

2013

Rapid Re-Housing: ESG vs CoC



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RAPID RE-HOUSING UNDER THE EMERGENCY SOLUTIONS GRANTS PROGRAM VERSUS THE CONTINUUM OF CARE PROGRAM

SIMILARITIES AND DIFFERENCES

Rapid re-housing (RRH) assistance aims to help individuals or families who are homeless move as quickly as possible into permanent housing and achieve stability in that housing through a combination of rental assistance and supportive services.

Communities have demonstrated and research has shown that RRH is a valuable strategy for quickly transitioning such individuals and families directly from shelter into permanent housing with needed and appropriate supports. To sustain RRH as a valuable community tool for ending homelessness, the Emergency Solutions Grants (ESG) program and the Continuum of Care (CoC) program both include rapid re-housing as an eligible form of assistance.

For administrative ease and when possible, HUD developed consistent eligible costs and program requirements for rapid re-housing for the two programs. However, some significant differences remain in the eligible costs and requirements for RRH activities administered under the ESG and CoC programs. This guidance document summarizes the significant similarities and differences between RRH assistance under the CoC program versus under the ESG program.

For more information, readers should also refer to materials on the [OneCPD Resource Exchange](#), such as the webinar on [Determining and Documenting Homeless and At Risk Status, Income, and Disability](#).

1. ELIGIBLE POPULATION

1.1 Determining Eligibility

ESG and CoC recipients and subrecipients must develop policies and procedures for identifying which families and individuals will receive RRH assistance. Using the centralized or coordinated assessment system, CoC and ESG recipients and subrecipients must conduct an initial evaluation of each individual or family seeking RRH assistance in order to determine:

- **Eligibility.** The eligibility of each individual or family seeking CoC or ESG assistance based on the individual's or family's living situation; and
- **Need.** The amount and type of assistance needed for the individual or family to (re)gain stability in permanent housing.

Eligibility

One of the major differences between RRH assistance under the ESG program and the CoC program centers on eligibility. To receive **ESG rapid re-housing (ESG-RRH)** assistance, an individual or family must demonstrate at initial evaluation that it is literally homeless (referred to as Category 1 in the [Homeless Definition Final Rule](#)). An individual or family is defined as "literally homeless" if (1) living in a public or private place not meant for human habitation, (2) living in temporary shelter, which includes congregate shelters and transitional housing, or (3) exiting an institution where the individual or family has resided for 90 or fewer days and was living in shelter or in a place not meant for habitation before entering the institution.

RRH assistance is also available to people fleeing or attempting to flee domestic violence if they are **also** literally homeless (24 CFR part 576.104).

To receive **CoC rapid re-housing (CoC-RRH)** assistance, though, individuals and families may be defined as homeless under any of the four categories included in the Homeless Definition Final Rule:

- Literally homeless (Category 1).
- Imminently losing their primary night-time residence (Category 2).
- Unaccompanied youth under 25 years of age or families with children and youth who do not otherwise qualify as homeless under this definition but who are defined as homeless under another Federal statute and meet additional specified criteria (Category 3). **Note:** *For CoC-RRH assistance to be provided to persons defined as homeless under Category 3, the project must be located within the geographic area of a CoC that has received HUD approval to serve this population.*
- Fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions (Category 4).

The CoC Program Notice of Funding Availability (NOFA) may impose additional eligibility requirements not reflected in the regulation. Projects funded to carry out RRH assistance under the CoC program must follow both CoC Program NOFA and regulatory requirements.

Need and Continued Eligibility

ESG and CoC recipients and subrecipients must conduct regular re-evaluations, **at least annually**, of program participants receiving RRH assistance.

To **continue** to receive ESG- and CoC-RRH assistance, a program participant's re-evaluation must demonstrate eligibility based on:

- **Lack of resources and support networks.** The program participant's household must continue to lack sufficient resources and support networks to retain housing without ESG or CoC program assistance.
- **Need.** The recipient or subrecipient must determine the amount and type of assistance that the individual or family will need to (re)gain stability in permanent housing.

In addition, an ESG-RRH re-evaluation must demonstrate:

- **Income.** The program participant household's annual income must **be less than or equal to** 30 percent of Area Median Income (AMI).

The CoC Program interim rule does not establish an income eligibility guideline for continued RRH assistance. However, as part of its **written standards**, a Continuum of Care may establish an income requirement for continued eligibility in order to align—to the extent possible—its RRH assistance with ESG assistance provided within the CoC's geographic area. In addition, an ESG recipient may, in developing its written standards, set a more restrictive income eligibility standard. That is, the HUD eligibility standard defines the upper bound of eligibility, which the CoC and/or the ESG recipient may narrow further as part of its effort to target limited resources.

Exhibit 1 summarizes the differences between the criteria that apply at initial evaluation and at subsequent re-evaluations.

Exhibit 1: Eligibility Criteria Summary for ESG and CoC Rapid Re-Housing				
Criterion	Initial Evaluation		Re-Evaluation	
	ESG-RRH	CoC-RRH	ESG-RRH	CoC-RRH
Homeless Eligibility				
Literally homeless	✓	✓		
Imminent risk of homelessness		✓		
Homeless under other Federal statutes		✓		
Fleeing/attempting to flee domestic violence	✓*	✓		
Income Evaluation Required			✓	
Need (amount and type of assistance)	✓	✓	✓	✓
Lacking Resources and Support Networks			✓	✓
<i>* Eligible only if also literally homeless.</i>				

The reader should refer to the webinar on [Determining and Documenting Homeless and At-Risk Status, Income, and Disability](#) for more detail on how to determine and document housing status for RRH assistance.

2. ELIGIBLE USE OF FUNDS

ESG and CoC rapid re-housing grant funds may be used to provide short- and/or medium-term rental assistance and accompanying, limited supportive services, as needed, to help an individual or family that is homeless move as quickly as possible into permanent housing and achieve stability in that housing. Exhibit 2 provides a summary of eligible costs under ESG-RRH and CoC-RRH.

Exhibit 2: Eligible Costs Summary

	ESG-RRH	CoC-RRH
Rental Assistance	<ul style="list-style-type: none"> • Short-term rental assistance (up to 3 months) • Medium-term rental assistance (4 to 24 months) • Rental arrears (one-time payment of up to 6 months of rent in arrears, including any late fees on those arrears) 	<ul style="list-style-type: none"> • Short-term rental assistance (up to 3 months) • Medium-term rental assistance (4 to 24 months)
Rental Assistance Type	<ul style="list-style-type: none"> • Tenant-based rental assistance • Project-based rental assistance 	<ul style="list-style-type: none"> • Tenant-based rental assistance only
Eligible Costs	<p>Housing Relocation and Stabilization Services</p> <p>Financial assistance costs</p> <ul style="list-style-type: none"> • Rental application fees • Security deposits (up to 2 months) • Last month's rent • Utility deposits and payments (up to 24 months, including up to 6 months for payments in arrears) • Moving costs <p>Service costs</p> <ul style="list-style-type: none"> • Housing search and placement • Housing stability case management • Mediation • Legal services • Credit repair 	<p>Financial assistance (eligible under rental assistance)</p> <ul style="list-style-type: none"> • Security deposits (up to 2 months) • First and last month's rent • Property damage <p>Supportive services</p> <ul style="list-style-type: none"> • Case management • Child care • Education services • Employment assistance and job training • Food • Housing search and counseling services, including mediation, credit repair, and payment of rental application fee • Legal services • Life skills training • Mental health services • Moving costs • Outpatient health services • Outreach services • Substance abuse treatment services • Transportation • Utility deposits

2.1 Rental Assistance

Both the ESG and CoC programs offer short- and medium-term rental assistance. ESG- RRH also may be used for payment of an eligible program participant’s rent in arrears. However, CoC- RRH assistance may not be used for payment of rent in arrears.

In addition, ESG and CoC recipients and subrecipients may tailor their RRH rental assistance programs by specifying in their respective written standards:

- The maximum amount or percentage of rental assistance that a program participant may receive
- The maximum number of months that a program participant may receive rental assistance
- The maximum number of times that a program participant may receive rental assistance
- The extent to which a program participant must share the cost of rent

2.2 Eligible Type(s) of Rental Assistance

ESG-RRH rental assistance may be either tenant-based or project-based, but CoC-RRH rental assistance may only be tenant-based.

Tenant-based rental assistance (TBRA) enables program participants to locate housing of their choice in the private rental market. If a program participant later moves to another suitable unit, he or she may apply the rental assistance to the new unit. Even with the TBRA model, ESG and CoC recipients and subrecipients may require program participants to live within a particular geographic area or in a specific structure for the first year and in a specific area for the remainder of their period of participation (*24 CFR part 578.51(c)*).

Under both ESG and CoC, TBRA is subject to additional requirements, including quality of the unit (housing standards), rent reasonableness, documentation (e.g., lease, sublease), and written standards adopted by the recipient and subrecipient.

Project-based rental assistance (PBRA) is paid on behalf of an eligible program participant who moves into and leases a housing unit covered by a pre-existing rental assistance agreement between the owner of the unit and the recipient or subrecipient. Rental units covered by such agreements must be occupied and leased only by eligible ESG-RRH program participants.

Exhibit 3 summarizes RRH rental assistance activities and standards under the ESG and CoC programs.

Exhibit 3: Rental Assistance Overview		
	ESG-RRH Rental Assistance (24 CFR part 576.104)	CoC-RRH Rental Assistance (24 CFR part 578.37(a)(1)(ii))
Housing Standards	Units must pass HUD Habitability Standards	Units must meet HUD Housing Quality Standards
Fair Market Rent (FMR)	Rental assistance may cover up to the FMR for a unit	Rent reasonableness is the applicable rent standard
Rent Reasonableness	Units must comply with HUD’s rent reasonableness standards	Units in a structure must comply with HUD’s rent reasonableness standards

Exhibit 3: Rental Assistance Overview		
	ESG-RRH Rental Assistance (24 CFR part 576.104)	CoC-RRH Rental Assistance (24 CFR part 578.37(a)(1)(ii))
Lease Requirements	<ul style="list-style-type: none"> • A written lease between the owner and the program participant is required for TBRA and PBRA. • For program participants living in housing with PBRA, the lease must have an initial term of one year. There is no minimum lease period for TBRA. • The only exception to the written lease requirement is in the case of rental assistance provided solely for rental arrears. 	Program participants receiving TBRA must sign a lease of at least one year that is renewable (for a minimum term of one month) and terminable only for cause.
Written Standards	<p>Recipients and subrecipients must develop and implement written policies and procedures for:</p> <ul style="list-style-type: none"> • Determining and prioritizing which eligible families and individuals will receive RRH assistance • Determining the amount or percentage of rent and utilities each program participant must pay • Determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time 	<p>Recipients and subrecipients must establish and consistently follow policies and procedures established for:</p> <ul style="list-style-type: none"> • Determining and prioritizing which eligible families and individuals will receive RRH assistance • Determining the amount or percentage of rent each program participant must pay • Determining the maximum amount or percentage of rental assistance that a program participant may receive • Determining the maximum number of months that a program participant may receive rental assistance • Determining the maximum number of times that a program participant may receive rental assistance • Determining the extent to which a program participant must share the cost of rent

2.3 Services

In addition to rental assistance, rapid re-housing funds may be used to provide supportive services (CoC) and housing relocation and stabilization services (ESG) that address the specific needs of program participants and that are essential for assisting program participants in obtaining and maintaining housing.

The scope of services available to RRH program participants is more limited under the ESG program than under the CoC program, but both programs share some eligible service costs. Exhibit 4 provides an overview of each program’s supportive services requirements.

Exhibit 4: Supportive Services Overview		
	ESG-RRH	CoC-RRH
Services	Supportive services are limited to housing relocation and stabilization services.	Supportive services include a wide range of services outlined in 24 CFR part 578.53.
Limit on Service Provision	Housing stability case management assistance may not exceed 30 days during the period in which the program participant is seeking permanent housing and may not exceed 24 months during the period in which the program participant is living in permanent housing.	Supportive services may be provided until 6 months after rental assistance stops.
Case Management Requirement	At a minimum, program participants must attend monthly case management meetings.	At a minimum, program participants must attend monthly case management meetings.

Exhibit 5 provides a summary of eligible supportive services under ESG-RRH and CoC-RRH. While CoC funding may be used to fund all CoC supportive services listed in 24 CFR part 578.53, the CoC may develop written policies and procedures that limit the services available to program participants in order to align CoC-funded RRH programs with ESG-funded RRH programs.

Exhibit 5: Summary of Eligible RRH Supportive Services		
	ESG-RRH 24 CFR part 576.10	CoC-RRH 24 CFR part 578.53
Housing Services & Related Services	<p>Assist participants in locating, obtaining, and retaining suitable permanent housing, including:</p> <ul style="list-style-type: none"> • Housing search • Tenant counseling • Understanding leases • Arranging for utilities • Making moving arrangements • Assessment of housing barriers, needs, and preferences • Development of an action plan for locating housing • Outreach to and negotiation with owners • Assessment of housing for compliance with ESG requirements for habitability, lead-based paint, and rent reasonableness • Assistance with submitting rental applications 	<p>Assist participants in locating, obtaining, and retaining suitable housing, including:</p> <ul style="list-style-type: none"> • Housing search • Tenant counseling • Understanding leases • Arranging for utilities • Making moving arrangements • Mediation with property owners and landlords • Credit counseling, accessing a free personal credit report, and resolving personal credit issues • Payment of rental application fees
Case Management	<p>Assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing by, for example:</p> <ul style="list-style-type: none"> • Conducting the initial evaluation, including verifying and documenting eligibility • Using the centralized or coordinated assessment system • Counseling • Developing, securing, and coordinating services • Obtaining 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, including planning a path to permanent housing stability • Conducting re-evaluations 	<p>Assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of program participant(s), including:</p> <ul style="list-style-type: none"> • Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking • Using the centralized or coordinated assessment system • Counseling • Developing, securing, and coordinating services • Obtaining 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, including planning a path to permanent housing stability • Conducting required annual assessment of service needs (re-evaluation)

Exhibit 5: Summary of Eligible RRH Supportive Services		
	ESG-RRH 24 CFR part 576.10	CoC-RRH 24 CFR part 578.53
Legal Services	<p>Costs of resolving a legal problem that prohibits a program participant from obtaining or retaining permanent housing.</p> <p>Legal services or activities include client intake, preparation of cases for trial, provision of legal advice, representation at hearings, and counseling. Filing fees and other necessary court costs are also eligible. Legal services are subject to the following provisions:</p> <p>(a) <u>Eligible Billing Arrangements</u>. ESG funds may be used only for legal advice from and representation by licensed attorneys and by person(s) under the supervision of licensed attorneys.</p> <p>Costs may be based on:</p> <ul style="list-style-type: none"> • Hourly fees • 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 <p>(b) <u>Ineligible Billing Arrangements</u>. Funds must not be used for legal advice and representation purchased through retainer fee arrangements or contingency fee arrangements.</p> <p>(c) <u>Eligible Subject Matters</u>. Landlord/tenant matters; child support; guardianship; paternity; emancipation; legal separation; 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; resolution of outstanding criminal warrants.</p> <p>(d) <u>Ineligible Subject Matter</u>. Legal services related to immigration and citizenship matters or related to mortgages.</p>	<p>Costs of legal advice and representation in matters that interfere with the homeless individual's or family's ability to obtain and retain housing.</p> <p>Legal services or activities include receiving and preparing cases for trial, provision of legal advice, representation at hearings, and counseling. Filing fees and other necessary court costs are also eligible. Legal services are subject to the following provisions:</p> <p>(a) <u>Eligible Billing Arrangements</u>. CoC funds may be used for legal advice from and representation by licensed attorneys and by person(s) under the supervision of licensed attorneys.</p> <p>Costs may be based on:</p> <ul style="list-style-type: none"> • Hourly fees • 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 <p>(b) <u>Ineligible Billing Arrangements</u>. Funds must not be used for legal advice and representation purchased through retainer fee arrangements or contingency fee arrangements.</p> <p>(c) <u>Eligible Subject Matters</u>. Landlord tenant disputes; child support; guardianship; paternity; emancipation; legal separation; 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; resolution of outstanding criminal warrants.</p> <p>(d) <u>Ineligible Subject Matter</u>. Legal services related to immigration and citizenship matters or related to mortgages and homeownership.</p>
Moving Costs	Costs such as truck rental or hiring a moving company, including payment of temporary storage fees for up to 3 months	Reasonable one-time moving costs, including truck rental and hiring a moving company
Utility Deposits	Standard utility deposit that the utility company requires of all customers	Payment of utility deposit, which constitutes a one-time fee paid to utility companies

Exhibit 5: Summary of Eligible RRH Supportive Services		
	ESG-RRH 24 CFR part 576.10	CoC-RRH 24 CFR part 578.53
Mediation	Mediation between the program participant and the owner or person(s) with whom the participant is living	Mediation with property owners and landlords on behalf of eligible program participants
Credit Repair	<ul style="list-style-type: none"> • Credit counseling • Accessing a free personal credit report • Resolving personal credit problems • Other services needed to assist with critical skills related to household budgeting and money management 	<ul style="list-style-type: none"> • Credit counseling • Accessing a free personal credit report • Resolving personal credit issues
Additional Supportive Services Eligible under CoC-RRH ONLY		
Child Care The costs of establishing and operating child care and providing child care vouchers for children from families experiencing homelessness		
Education Services The costs of improving knowledge and basic educational skills		
Employment Assistance and Job Training The costs of establishing and operating employment assistance and job training programs		
Food The cost of providing program participants with meals or groceries		
Life Skills Training The costs of teaching critical life management skills that may never have been learned or have been lost during the course of physical or mental illness, domestic violence, substance abuse, and homelessness but that are necessary to function independently in the community		
Mental Health Services The direct outpatient treatment of mental health conditions by licensed professionals		
Outpatient Health Services The direct outpatient treatment of medical conditions by licensed medical professionals		
Outreach Services Activities to engage persons for the purpose of providing immediate support and intervention and for identifying potential program participants		
Substance Abuse Treatment Services The costs of program participant intake and assessment, outpatient treatment, group and individual counseling, and drug testing		
Transportation Costs of program participant's travel on public transportation or in a vehicle provided by the recipient or subrecipient to and from medical care, employment, child care, or other eligible services		