

ESG Fact Sheet:

Purpose

Designed as the first step in the Continuum of Care, the Emergency Shelter Grants (ESG) Program provides funds for emergency shelters — immediate alternatives to the street — and transitional housing that helps people reach independent living. Grantees use ESG funds to rehabilitate and operate these facilities, provide essential social services, and prevent homelessness.

Beneficiaries

The ESG Program strives to help homeless individuals and families, and subpopulations within this group, such as victims of domestic violence, youth, people with mental illness, families with children and veterans. ESG funds can also be used to aid people who are at imminent risk of becoming homeless due to eviction, foreclosure, or utility shutoff.

Eligible Applicants

The governments of States, large cities, urban counties, and U.S. territories are all eligible to participate in the ESG Program. Once they become grantees, these jurisdictions distribute ESG funds to recipients (local governmental agencies or private nonprofit organizations), who are then responsible for directly implementing eligible activities.

Eligible Activities

Renovation/Rehabilitation or Conversion. The renovation, major rehabilitation, or conversion of buildings for use as emergency shelters or transitional housing for the homeless. Renovated buildings must be used as shelters for 3 years, and a major rehabilitation or conversion project involves a 10-year commitment.

Social Services. The provision of essential social services, including case management, physical and mental health treatment, substance abuse counseling, and childcare (not to exceed 30 percent of the total grant, unless waived by the HUD Secretary).

Operating Costs. The payment of shelter operational costs, such as rent, maintenance, security, insurance, utilities, and furnishings (management staff costs not to exceed 10 percent of the total grant).

Homeless Prevention. The development and implementation of homeless prevention activities, such as short-term and first-month's rent, eviction or foreclosure assistance, utility payments, security deposits, landlord-tenant mediation, and tenant legal services (not to exceed 30 percent of the total grant). **Grant Administration.** Grant administration (not to exceed 5 percent of the total grant).

Please note: The acquisition or new construction of real property, staff recruitment, or training, fundraising, and direct payments to individuals are ineligible activities.