



Emergency Solutions Grants Program – Rapid Re-Housing Match Source Guidelines and Budget Guidance

ESG Program Match Sources

A 100% match is required. The matching requirement may be met by one or both of the following:

1. Cash contributions
2. Non-cash contributions. The value of any real property, equipment, goods, or services contributed to the grantee's ESG project, provided that if the grantee had to pay for them with grant funds, the cost would have been allowable. Non-cash contributions may also include the purchase value of any donated building.

Calculating the amount of non-cash contributions

1. To determine the value of any donated material or building, or of any lease, the grantee must use and document a method reasonably calculated to establish the fair market value.
2. Services provided by individuals must be valued at rates consistent with those ordinarily paid for similar work in the grantee's organization. If the grantee does not have employees performing similar work, the rates must be consistent with those ordinarily paid by other employers for similar work in the same labor market.
3. Some non-cash contributions are real property, equipment, goods, or services that, if the grantee had to pay for them with grant funds, the payments would have been indirect costs. Matching credit for these contributions must be given only if the grantee has established, along with its regular indirect cost rate, a special rate for allocating to individual projects or projects the values of those contributions.

Instructions:

Please complete the Match Worksheet found on the Files tab of the Solicitation. The Total Amount of Match should be equal to or greater than the ESG amount requested. The ESG budget and match should be for a 12-month projection.

DCA will verify these amounts for compliance! Be realistic and be prepared to provide verification if funds are awarded!

Matching funds cannot be duplicated across projects. For example: Funds used for ESG cannot be used to match CoC or S+C



Budget Guidance

These requirements and guidelines for implementation of projects are excerpted from the new ESG regulations at 24 CFR 576. No payments may be made directly to project participants (tenants). Mortgage payments are ineligible. Also note that DCA may limit costs for its grantees, but by Federal rule, ESG funds may be used to pay housing owners (landlords), utility companies, and other third parties for the following costs:

a. Financial Assistance Costs and Admin fees

- 1) **Rental application fees.** ESG funds may pay for the rental housing application fee that is charged by the owner to all applicants.
- 2) **Security deposits.** ESG funds may pay for a security deposit that is equal to no more than 2 months' rent.
- 3) **Last month's rent.** If necessary to obtain housing for a project participant, the last month's rent may be paid from ESG funds to the owner of that housing at the time the owner is paid the security deposit and the first month's rent. This assistance must not exceed one month's rent and must be included in calculating the project participant's total rental assistance, which cannot exceed 24 months during any 3-year period.
- 4) **Utility deposits.** ESG funds may pay for a standard utility deposit required by the utility company for all customers for the utilities listed in paragraph (5) of this section. .
- 5) **Utility payments.** ESG funds may pay for up to 24 months of utility payments per project participant, per service, including up to 6 months of utility payments in arrears, per service. A partial payment of a utility bill counts as one month. This assistance may only be provided if the project participant or a member of the same household has an account in his or her name with a utility company or proof of responsibility to make utility payments. Eligible utility services are gas, electric, water, and sewage. No project participant shall receive more than 24 months of utility assistance within any 3-year period.
- 6) **Moving costs.** ESG funds may pay for moving costs, such as truck rental or hiring a moving company. This assistance may include payment of temporary storage fees for up to 3 months, provided that the fees are accrued after the date the project participant begins receiving assistance under paragraph (b) of this section and before the project participant moves into permanent housing. Payment of temporary storage fees in arrears is not eligible.

b. Services Costs

- 1) Housing search and placement. Services or activities necessary to assist project participants in locating, obtaining, and retaining suitable permanent housing, include the following:
 - (i) Assessment of housing barriers, needs, and preferences;
 - (ii) Development of an action plan for locating housing;
 - (iii) Housing search;
 - (iv) Outreach to and negotiation with (landlords) owners;
 - (v) Assistance with submitting rental applications and understanding leases;



- (vi) Assessment of housing for compliance with Emergency Solutions Grant (ESG) requirements for habitability, lead-based paint, and rent reasonableness;
- (vii) Assistance with obtaining utilities and making moving arrangements; and
- (viii) Tenant counseling.

2) Housing stability case management. ESG funds may be used to pay cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a project participant who resides in permanent housing or to assist a project participant in overcoming immediate barriers to obtaining housing. This assistance cannot exceed 30 days during the period the project participant is seeking permanent housing and cannot exceed 24 months during the period the project participant is living in permanent housing. Component services and activities consist of:

- (A) Using the centralized or coordinated assessment system as required under § 576.400(d), to evaluate individuals and families applying for or receiving Rapid Re-Housing or rapid re-housing assistance;
- (B) Conducting the initial evaluation required under § 576.401(a), including verifying and documenting eligibility, for individuals and families applying for Rapid Re-Housing or rapid rehousing assistance;
- (C) Counseling;
- (D) Developing, securing, and coordinating services and obtaining Federal, State, and local benefits;
- (E) Monitoring and evaluating project participant progress;
- (F) Providing information and referrals to other providers;
- (G) Developing an individualized housing and service plan, including planning a path to permanent housing stability; and
- (H) Conducting re-evaluations required under § 576.401(b).

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

4) 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 project participant from obtaining permanent housing or will likely result in the project participant losing the permanent housing in which the project participant currently resides.

5) Credit repair. ESG funds may pay for credit counseling and other services necessary to assist project 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.

c. Maximum amounts and periods of assistance

The grantee may set a maximum dollar amount that a project participant may receive for each type of financial assistance under paragraph (a) of this section. The grantee may also set a



maximum period for which a project participant may receive any of the types of assistance or services under this section. However, except for housing stability case management, the total period for which any project participant may receive the services under paragraph (b) of this section must not exceed 24 months during any 3-year period. The limits on the assistance under this section apply to the total assistance an individual receives, either as an individual or as part of a family.

d. Use with other subsidies

Financial assistance under paragraph (a) of this section cannot be provided to a project participant who is receiving the same type of assistance through other public sources or to a project participant who has been provided with replacement housing payments under the URA, during the period of time covered by the URA payments.

e. Short and Medium Term Rental Assistance

(a) **General provisions.** Grantees may provide a project participant with up to 24 months of rental assistance during any 3-year period. This assistance may be short-term rental assistance, medium-term rental assistance, payment of rental arrears, or any combination of this assistance.

- (1) Short-term rental assistance is assistance for up to 3 months of rent.
- (2) Medium-term rental assistance is assistance for more than 3 months but not more than 24 months of rent.
- (3) Payment of rental arrears consists of a one-time payment for up to 6 months of rent in arrears, including any late fees on those arrears.
- (4) Rental assistance may be tenant-based or project-based, as set forth in paragraphs (h) and (i) of this section.

(b) **Discretion to set caps and conditions.** Subject to the requirements of this section, the grantee may set a maximum amount or percentage of rental assistance that a project participant may receive, a maximum number of months that a project participant may receive rental assistance, or a maximum number of times that a project participant may receive rental assistance. The grantee may also require project participants to share in the costs of rent.

(c) **Use with other subsidies.** Except for a one-time payment of rental arrears on the tenant's portion of the rental payment, rental assistance cannot be provided to a project participant who is receiving tenant-based rental assistance, or living in a housing unit receiving project-based rental assistance or operating assistance, through other public sources. Rental assistance may not be provided to a project participant who has been provided with replacement housing payments under the URA during the period of time covered by the URA payments

(d) **Rent restrictions.** (1) Rental assistance cannot be provided unless the rent does not exceed the Fair Market Rent established by HUD, as provided under 24 CFR part 888, and complies with HUD's standard of rent reasonableness, as established under 24 CFR 982.507. (2) For purposes of calculating rent under this section, the rent shall equal the sum of the total monthly rent for the unit, any fees required for occupancy under the lease (other than late fees and pet fees) and, if



the tenant pays separately for utilities, the monthly allowance for utilities (excluding telephone) established by the public housing authority for the area in which the housing is located.

(e) **Rental assistance agreement.** The grantee may make rental assistance payments only to an owner with whom the grantee has entered into a rental assistance agreement. The rental assistance agreement must set forth the terms under which rental assistance will be provided, including the requirements that apply under this section. The rental assistance agreement must provide that, during the term of the agreement, the owner must give the grantee a copy of any notice to the project participant to vacate the housing unit, or any complaint used under state or local law to commence an eviction action against the project participant.

(f) **Late payments.** The grantee must make timely payments to each owner in accordance with the rental assistance agreement. The rental assistance agreement must contain the same payment due date, grace period, and late payment penalty requirements as the project participant's lease. The grantee is solely responsible for paying late payment penalties that it incurs with non-ESG funds.

(g) **Lease.** Each project participant receiving rental assistance must have a legally binding, written lease for the rental unit, unless the assistance is solely for rental arrears. The lease must be between the owner and the project participant. Where the assistance is solely for rental arrears, an oral agreement may be accepted in place of a written lease, if the agreement gives the project participant an enforceable leasehold interest under state law and the agreement and rent owed are sufficiently documented by the owner's financial records, rent ledgers, or canceled checks. For project participants living in housing with project-based rental assistance under paragraph (i) of this section, the lease must have an initial term of one year.

(h) **Tenant-based rental assistance.**

1) A project participant who receives tenant-based rental assistance may select a housing unit in which to live and may move to another unit or building and continue to receive rental assistance, as long as the project participant continues to meet the project requirements.

2) The grantee may require that all project participants live within a particular area for the period in which the rental assistance is provided.

3) The rental assistance agreement with the owner must terminate and no further rental assistance payments under that agreement may be made if:

(i) The project participant moves out of the housing unit for which the project participant has a lease;

(ii) The lease terminates and is not renewed; or

(iii) The project participant becomes ineligible to receive ESG rental assistance.



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- (i) ***Project-based rental assistance*** will not be supported.
- (j) ***Changes in household composition***. The limits on the assistance under this section apply to the total assistance an individual receives, either as an individual or as part of a family.