



ELIGIBLE PREVENTION COSTS

A refresher for ESG-CV prevention spending

AGENDA

- Client Eligibility
- Allowable Prevention Costs
- Waivers/Flexibilities
- Prevention Documentation
- Additional HUD Guidance

WHICH HOUSEHOLDS ARE ELIGIBLE?

Two Definitions:

- At-risk of homelessness:
 - Meets a specific condition listed in § 576.2(iii)
- Homeless (parts 2, 3, and 4):
 - 2) Residence will be lost in 14 days
 - Court order or equivalent as evidence (§ 576.500(b)(3))
 - 3) Unaccompanied youth under 25/families with youth
 - 4) Fleeing domestic violence

For both definitions:

- Waiver allowing up to 50% AMI
 - No income requirement
- No other support networks/resources (no duplication of benefits)
- Funds only eligible to help households *regain* stability in current housing or *move* into permanent housing to gain stability (Imminent housing loss)
- Goal: Preserve housing, then use essential services to plan for when funding ends

AT-RISK ELIGIBILITY

- Clients are also eligible when:
 - Clients are doubled up
 - Multiple moves
 - Clients residing in hotel/motel
 - Overcrowded housing
 - Exiting publicly funded institutions
 - Other situations of housing instability as identified in the recipient's Consolidated Plan
 - 21 days written notice that right to occupy is terminated
 - Can currently provide rental arrears/assistance if prevents an eviction that is in court due to cause

[HUD Reference Sheet](#)

ELIGIBLE HOMELESS PREVENTION COSTS

Essential Services

- Case management
- Housing search & placement
- Legal services

New Essential Services

- Now includes all services listed at 24 CFR 576.102(a)(1):
- Health services,
- Job training,
- Childcare,
- Transportation,
- And more

Supplies

- PPE
- Agency-owned furniture to lend clients

Rental Assistance

- Ongoing rent payment
- Rental arrears

Financial Assistance

- Moving costs
- Rental application fees
- Security deposits
- Utility payments, arrears, & deposits
- Last month's rent

§ 576.105 - 576.106

RENTAL ASSISTANCE

- Reminder that the combined limit of arrears and rent payments used to be limited to 24 months (in a three-year period) but is now waived.
- Can pay unlimited months of rental assistance going forward
 - May be capped by Written Standards
 - Spending deadline remains 9/30/2022
- Can pay up to 6 months of rental arrears
 - One-time payment
 - If arrears have been previously paid and client is still evicted (Ex: lease violations, etc.), ongoing rent payments can be provided to a new landlord.
- Note that another eligible cost is credit repair counseling to teach household budgeting, managing money, accessing a free personal credit report, and resolving personal credit problems.

UTILITIES

- ESG/ESG-CV funds can be used to pay utilities/ utility arrears (§ 576.105(a)(5))
 - Gas, electric, water, & sewage
 - The moratorium on utility service shutoffs ended [12/21/2021](#)
 - Can use essential services to help households:
 - Negotiate utility assistance with service providers
 - Arrange deferred payment agreements
 - Refer to other assistance programs (Ex: Telephone)

ADDITIONAL ELIGIBLE HP COSTS

- Hazard Pay
- Training on infectious disease
- Landlord incentives (no more than three times the rent, only to obtain housing before signing lease)
- Volunteer incentives for housing relocation & essential services
- Hotel/motel as alternative shelter
- [Vaccine Ambassadors](#)
- Cell phones for staff or clients
- Wireless plan for clients
- Furniture and household furnishings
- Renters insurance for clients
- Vaccine incentives
- PPE

WAIVERS

- Unit Waivers:
 - [FMR](#) waived; can meet [rent reasonableness](#) instead
 - Unit can meet [minimum habitability standards](#) (§ 576.403(c)) or Housing Quality Standards ([§ 982.401](#))
 - Virtual inspections allowed. Inspections waived for services only.
- Case Management Waivers:
 - Monthly case management requirement waived
 - Housing stability case management limit (while household seeks housing) is extended from 30 days to 60 days.
 - Reevaluation of each participant's eligibility and need for assistance every 3 months is waived – replaced with every 6 months.

REQUIRED DOCUMENTATION

- Must have a [landlord agreement](#) signed
 - Lease or equivalent for rental payments (legally binding between owner & client)
 - Rental Assistance Agreement for rental payments AND arrears (owner & agency)
- Client income below 50% AMI
 - *can be \$0, recertification of income at 6 months
- Homeless/at-risk status
 - Eviction notice or right to occupy ends, if applicable
 - Where household was living
- Habitability/HQS inspection, in person or virtually
 - waived if only services provided and no rent provided
- Rent reasonableness or FMR

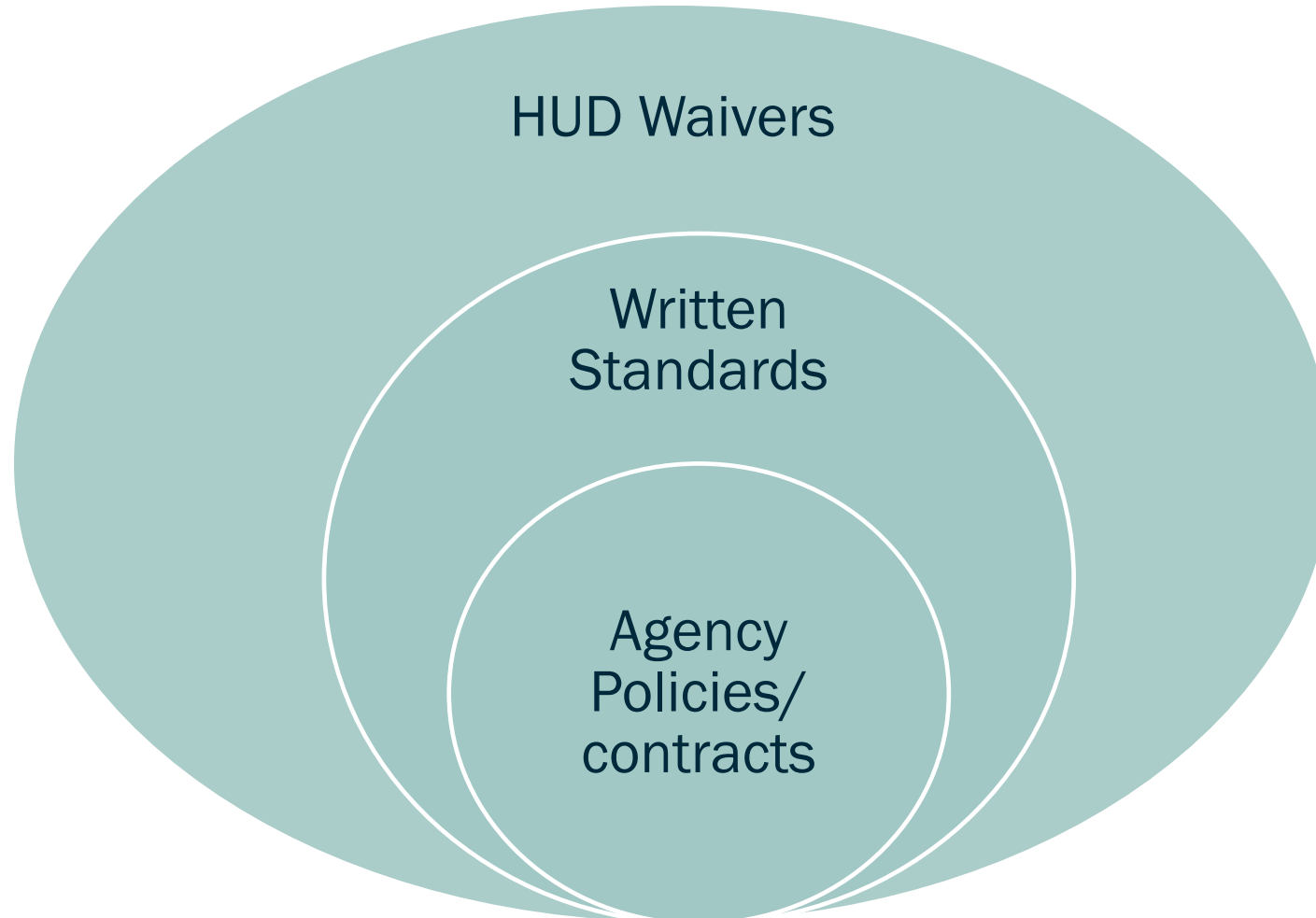
PREVENTION DOCUMENTATION

- Must participate in Coordinated Entry
- Enter into HMIS
- Clear distinction between different sources of assistance
 - Months covered by ERAP vs months paid for with ESG-CV
- Record all services and assistance utilized per client

DOCUMENTATION STEPS

- Full steps listed in § 576.500
- Order of priority:
 1. Third-party documentation
 2. Intake worker observations
 3. Certification from the person seeking assistance
- At-risk definition paragraph (1):
 - Determine annual income: Income evaluation form, source documents
 - Certify insufficient financial resources and support networks
- Best practice is to store records for 7 years

FLEXIBILITIES MAY VARY



“COVID IMPACT”

Prevent:

- An activity to prevent spread of the virus
- PPE, non-congregate shelter options (hotels/motels), homelessness prevention assistance

Prepare for:

- An activity to keep people healthy and reduce the risk of exposure to coronavirus
- Prioritize people at severe risk of contracting coronavirus, strategies to recruit landlords, etc.

Respond to Coronavirus:

- An activity carried out once coronavirus has spread, or once households are at risk of losing housing as a result of the economic downturn caused by coronavirus
- Transportation, isolation options for Covid-positive clients, rental assistance, hazard pay

*Your administrator may have additional requirements based on the plan they submitted to HUD.

GUIDANCE FROM AAQ

- Agencies can pay arrears if the balance is blocking clients from future housing:
 - Agencies can only make a one-time payment for up to 6 months of rent in arrears in total during any 3-year period (plus any court costs or late fees on those arrears) to an owner
 - Client does not still have to reside in unit for which rental arrears are owed
 - Check that the arrearage owed to the owner has not been turned over to a collection agency
 - “Once a household receives a one-time payment of rent in arrears, ESG/ESG-CV funds cannot be used to pay for any additional rental arrears, including those arrears that would be part of a payment plan with their landlord.”

GUIDANCE FROM AAQ

- **Housing stability AAQ Response:**
 - “The goal of providing ESG assistance is to allow the program participant to remain stably housed during and after receipt of the ESG assistance. HUD has not defined the term ‘stably housed.’”
- **Duplication of benefits AAQ Response:**
 - “ESG funds may NOT be used to pay for 3 months of arrears payments if another source pays for same 3 months of arrears. However, it would not be a duplication of benefits if ESG funds were used to pay for 3 months of arrears payments if another source pays for a different 3 months of arrears.”
- Please note that an arrears payment is only an eligible cost if a tenant would actually be evicted for non-payment of their portion of the rent.
- ESG funds should never be used when the subsidy program or landlord is willing and able to work out payment plans to help the tenant pay the amount owed. “Particularly for HUD-funded housing, HUD expects case managers to work out a payment plan with the landlord.”

HUD RESOURCES FOR MORE INFORMATION

- [Notice: CPD-21-08](#)
 - [Summary of ESG Waivers](#)
 - [Summary of ESG-CV Notice](#)
- [ESG Regulations](#)
 - [ESG Program Components Quick Reference](#)
- [HUD Ask A Question](#)



QUESTIONS?