




SNAPS-Shots

Bite-Size Information on the Emergency Solutions Grants and Continuum of Care Programs

March 25, 2013

Eligible Activities for ESG Homelessness Prevention AND Rapid Re-Housing Components

Rental Assistance and Housing Relocation and Stabilization Services are eligible activities under BOTH the Rapid Re-Housing AND Homelessness Prevention program components of ESG.

ELIGIBLE ACTIVITIES: RAPID RE-HOUSING AND HOMELESSNESS PREVENTION COMPONENTS	
<p>Rental Assistance^o 24 CFR §576.106</p> 	<ul style="list-style-type: none"> • Short-term rental assistance (0-3 months) • Medium-term rental assistance (4-24 months) • Rental arrears (One-time payment for up to 6 months of rent in arrears) <p><i>Any combination of the above types, so long as the total amount of assistance does not exceed 24 months</i></p> <p>^oRental assistance can be project-based or tenant-based.</p>
<p>Housing Relocation and Stabilization Services</p>	<p>Financial Assistance 24 CFR §576.105</p>  <ul style="list-style-type: none"> • Rental Application Fees (when charged by owner to all applicants) • Security Deposits (no more than 2 month's rent) • Last Month's Rent (applies to 24-month cap) • Utility Deposits (when required by utility company for all customers) • Utility Payments (up to 24 months of payments per service, including up to 6 months of arrears per service) • Moving Costs (e.g., truck rental, moving company, up to 3 months of storage)
	<p>Services 24 CFR §576.105</p>  <ul style="list-style-type: none"> • Housing Search and Placement • Housing Stability Case Management • Mediation • Legal Services • Credit Repair (e.g., budgeting/ money management)

Note: Under the Homelessness Prevention and Rapid Re-Housing Program (HPRP), the eligible activities were categorized a bit differently than under ESG. Under HPRP, Financial Assistance was its own category

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of eligible activities—separate from Housing Relocation and Stabilization Services—and included rental assistance in addition to the other costs listed here.

Rental Assistance: Key Requirements

- Up to 24 months of rental assistance may be provided during any 3-year period, including a one-time payment of rental arrears.
- Subject to HUD’s requirements, recipients may establish caps and conditions on the amount of assistance program participants may receive.
- FMR limits, rent reasonableness standards, housing habitability standards, and lead-based paint regulations apply.*
- Rental assistance agreement (between recipient/subrecipient and owner) and written lease agreement (between program participant and owner) are required. (When assistance is for arrears only, an oral lease may serve as documentation.)
- Rental assistance cannot be provided to a program participant that is receiving Tenant-Based Rental Assistance or living in a unit receiving Project-Based Rental Assistance or operating assistance through other public sources (exception applies to rental arrears on tenant’s portion of rental payment).

*When providing homelessness prevention services only assistance – housing search and placement, housing stability case management, mediation, legal services, and credit repair – to keep a program participant in the same unit, a lead-based paint assessment is not required.

One Difference Between Rapid Re-Housing and Homelessness Prevention

The primary difference between the rapid re-housing and homelessness prevention components is not related to eligible activities, but rather the type of households served:

- **Rapid Re-Housing Assistance** may be provided to individuals and families that are homeless under Category 1 (Persons sleeping in emergency shelter, on the streets, or another place not meant for human habitation) of the homeless definition, i.e., those that meet the criteria under paragraph (1) of the “homeless” definition at [§576.2](#). It may also be provided to persons who are fleeing domestic violence (DV) and meet the criteria under Category 4 (Fleeing/Attempting to Flee DV) of the “homeless” definition that are living on the streets or in an emergency shelter.

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- **Homelessness Prevention Assistance** is targeted to individuals and families at risk of homelessness. Specifically, this includes those that meet the criteria under the “at risk of homelessness” definition at §576.2, as well as those who meet the criteria in paragraphs (2), (3), and (4) of the “homeless” definition – also found at §576.2 – and have an annual income below 30 percent of family median income for the area.

Although all activities are eligible under both program components, HUD has strongly encouraged jurisdictions to target new funds into rapid re-housing to assist individuals and families currently living on the streets or in shelter. Rapid re-housing assistance has been found to have a larger impact on homelessness in communities relative to prevention assistance, which is very difficult to target strategically. However, for communities that have chosen to use ESG for homelessness prevention, designing programs to focus on shelter diversion can help ensure resources are used as strategically and cost effectively as possible.

Related Resources



[Matrix of Applicable ESG Requirements for Rental Assistance and Housing Relocation and Stabilization Services.](#)

Ask A Question

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