

HEARTH ACT: EMERGENCY SOLUTIONS GRANTS



North Carolina Coalition to End Homelessness

securing resources • encouraging public dialogue • advocating for public policy change

919.755.4393 • www.ncceh.org

HEARTH Legislation Enacted



President Obama signed the HEARTH Act on May 20, 2009.

It was the first significant reauthorization of HUD's McKinney-Vento Homeless Assistance Programs in nearly 20 years.

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Opening Doors: Federal Strategic Plan to End Homelessness

- Finish the job of ending chronic homelessness in 5 years
- Prevent and end homelessness among Veterans in 5 years
- Prevent and end homelessness for families, youth and children in 10 years
- Set a path to ending all types of homelessness

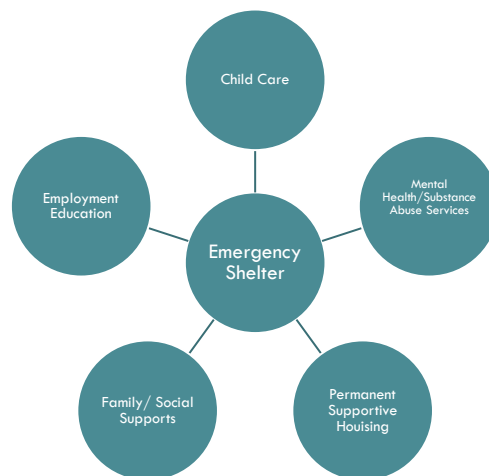
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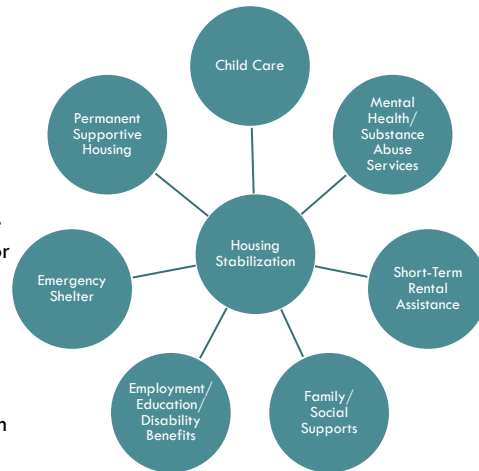
Our Current System

1. Experience housing crisis
2. Move from system to system seeking support
3. Lose Housing
4. Enter Emergency Shelter
5. Address barriers to housing while in the shelter or transitional housing



A New Approach

1. Experience housing crisis
2. Reach out for support
3. Providers assess for housing risk and make referral to housing stabilization services
4. Based on client need, appropriate services are provided (e.g. short or long term rental assistance, wrap-around services, landlord mediation and housing search)
5. Client may need to stay at a shelter while receiving stabilization services



Regulations and Funding from HUD



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HEARTH Legislation

- Reauthorizes HUD's McKinney-Vento Homeless Assistance Programs:
 - ▣ Continuum of Care Program
 - ▣ ESG Program
 - Emergency Shelter Grants → Emergency Solutions Grants
 - Adds new eligible activities
 - Gets a bigger piece of the \$ pie (was 10%, now 20%)

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HEARTH Funding Requirements

1. 20% to ESG;
2. CoC Renewals;
3. If CoC Renewals cannot be covered with remaining funds, ESG is reduced;
4. If ESG is funded at 20% and there is funding left; then
5. Remaining funds are for new competitive projects under CoC and Rural.

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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
- Number of ESG recipients will not significantly change

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ESG Programs in North Carolina

- North Carolina's State Program
- Charlotte
- Durham
- Greensboro
- Raleigh
- Winston-Salem

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Emergency *Solutions* Grants

New Emergency Solutions Grants Eligible Activities

Old Emergency Shelter Grants Activities

+

HPRP Activities

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Eliminates Caps on Eligible Activities Under Old ESG

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

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Changes in Eligible Activities 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%
 - ▣ Sharing of administrative funds by States remains

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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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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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RRH and HP 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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RRH and HP Eligible Activities

- Short- and medium-term rental assistance
 - ▣ Tenant-based
 - ▣ Project-based

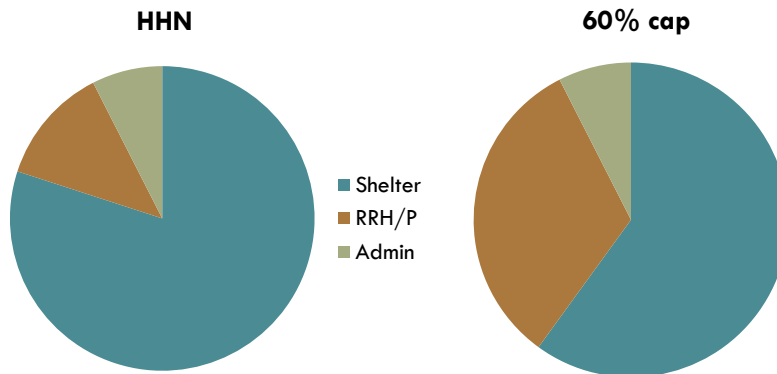
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HHN Base Year

- 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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Ratio of Type of Funding



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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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ESG Coordination Requirements with CoCs

- ESG grantees must consult with applicable CoCs on allocation of funds to carry out ESG eligible activities
- 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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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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Themes Being Considered in New ESG Regulation Development

- Streamline program administration
- Reorganize requirements to make regulation more intuitive and user-friendly
- Remove cross-references to McKinney-Vento; state requirements clearly
- Clarify areas of ambiguity in old ESG requirements

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Themes Being Considered (More)

- Resolve problems with old ESG regulations and build upon the lessons learned in administering old ESG
- Build from HUD's experience in developing and administering HPRP (where authorizing language of the two programs is either similar or does not conflict)
- Closely align the new ESG with the new CoC program, to the extent feasible, to foster better understanding of the two programs' requirements and facilitate better coordination and efficient use of resources

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Themes Being Considered (More)

- Closely align the requirements of ESG with other formula programs or rental assistance programs at HUD, to the extent feasible and beneficial, in order to:
 - ▣ Build from HUD's experience in developing and administering those programs
 - ▣ Facilitate understanding of ESG requirements
 - ▣ Increase efficiency and coordination among the different programs

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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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Where to find these resources

www.ncceh.org/esgadvisorycommittee
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