency Council on Homelessness
 - White House Domestic Policy Council