



Homelessness Prevention and Rapid Re-Housing Assistance A Comparison of HPRP and ESG Requirements

This table compares selected program requirements under the Rapid Re-Housing and Homelessness Prevention components of the Emergency Solutions Grant Program (ESG) and the Homelessness Prevention and Rapid Re-Housing Program (HPRP).

Topic Area	ESG	HPRP
Key Program Regulations	24 CFR Parts 84, 85, 91¹, & 576	HPRP Notice & 24 CFR Parts 84, 85, & 91
Grant Allocation to Recipients		
Eligible recipients	360 Total Recipients : States, metropolitan cities, urban counties and Territories.	535 Total Grantees : States, metropolitan cities, urban counties, and Territories.
Allocation to recipients	A formula grant program, appropriated annually.	A one-time Recovery Act appropriation of \$1.5 billion, based on ESG formula.
Application requirements (Consolidated Planning)	Recipients must submit a Consolidated Plan and Annual Action Plans. To receive the 2 nd allocation of FY 2011 funds, ESG recipients were required to submit a substantial amendment to the 2011 Action Plan.	In order to receive HPRP funds, grantees were required to submit a substantial amendment to the Consolidated Plan 2008 Action Plan.
Grant Use and Distribution		
Eligible Components	<ol style="list-style-type: none"> 1. Street Outreach 2. Emergency Shelter 3. Homelessness Prevention (HP) 4. Rapid Re-Housing (RRH) 5. Homeless Management Information System (HMIS) 6. Administrative Costs, capped at 7.5% 	<ol style="list-style-type: none"> 1. Homelessness Prevention (HP) 2. Rapid Re-Housing (RRH) 3. Data Collection (HMIS) 4. Administrative Costs, capped at 5%
Entities to carry out eligible activities		
<i>Metropolitan Cities, Urban Counties, and Territories</i>	<p>May carry out eligible activities through employees, procurement contracts, or subgrants to private nonprofit organizations. In addition, urban counties may carry out activities through any of their member governments.</p> <p>Public housing agencies are <u>not</u> eligible subrecipients, with no waivers.</p>	<p>May carry out eligible activities through employees, procurement contracts, or subgrants to private nonprofit organizations. In addition, local government grantees may enter into a subgrant with another local government to carry out the program.</p> <p>Public housing agencies are eligible subgrantees, only with a HUD waiver.</p>

¹ The ESG Interim Rule revised sections of the Consolidated Planning regulations at 24 CFR part 91.

Topic Area	ESG	HPRP
<i>States</i>	<p>States may carry out administrative activities through employees, procurement contracts, or instrumentalities designated by the governor to act on behalf of the state.</p> <p>If a State is HMIS lead, that State may use funds to carry out HMIS activities.</p> <p>For all other components/activities, States must subgrant funds to:</p> <ul style="list-style-type: none"> - Units of general purpose local government or - Private nonprofit organizations (for emergency shelter activities, the relevant unit of general purpose local government must certify approval of the program). 	<p>Same as ESG.</p> <p>If a State is HMIS lead, that State may use funds to carry out HMIS activities, only with waiver from HUD.</p> <p>For all other components/activities, States must subgrant funds to:</p> <ul style="list-style-type: none"> - Units of general purpose local government or - Private nonprofit organizations, if the government for the locality in which the program is located certifies that it approves of the program.
Joint administration of funds	<p>On July 6, 2012, the McKinney-Vento Homeless Assistance Act was amended to allow joint administration of ESG program funds by a metropolitan city and urban county that are located within the same Continuum of Care geography. They may receive and administer their combined allocations under a single grant.</p>	<p>Joint administration of funds is not allowed, by statute.</p>
Obligation deadlines	<p>From the date HUD signs the grant agreement, recipients must obligate grant amount (except for administrative costs) within the following deadlines:</p> <ul style="list-style-type: none"> - Recipients other than States: 180 days. - State Recipients: 60 days. If State ESG funds are obligated to a unit of general purpose local government, that subrecipient must, in turn, obligate those funds within 120 days after the State obligated the funds, or designate a department within the subrecipient government to carry out activities. 	<p>Grantees must award funds to subgrantees by September 30, 2009.</p>
Expenditure deadlines	<p>After the date on which HUD signs grant agreement, 100% of annual award must be expended within 24 months.</p>	<p>After the date on which HUD signs grant agreement, 60% must be expended within 2 years and 100% within 3 years.</p>

Topic Area	ESG	HPRP
Determining & Documenting Participant Eligibility		
General Requirements Applicable to Both Rapid Re-Housing & Homelessness Prevention		
Written Standards	The recipient must develop written standards for administering rapid re-housing and homelessness prevention assistance and include these in the Consolidated Plan/Action Plan. See 24 CFR part 576.400(e) for more detail.	No comparable requirements. Grantees may define eligibility more narrowly. Grantees should ensure that there is a clear process in place for determining the type, level, and duration of assistance for each participant, including assessing the need of each household.
Centralized or Coordinated Assessment	Once the CoC has developed a centralized or coordinated assessment system, ESG-funded projects must use it.	No comparable requirement.
Documenting eligibility determinations	<p>Recipients must establish written policies & procedures specific to recordkeeping (documenting eligibility assessments at intake and re-evaluation).</p> <p>Program must maintain documentation on all households seeking assistance. If determined ineligible, documentation must reflect reasons.</p>	<p>Grantees are responsible for verifying and documenting the individuals' risk of homelessness that qualifies them for receiving rental assistance.</p> <p>Grantees are also responsible for ensuring that all program participants are eligible for HPRP assistance; this includes producing documentation to verify eligibility of all program participants if monitored or audited.</p>
Terminating Assistance	<p>Recipient or subrecipient must establish formal process, consisting of :</p> <ol style="list-style-type: none"> 1. Written notice to program participant 2. Review of decision, including opportunity to present objection 3. Prompt written notice of final decision. <p>Must exercise judgment and examine all extenuating circumstances in determining when violations warrant termination, so that a program participant's assistance is terminated only in the most severe cases.</p>	Same as ESG, except without "most severe cases" clause.

Topic Area	ESG	HPRP
Rapid Re-Housing (RRH) Eligibility Criteria		
Determining Eligibility	<p>Initial evaluations required for <u>all</u> households seeking RRH assistance.</p> <p>Re-evaluation of eligibility required at least <u>annually</u>. Additionally, a recipient can choose to require re-evaluation each time a participant experiences a change in income, household composition, or need for assistance.</p>	<p>Initial assessment required for <u>all</u> households seeking assistance.</p> <p>Re-evaluation of eligibility required at least once every 3 months.</p>
<i>Eligibility for Rapid Re-housing Assistance</i>	RRH assistance is only available to individuals and families who meet the definition for literally homeless (Category 1 under the Homeless Definition Final Rule).	RRH is only available to individuals and families who meet the homeless definition <u>prior to the HEARTH Act amendment</u> .
<i>Initial Assessment and Re-Evaluation</i>	<p>No income threshold at initial evaluation.</p> <p>Income must be at or below 30% of AMI at annual re-evaluation, and:</p> <ul style="list-style-type: none"> - must have no appropriate subsequent housing options. - must lack sufficient resources and support networks to retain housing. <p>Recipient or subrecipient must assess household need at initial assessment to establish the amount and types of assistance needed to obtain housing, and at re-evaluation to establish the amount and types of assistance needed for retaining housing.</p>	<p>All assisted households must have incomes at or below 50% AMI at both initial and subsequent re-evaluations, and:</p> <ul style="list-style-type: none"> - must have no appropriate subsequent housing options. - must lack the financial resources and support networks needed to obtain immediate housing or remain in existing housing. <p>Grantee or subgrantee should assess household need at initial and re-evaluation of eligibility to determine the amount of assistance based on the minimum amount needed to prevent the program participant from becoming homeless or returning to homelessness in the near term.</p>

Topic Area	ESG	HPRP
Homelessness Prevention (HP) Eligibility Criteria		
Determining Eligibility	<p>Initial evaluations required for <u>all</u> households HP assistance.</p> <p>Re-evaluations required at least every 3 months for HP participants. Additionally, a recipient can choose to require re-evaluation each time a participant experiences a change in income, household composition, or need for assistance.</p>	<p>Initial evaluations required for all households seeking assistance.</p> <p>Required at least once every 3 months for both RRH and HP.</p>
<i>Eligibility for Homelessness Prevention</i>	<p><i>Note that assessment criteria are not identical between evaluations (initial vs. re-evaluation).</i></p> <p>HP assistance can be available to individuals and families that are in homeless Categories 2, 3, and 4, but not literally homeless.</p> <p>HP assistance can also be available to individuals and families in at-risk of homelessness Categories 1, 2, and 3.</p>	<p>Not the same as ESG. See below. <i>Initial and re-evaluation assessment criteria are the same.</i></p> <p>Available to individuals who are currently housed but are at-risk of becoming homeless. No formal definition of at-risk of homeless; intake staff must determine and document whether individuals or families would be homeless <i>but for</i> HPRP assistance.</p>
<i>Initial Assessment and Re-Evaluation</i>	<p>At initial assessment, household must have income <u>below 30% AMI</u>, and:</p> <ul style="list-style-type: none"> - must lack resources and support networks that would prevent them from moving into an emergency shelter or other place described in Category 1 of the homeless definition. <p>At re-evaluation, household must have income that is <u>at or below 30% of AMI</u>, and :</p> <ul style="list-style-type: none"> - must lack sufficient resources and support networks to retain housing without ESG assistance. <p>Recipient or subrecipient must assess household need at initial and re-evaluation of eligibility to establish the amount and types of assistance needed for housing stability or to remain in permanent housing.</p>	<p>At initial assessment and re-evaluation, household must have income <u>at or below 50% AMI</u>, and:</p> <ul style="list-style-type: none"> - must lack financial resources and support networks needed to obtain immediate housing or remain in existing housing. - must have no appropriate subsequent housing options. <p>Grantee or subgrantee should assess household need at initial and re-evaluation of eligibility to determine the amount of assistance based on the minimum amount needed to prevent the program participant from becoming homeless or returning to homelessness in the near term.</p>

Topic Area	ESG	HPRP
Unit Requirements		
Habitability Standards	Habitability assessment is required any time ESG funds are used to help a participant remain in or move into housing.	Habitability assessment is required any time a participant is receiving financial assistance to move into housing.
Lead-Based Paint Requirements	<p>A lead-based paint visual assessment is required any time a child under the age of 6 will be living in the unit and it was constructed before 1978.</p> <p>Applicable statute and regulations: Must comply with LBP Poisoning Prevention Act of 1973 and applicable regulations found at 24 CFR 35, Parts A, B, H, J, K, M and R.</p>	<p>A lead-based paint visual assessment is required any time a child under the age of 6 will be living in the unit and it was constructed before 1978 (same as ESG).</p> <p>Applicable statute and regulations: Must comply with LBP Poisoning Prevention Act of 1973 and applicable regulations found at 24 CFR 35, Parts A, B, M and R.</p>
Rent Reasonableness	Rental assistance cannot be provided unless the unit's rent is reasonable in relation to the rents being charged for comparable units in the private (unassisted) market.	Same as ESG.
Fair Market Rents	Rental assistance cannot be provided unless rent complies with FMR, which is set by HUD annually.	Not applicable.
Lease and Assistance Agreement Requirements		
Rental Assistance Agreement	Rental assistance cannot be provided without an agreement between the recipient or subrecipient and owner/property manager.	No comparable requirement.
Lease Requirements	<p>Lease between program participant and owner/property manager required.</p> <p><u>Written leases</u> must be legally binding. Required unless financial assistance is limited solely to payment of rental arrears.</p> <p><u>Oral leases</u>, if enforceable by State law, are acceptable when assistance is solely for rental arrears.</p>	<p>Same as ESG.</p> <p>Same as ESG.</p> <p>Same as ESG.</p>

Topic Area	ESG	HPRP
Rental Assistance		
<p>Type</p> <p><i>Tenant- vs. Project-Based</i></p> <p><i>Short-term</i></p> <p><i>Medium-term</i></p>	<p>Rental assistance can be tenant-based or project-based.</p> <p>Up to 3 months of rent.</p> <p>For more than 3 months, up to 24 months in any 3 year period.</p>	<p>Limited to tenant-based rental assistance.</p> <p>Same as ESG.</p> <p>For more than 3 months, up to 18 months total.</p>
Arrears	One-time payment for up to 6 months of rent in arrears, including late fees on arrears.	Same as ESG, except assistance is not limited to a one-time payment.
Late Payment Fees	Only allowed with one-time arrears assistance. <i>Note:</i> ESG specifically prohibits late payment fees incurred by recipient/subrecipient under Rental Assistance Agreement with owners.	No comparable requirement.
Use with other subsidies	<p>Except for one-time payment of arrears on tenant's portion of rent payment, rental assistance cannot be provided to participant who is receiving tenant- or project-based rental assistance through other public sources during same time period, including units receiving operating subsidies.</p> <p>Also, rental assistance cannot be provided for the same time period covered by URA replacement housing payments.</p>	Similarly, rental assistance cannot be provided for the period of time and the same cost type being provided through another Federal, State, or local housing subsidy program.
Maximum Amounts & Period of Assistance	<p>Limits apply to total assistance an individual receives, either as an individual or as part of a family.</p> <p>Must not exceed 24 months in any 3-yr period.</p> <p>Within the HUD limits, recipient has discretion to set limitations such as:</p> <ul style="list-style-type: none"> - Maximum amount or % of rental assistance; - Maximum number of times served with rental assistance; and - Share of rent costs covered by participants. 	<p>Same as ESG.</p> <p>18 months total.</p> <p>Same as ESG.</p>

Topic Area	ESG	HPRP
Housing Relocation & Stabilization Services (HRSS)		
Financial Assistance	Eligible financial assistance costs covered under Housing Relocation & Stabilization Services (HRSS) listed below.	Similar costs allowed, but not as HRSS. Financial Assistance includes the costs listed below, as well as Rental Assistance.
<i>Rental Application Fee</i>	Only fees charged by owner to all applicants.	Same as ESG.
<i>Security deposits</i>	Must not exceed two months' rent.	Eligible expense; should not exceed two months' rent.
<i>Last month's rent</i>	If necessary, may be paid at the time owner is paid the security deposit and first month's rent. Must not exceed one month's rent.	Eligible expense.
<i>Utility deposit</i>	Standard deposit required by utility companies for gas, electric, water and sewage.	Same as ESG.
<i>Utility payments</i>	Up to 24 months per participant, per service, including up to 6 months of payments in arrears, per service.	Up to 18 months per participant, including up to 6 months of arrears.
<i>Moving costs</i>	Truck rental, hiring a moving company, temporary storage for up to 3 months, provided that fees are accrued after participant is determined eligible and before the participant moves into permanent housing. Storage fee arrears are not eligible.	Same as ESG.
Services	Service costs covered under Housing Relocation & Stabilization Services below.	Similar costs to ESG.
<i>Outreach & engagement</i>	Eligible under the Street Outreach component only, not under the HP or RRH components.	Funds may be used to publicize the availability of programs to persons who are homeless or at risk of homelessness aware of these and other available services and programs.
<i>Housing search and placement</i>	Services or activities necessary to assist program participants in locating, obtaining, and retaining suitable permanent housing.	Same as ESG.

Topic Area	ESG	HPRP
<i>Case management</i>	<p><u>Costs under Housing stability case management include:</u> assessing (initial and periodic re-evaluations), arranging, coordinating, and monitoring the delivery of services to facilitate housing stability for participants.</p> <p><u>Mandatory services:</u></p> <ol style="list-style-type: none"> 1. Monthly meetings, unless prohibited by Violence Against Women Act (VAWA) or Family Violence and Prevention Services Act (FVPSA), and 2. Housing stability planning to assist participant retain permanent housing post-ESG assistance. <p><u>Limits:</u> Cannot exceed 30 days during the period participant is seeking permanent housing and 24 months during the period participant is living in permanent housing.</p>	<p>HPRP case management funds may be used for activities for the arrangement, coordination, monitoring, and delivery of services related to meeting the housing needs of program participants and helping them obtain housing stability (Similar to ESG).</p> <p>No comparable requirement.</p> <p>No comparable requirement.</p>
<i>Mediation</i>	Between participant and owner, only eligible if necessary to prevent loss of permanent housing.	Mediation and outreach to property owners related to locating or retaining housing is included as an eligible item under housing search and placement.
<i>Legal services</i>	Must be necessary to resolve a legal problem that prohibits the participant from obtaining permanent housing or will likely result in the loss of permanent housing. May include landlord/tenant matters; child support; guardianship, paternity, emancipation, and legal separation; orders of protection and other civil remedies for victims of DV; appeal of veterans and public benefit claim denials; and the resolution of outstanding criminal warrants.	Limited to helping people <u>stay</u> in their homes, including legal advice and representation in administrative or court proceedings related to tenant/landlord matters or housing issues.
<i>Ineligible legal services</i>	Related to immigration and citizenship, or related to mortgages.	Related to mortgages.
<i>Credit repair</i>	Credit counseling and other services necessary to assist with critical skills related to household budgeting, managing money, accessing a free personal credit report, and resolving personal credit problems.	Same as ESG.
<i>Ineligible credit repair</i>	The payment or modification of a debt.	Same as ESG.

Topic Area	ESG	HPRP
Data Collection & Evaluation		
HMIS	<p>Recipients and subrecipients must enter data on all persons served and all activities assisted under ESG into the applicable community-wide Continuum of Care HMIS or comparable database (see below).</p> <p>Activities funded by ESG must comply with HUD’s standards on participation, data collection and reporting under a local HMIS. See 576.107 for eligible activities.</p> <p>Victim service providers must not enter data into an HMIS but must use a comparable database. Legal services providers may use a comparable database. Information in comparable data must not be entered directly into or provided to an HMIS.</p>	<p>Same as ESG.</p> <p>Same as ESG, some eligible activities differ.</p> <p>Same as ESG.</p>
Recordkeeping & Reporting		
Recordkeeping Requirement	<p>Sufficient records must be established and maintained to demonstrate that ESG requirements are being met.</p> <p>Additional requirement to develop and implement written policies and procedures for recordkeeping that comply with the provisions established under CFR 24 Part 576.500 Recordkeeping and Reporting Requirements.</p>	<p>Sufficient records must be established and maintained to demonstrate that HPRP requirements are being met.</p>
Record retention period	<p>Documentation of participant eligibility and assistance provided must be retained for 5 years after the expenditure of all funds from the grant under which the program participant was served.</p>	<p>Documentation of participant eligibility and assistance provided must be retained for 3 years from the date of the last draw in IDIS.</p>
Reporting Requirements	<p>Recipients must submit annual performance reports to HUD via Consolidated Annual Performance and Evaluation Reporting (CAPER).</p> <p>No quarterly reporting requirement.</p>	<p>Grantees must submit annual performance reports HUD via <i>e-snaps</i>.</p> <p>Grantees must submit quarterly performance reports via Federalreporting.gov and via <i>e-snaps</i>.</p>

Topic Area	ESG	HPRP
Financial Management		
Administration Cap	<p>Set at 7.5% for payment of admin costs related to planning and execution, including:</p> <ul style="list-style-type: none"> - General management, oversight and coordination - Training on ESG requirements - Consolidated Plan - Environmental Review. <p>Note that admin costs do NOT include staff and overhead costs directly related to carrying out program components.</p>	<p>Set at 5%, admin costs are same as those allowed for ESG.</p> <p>Similarly, admin costs do NOT include staff and overhead costs directly related to carrying out program components.</p>
Admin Sharing Requirement	<p>States must share administrative funds with subrecipients that are units of general purpose local government. Amount shared must be reasonable under the circumstances.</p> <p>Cities/Counties/Territories may share administrative funds with subrecipients.</p>	<p>Grantees shall share a reasonable and appropriate amount of their administrative funds with subgrantees.</p>
Advance payments	<p>HUD allows for the two types of advances below, as specified in 24 CFR Parts 84 and 85.</p>	<p>Same as ESG.</p>
<i>Cash advances</i>	<p>Grantees and subgrantees may be paid in advance, provided that they minimize the time between the transfer of the funds and their disbursement by the grantee or subgrantee for direct program costs and the proportionate share of any allowable indirect costs.</p>	<p>Same as ESG.</p>
<i>Working capital advances</i>	<p>May be used if grantee cannot meet the advance payment criteria, and if HUD has determined that operating on a reimbursement-only basis is not feasible because the grantee or subgrantee lacks sufficient working capital.</p> <p>Grantees and subgrantees are permitted to receive a one-time cash advance to cover their estimated disbursement needs for an initial period, generally geared toward the disbursing cycle (often 1 month). After that, HUD or the grantee will reimburse the grantee or the subgrantee, respectively, for actual cash disbursements.</p>	<p>Same as ESG.</p>

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Drawdown requirements	Recipients must draw down and expend funds from each year's grant not less than once during each quarter of the recipient's program year.	Same as ESG.
IDIS	Recipients use IDIS to draw grant funds and to collect and report data on ESG funds.	Grantee use of IDIS is limited to draw-down of grant funds.
Match	Recipients must provide matching funds equal to the amount of funds provided by ESG, except:	There is no match requirement in HPRP.
<i>Consideration for States</i>	For states, the first \$100,000 of the FY grant does not have to be matched. States must transfer the benefit of this exception to the subrecipients that are least capable of providing the recipient with matching contributions.	Not applicable.
<i>Considerations for Territories</i>	Territories have no matching requirement.	Not applicable.
Conflicts of Interest		
Organizational Conflict of Interest	<p>Assistance may not be conditioned on use of services or shelters owned by the recipient or the subrecipient, including a parent or a subsidiary.</p> <p>A subrecipient cannot conduct the initial evaluation for individuals/families occupying housing owned by the subrecipient (including, any parent or subsidiary).</p>	HPRP assistance cannot be provided to persons served in housing owned by the grantee, subgrantee, or the parent/subsidiary/affiliated organization of the subgrantee.
Individual Conflict of Interest	<p>For employees, agents, consultants, officers, or elected or appointed officials of the recipient or its subrecipients.</p> <p>Prohibition on obtaining a financial interest or benefit from an activity (including an interest in any contract/subcontract/agreement) either directly for him/herself or for familial/business ties during tenure or for one year after.</p>	Same as ESG.