

## Eligible Uses of ESG-CV Funds

- **Homelessness Prevention Assistance**

Activities designed to prevent the initial or further spread of the virus to people experiencing or at risk of homelessness, staff, or other residents. This includes providing Personal Protective Equipment (PPE) to staff and participants, paying for non-congregate shelter, handwashing stations and portable toilets for use by people who are unsheltered; and providing rapid rehousing or homelessness prevention assistance to individuals and families who are homeless or at risk of homelessness.

- **Prepare for Coronavirus**

Activities carried out prior to or during a COVID outbreak in their jurisdiction to plan to reduce risk of exposure and to avoid or slow the spread. This could include updating written standards to prioritize those at severe risk for shelter and housing; adapting coordinated entry policies and procedures to account for social distancing or increased demand; developing a strategy and recruiting landlords; training homeless providers on disease prevention and mitigation; and implementing a non-congregate shelter to reduce spread.

- **Respond to Coronavirus**

Activities carried out once COVID has spread to people experiencing homelessness or providers or once people have lost or at risk of losing housing due to COVID. This includes transporting people experiencing homelessness to medical appointments; paying for shelter to isolate people with the virus from other program participants; rental assistance for those at risk of losing housing or are already homeless; hazard pay to staff whose health is put at risk by providing necessary services to homeless or at-risk individuals and families.

- **Emergency shelter and street outreach**

The cap established for street outreach and emergency shelter does not apply. Recipients may use as much of their funding on street outreach and emergency shelter activities as needed. HUD strongly encourages recipients to coordinate housing and services with the local Continuum of Care.

The requirements at [24 CFR 576.102](#) apply, but funds may **only** be used for the costs of providing emergency shelter during the period beginning on the date the recipient or subrecipient began preventing, preparing for, and responding to coronavirus and ending on January 31, 2022. Appropriate costs must be necessary to prevent, prepare for, and respond to coronavirus.

ESG-CV funds may be used for emergency shelter and street outreach activities without regard to the spending cap established by [section 415\(b\) of the McKinney-Vento Act](#) and [24 CFR Part 576.100\(b\)](#). **Note:** *this flexibility applies to using ESG-CV funds to establish and operate temporary emergency shelters.*

- **Pre-award Costs**

Recipients may use ESG-CV funds to cover/reimburse costs incurred before the period of performance IF the costs would be otherwise allowable and the cost was incurred on or after January 21, 2020. Activities are included in the substantial amendment or action plan for ESG-CV funds.

An environmental review must be completed and a Request for Release of Funds must be approved in accordance with [24 CFR Part 58](#) and Section III.E.6 of the Notice, prior to a commitment to cover or reimburse with ESG funds.

- **Temporary emergency shelter**

For these purposes, *temporary emergency shelter* means a structure or portion thereof used for a limited time due to crisis, including an overnight, daytime or 24-hour shelter providing only a safe place to sleep, rest, bathe and eat; a shelter where one or more services are available onsite; or a shelter designed to facilitate movement into permanent housing within a fixed period of time.

- Eligible costs include leasing property for temporary emergency shelter; acquiring real property (not to exceed \$2.5 million); renovation costs; shelter operations costs; services (e.g., housing search, placement, counseling); other shelter costs preapproved by HUD in writing.
- Funds for temporary shelters are not subject to habitability standards under section 417(c) of the McKinney-Vento Act, shelter standards at 24 CFR 576.403(b), or environmental review requirements **IF** state or local health officials deem it necessary to prevent, prepare for, and respond to COVID.
- Recipients and subrecipients must still comply with nondiscrimination and applicable accessibility requirements.
- Temporary emergency shelters are not subject to the minimum periods of use.
- If funds are used for acquisition or renovation, the property's use and disposition are subject to the real property requirements in [2 CFR 200.311](#).
- Funds may be used to support temporary emergency shelters until January 31, 2022, though HUD may grant an exception to the limit if the recipient demonstrates why it is necessary and provides additional documentation detailed in the guidance (Page 12).

- **Training**

ESG-CV funds may be used for training on infectious disease prevention and mitigation for direct staff. Funding used for this activity will not be considered administrative for purposes of the 10 percent cap. Limitations on eligible activities found in section [415\(a\) of the McKinney-Vento Homeless Assistance Act](#) and [24 CFR part 576, subpart B](#) are waived and alternative requirements are established to authorize ESG-CV funds to be used for this purpose, including for those who do not receive funding through the CARES Act. **Training costs are eligible as a standalone activity and are not to be charged to an activity under [24 CFR 576.101](#) to [24 CFR 576.109](#).**

- **Hazard Pay**

ESG-CV funds may be used for hazard pay for recipient or subrecipient staff working **directly** to prevent, prepare for and respond to COVID among people or are homeless or at risk of homelessness.

- **Handwashing Stations or Portable Bathrooms**

Limitations on eligible activities found in 415(a) of the McKinney-Vento Homeless Assistance Act and 24 CFR part 576, subpart B are waived and alternative requirements established to allow ESG-CV funds to be used under [24 CFR 576.101\(a\)](#)

for installing and maintaining handwashing stations and bathrooms (e.g., porta potties) in outdoor locations for people experiencing unsheltered homelessness.

- **Landlord Incentives**

The limitations on eligible activities under section [415\(a\) of the McKinney-Vento Act](#) and [24 CFR 576.105](#) are waived and alternative requirements established to authorize ESG-CV funds to be used under 24 CFR 576.105 to add the eligible cost of paying for landlord incentives as reasonable and necessary to obtain housing for individuals and families experiencing homelessness and at risk of homelessness.

- Recipients may not use ESG-CV funds to pay the landlord incentives set forth below in an amount that exceeds three times the rent charged for the unit.
- Waiving the limitation on eligible costs under housing relocation and stabilization services to pay for the costs of landlord incentives will increase the number of housing units available to people experiencing homelessness or at risk of homelessness, especially in tight rental markets.
- The limitation to three times the rent charged for each unit ensures enough ESG-CV funds remain available to provide other eligible activities necessary to prevent the spread of coronavirus. Eligible landlord incentive costs include:
  - Signing bonuses equal to up to 2 months of rent.
  - Security deposits equal to up to 3 months of rent.
  - Paying the cost to repair damages incurred by the program participant not covered by the security deposit or that are incurred while the program participant is still residing in the unit; and,
  - Paying the costs of extra cleaning or maintenance of a program participant's unit or appliances.

- **Volunteer Incentives**

Limitations on eligible activities provided in section [415\(a\) of the McKinney-Vento Act](#) and [24 CFR part 576, subpart B](#) are waived and alternative requirements established to authorize ESG-CV funds to be used under [24 CFR 576.101\(a\)](#), [24 CFR 576.102\(a\)\(1\)](#), and [24 CFR 576.105\(b\)](#) for providing incentives to volunteers (e.g., cash or gift cards) who have been and are currently helping to provide necessary street outreach, emergency shelter, essential services, and housing relocation and stabilization services.

- **Rapid rehousing**
- **Other crisis response activities**