



Emergency Solution Grant Review

3.14.2024

Community Development Division
Duluth City Hall
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Overview*

The McKinney-Vento Homeless Assistance Act of 1987 gave federal funds to combat homelessness across the United States. Originally it was meant as just a “reactionary” policy that only helped people who were already homeless. Studies done by the Housing and Urban Development Community showed that these practices were not solving the problem of homelessness, and decided to redirect their approach.

The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009 amended the McKinney-Vento Homeless Assistance Act, and revised the Emergency Shelter Grants Program and renamed it to the Emergency Solutions Grants (ESG) program. The grant program now focuses on prevention measures to “save” people before a homeless event happens to them as well as helping people who are currently homeless

Every year the federal government sets aside funds to then be distributed to the states, metropolitan cities, urban counties, and territories. All 50 U.S. States including Puerto Rico, 196 Major metropolitan Cities, 115 Urban Counties and 4 U.S. Territories (Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands.) are eligible for the ESG Program.

The ESG program provides funding to: (1) engage homeless individuals and families living on the street; (2) improve the number and quality of emergency shelters for homeless individuals and families; (3) help operate these shelters; (4) provide essential services to shelter residents, (5) rapidly rehouse homeless individuals and families, and (6) prevent families/individuals from becoming homeless.

These next couple of pages will tell you all about the City of Duluth’s information about the ESG funds we receive, and hopefully answer many questions you may have.

*Information provided in this packet comes from Official Department of Housing and Urban Development material and other government/social service agencies.

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Definitions

ESG: Emergency Solutions Grant- Money provided by the Department of Housing and Urban Development to provide homeless persons essential services and emergency shelter in safe, sanitary, and decent facilities.

RRH: Rapid Re-Housing- a program that provides short-term rental assistance and services to individuals and families.

CoC: Continuum of Care. A Federal program stressing permanent solutions to homelessness

HUD: Department of Housing and Urban Development. Created in 1965 as a cabinet level department under the 89th Congress

SLC: Saint Louis County

LMI: Low to Moderate Income

HMIS: Homeless Management Information System

CDBG: Community Development Block Grant

How do the Funds Travel or How Does This All Begin

I. Federal Steps- The budget process officially starts on the first Monday of February

1. President provides a Budget request to Congress
2. Congress receives and reviews the President's Budget request
3. Congress constructs a budget resolution that lays the overall framework for spending
4. The Committees on Appropriations details the amounts and where the funds will be distributed
5. The Budget Resolution is created and sent back to the House and Senate
6. The House and Senate must agree on the resolution
7. Once the House and Senate agree, funds are then distributed to all eligible Government entities, including Department of Housing and Urban Development
8. HUD will set aside for allocation to the territories up to 0.2%, but not less than 0.1%, of the total fiscal year appropriation. The remainder will be allocated to States, metropolitan cities, and urban counties

II. City of Duluth Steps

The City of Duluth being an eligible entitlement community separate from the State of Minnesota applies to the Consolidated Planning Process, submits its Annual Plan (Consolidated Plan every 5 years (to the appropriate HUD field office no later than 45 days before the start of its consolidated program year)). The city of duluth has a program start date of April 1st, therefore the consolidated plan has to be submitted by February 15th

The City applies to the State of Minneostas Commissioner of Human Services. The application we send has the following criteria

To be accepted for the grant programs the City must follow certain guidelines. These include:

Consultation- All recipients must consult with the Continuums of Care (CoCs) operating within the jurisdiction in determining how to allocate ESG funds..

Match- ESG recipients must match grant funds with an equal amount of cash and/or noncash contributions, which may include donated buildings, materials and volunteer services.

Obligation and Expenditure- ESG recipients must obligate all funds, except the amount for administrative costs and HMIS costs within 60 days after the date HUD signs the grant agreement. In turn, local government subrecipients must obligate all ESG funds within 120 days after the state obligates its funds to those subrecipients.

All grant funds must be expended within 24 months after HUD signs the grant agreement with the ESG recipient.

III. Your Steps*

At long last, the money is arriving to you. Each year, nonprofits and services apply to receive funding for projects serving the homeless population of Duluth. Part of the application process consists of a narrative that explains the following

1. Proposal information
2. Plan Goals and Mission
3. Project readiness
4. Target clientele of project
5. Budget Narrative/ Financial Items

Applicants must be nonprofit organizations serving homeless persons or those at-risk of homelessness within the City of Duluth through the operation of homeless facilities and rapid rehousing and prevention assistance that results in housing stability. Applicants must demonstrate their capacity to goals and outcomes and participate in the Coordinated Access and Assessment system developed through the SLC CoC process. ESG applicants must have the ability to expend all funds awarded within an 18 month period from the award start date

*More information can be found at duluthmn.gov/planning-development.

How do I apply for these ESG funds?*

These next couple of pages will help you and can be a reference/guide to help you fill out the Application for Community Development Programs.

1. Before starting, make sure you are an eligible applicant. Eligible applicants must be nonprofit agencies, for-profit businesses, governmental units or Institutions of Higher Education.
2. Go to <https://duluthmn.gov/planning-development/community-development-funding/annual-funding-process/>
3. Find and select Application form under Application materials
4. Download and and fill out the application using the following pages as a guide/reference

Note: The information you provide on the application is classified as public data under the Minnesota Government Data Practices Act. Public data must be provided to any person or entity that requests it.

*Due dates and times vary from year to year. To view the most updated information please visit the Community Development Page on the City of Duluth's website at <https://duluthmn.gov>

Application Help/Guide

Page 1

Applicant Information

Organization Name: What is the name of the organization that is applying

Address: What is the main location of your organization: (use for physical mail and in person correspondence)

Contact Person: Who or Whom shall be the direct correspondence attached to the application

Phone: Main number for your organization

E-mail: Mail email for online correspondence to your organization

Type of Organization: Nonprofit Agencies, For-profit Businesses, Governmental Units or Institutions of Higher Education

Proposal Information

Proposal name: What is the name of the project you are trying to fund

Funding Amount requested: How much money are you requesting for the funding of this project

Proposal Service Goals: How many units (households, people etc) do you plan on providing with these funds.

LMI Service Goal: How many low to middle income people do plan serve with this project (listed as a percentage)

Applicable funding category

Under this section you can indicate what eligible category your program falls under as part of the HUD regulations. Acceptable Activities that can be funded with ESG funds are as follows:

- Street Outreach (Full language: 24 CFR 576.101)
 - **ESSENTIAL** services deemed necessary to reach unsheltered individuals and families to facilitate connections with emergency non-facility based care. Common components of street outreach are

- Engagement
- Case management
- Emergency and mental health services
- Transportation
- Emergency Shelter (Full Language: 24 CFR 576.102)
 - Renovation of sites to serve as emergency shelters for the said case between 3-10 years.
 - **Important:** Property acquisition and new construction are not eligible
 - Essential services to support the people of the case with their daily lives.
Examples include
 - Child Care,
 - Education
 - Employee assistance and Job training
 - Outpatient health services
 - Legal services
 - Skills training
 - Mental health outreach
 - Substance abuse treatment services
 - Transportation
 - Shelter operations including
 - Maintenance
 - Rent
 - Security
 - Fuel
 - Equipment
 - Insurance,
 - Utilities
 - Furnishings
 - Relocation Assistance only for persons displaced by a project funded by ESG funds
- Homeless Prevention (Full language: 24 CFR 576.103, 576.105, 576.106)
 - Relocation and stabilization services/rental assistance to prevent a person from defining as “Homeless” under §576.2. Common examples are
 - short/medium term rental assistance

- Arrears
 - Fees
 - Deposits
 - Moving costs
 - Case management
 - Residence Search
 - Legal services
 - Credit repair
- Rapid Rehousing (Full language: 24 CFR 576.104, 576.105, 576.107)
- HMIS (Specified: 01 CFR 576.108)
 - Costs associated with certain Homeless Management Information Systems and comparable data bases.
- Administration (Only up to 7.5% of recipients grant) (Full language: 24 CFR 576.108)
 - Costs associated Administration activities such as
 - Coordination
 - Reporting

Activities that cannot be used under HUD rules

- Building for the general contact of the government
- Political activities
- Income payments for housing
- Religious activities

Things to note:

1. Administrative costs will not be reimbursed under the ESG program.
2. Operational costs are allowed, and may include rent, maintenance, insurance, utilities and HMIS costs. Salaries for staff carrying out maintenance activities for the homeless facility are considered to be operational costs.
3. Stabilization Services costs are limited by ESG regulations and may not exceed 30% of the total ESG allocation. Salaries for housing stabilization services or other support services provided by staff are considered to be service costs, as are for homeless prevention efforts. However, funding for homeless assistance is also provided under the CDBG Public Services category.

Page 2.

Mission Statement: What is the Mission Statement of your Organization

Proposal Summary: Who are you, How much you are requesting, why are you requesting this amount. (40 Words or less)

In multiple points in this application are grading guides. These guides show what the criteria and included subjects need to be included. For best chances, please follow the bullet items listed for the highest grading score in this diagram.

Consolidate Plan Goals: What goals of the ones provided does the proposed project address?

Also in this section- Explain which principles outlined in the Imagine Duluth 2035 will be addressed with this project.*

*Full language and material can be viewed at

<https://duluthmn.gov/planning-development/guiding-documents/guiding-documents-overview/>

CD Committee Mission: Answer the provided question-How will the proposal meet the mission to “invest in community programs that help low and moderate-income people by addressing basic needs, providing affordable housing, and increasing economic self-sufficiency”?

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Anti-Poverty Strategy: What Anti-Poverty policy(s) does your project addresses

Policy 1: Training and Career Development

Ex. Workshops, Mentorships, Certifications, etc.

Policy 2: Remove Barriers to Obtaining Employment

Common barriers include: Domestic Barriers, Health Barriers, Bureaucratic Barriers, Social Support Barriers

Policy 3: Reduce Housing and Utility Costs

Take costs away from individual client such as monetary support for rent

Policy 4: Increase Affordable Housing Units

Acquisition of properties and monetary stimulus put ahead of clients to landlord or housing agency

Policy 5: Increase Access to Affordable and Healthy Food Options

May include transportation to grocery stores or food donation programs/food shelves

National Objective and Eligible Activity

How will your program address HUD's National Objective requirements

- Benefit to low- and moderate- income (LMI) persons;
- Aid in the prevention or elimination of slums or blight; and
- Meet a need having a particular urgency (referred to as urgent need).

And how does your program fall under these categories as described by HUD

- Street Outreach

Essential Services necessary to reach out to unsheltered homeless individuals and families, connect them with emergency shelter, housing, or critical services, and provide them with urgent, non-facility-based care. Component services generally consist of engagement, case management, emergency health and mental health services, and transportation. For specific requirements and eligible costs, see 24 CFR 576.101.

2. Emergency Shelter

Renovation of a building to serve as an emergency shelter. Site must serve homeless persons for at least 3 or 10 years, depending on the cost and type of renovation (major rehabilitation, conversion, or other renovation). Note: Property acquisition and new construction are ineligible. Essential Services For individuals and families in emergency shelter. Component services generally consist of case management, child care, education services, employment assistance and job training, outpatient health services, legal services, life skills training, mental health services, substance abuse treatment services, and transportation. Shelter Operations, including maintenance, rent, security, fuel, equipment, insurance, utilities, and furnishings. Relocation assistance for persons displaced by a project assisted with ESG funds. For specific requirements and eligible costs, see 24 CFR 576.102.

3. Homelessness Prevention

Housing relocation and stabilization services and/or short- and/or medium-term rental assistance necessary to prevent the individual or family from moving into an emergency shelter or another place described in paragraph (1) of the "homeless" definition in § 576.2.

Component services and assistance generally consist of short-term and medium-term rental assistance, rental arrears, rental application fees, security deposits, advance payment of last month's rent, utility deposits and payments, moving costs, housing search and placement, housing stability case management, mediation, legal services, and credit repair. For specific requirements and eligible costs, see 24 CFR 576.103, 576.105, and 576.106.

4. Rapid Re-Housing

Housing relocation and stabilization services and short- and/or medium-term rental assistance as necessary to help individuals or families living in an emergency shelter or other place described in paragraph (1) of the "homeless" definition move as quickly as possible into permanent housing and achieve stability in that housing. Component services and assistance generally consist of short-term and medium-term rental assistance, rental arrears, rental application fees, security deposits, advance payment of last month's rent, utility deposits and payments, moving costs, housing search and placement, housing stability case management, mediation, legal services, and credit repair. For specific requirements and eligible costs, see 24 CFR 576.104, 576.105, and 576.106.

Equity and Accessibility:

To help you in this section go to census.gov and find surveys and programs tab. In that find the most recent census taken. (ex, 2020). This information will help you in identifying low to moderate income people and historically disenfranchised communities due to societal and systemic problems.

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Project Readiness

The grant year starts April 1st. Are you/will you and your organization be ready to start your project on or before this date.

In addition, please state if you will use all your funds within a 12 month timeframe and provide that timeframe in this section.

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Project Impact and Delivery

Here it is important to describe the community need that you are addressing with this program application. How will your proposed project actively move the Con Plan and Imagine Duluth goals forward? How will you specially measure your achievement in relation to this project

Page 6.

Target Clientele

In terms of percentages, how many low to moderate income people will you serve with this project proposal? Add how this program will solve, or address, systemic inequalities such as racism and other protected identities (sex, age, orientation, etc.)

Page 7.

Business/ Operations Plan Approach

What previous experience do you have and what can your agency accomplish if you receive these funds? In this section, provide a brief history of past federal grants received by your organization, whether in Duluth or another area. Specific answers and examples are important in all aspects of this question including

- identifying major critical issues and factors necessary to accomplishing the objectives
- any issues anticipated during the implementation of the proposed project

Page 8.

Budget Narrative

Where will you be receiving other sources of funding for the project in this application? These can include foundations and other donations from outside entities. Explain how the 50% match will occur, and has it been secured.

Program uses

Specific ways and events the grant funds will be used for

Budget Spreadsheet

An itemized list of items you will purchase with the funds you receive and the source of said funds.

Funding Needed

In this section you have a claim to why you need the funds you are requesting. Please include,

- Why are these funds necessary

- If you don't receive 100% of the dollar amount you requested, could your project still move forward
- What is the minimum dollar amount that is needed to fund this project

Anything Else

Any pressing circumstances or other items you feel it would be important for the City of Duluth to be aware of as we review and score your application

Agency Procedures for Staff Turnover Checklist

This part of the document serves as a checklist to managing staff turnover within the agency, reinforcing the commitment to a well-organized transition process. Regular reviews and updates are essential to adapt to changes in organizational procedures and external regulations. This should emphasize the importance of a structured approach to ensure a smooth transition.

Preparing for Staff Departure and communication protocol

In the resignation process, employees are required to formally communicate their intention to resign.

Transition planning involves specifying notice periods, detailing knowledge transfer expectations, and managing administrative tasks such as the return of company property and completion of exit paperwork.

Transitioning Responsibilities

There should be paperwork put in place for the following: delegation of temporary responsibilities, the hiring process for replacements, and the importance of knowledge transfer through documentation and training for new team members

Legal, Compliance Considerations, and Record Keeping

Emphasis is placed on compliance with labor laws and regulations, confidentiality, and non-disclosure during the turnover process to safeguard legal and ethical standards. Detailed record-keeping requirements are outlined to ensure the documentation of all relevant information throughout the turnover process.

Revision History

A dedicated section tracks updates and revisions to the procedures document, ensuring its ongoing relevance and accuracy.

Commonly Asked Questions

Can ESG's pay application fees? Yes, ESG's can pay for application fees as well as deposits, utility payments and other costs mention in this packet

Does the City of Duluth have any specialty outlined rules and regulations? No, The City of Duluth follows any and all regulations put for by the Housing and Emergency Development in their ESG manual that all providers have. Rules about zoning and other building regulations can be found at:

<https://duluthmn.gov/planning-development/land-use-zoning-and-applications/zoning-regulations/>

Can ESG funds pay back and forward renting costs? Yes, ESG's can pay for all rental arrears. (Up to 6 months for back rent) If it is not a federally subsidized property, proper documentation must be provided. This includes connections between the resident and the lease giver

What is prevention?

Prevention is the stopping of individuals and families from becoming homeless before they become homeless. The funds under this program are intended to target individuals and families who would be homeless but for this assistance. The funds will provide for a variety of assistance, including: short-term or medium-term rental assistance and housing relocation and stabilization services, including such activities as mediation, credit counseling, security or utility deposits, utility payments, moving cost assistance, and case management.

At least 60 percent of funds must be spent within two years; all funds must be spent within three years. Reporting requirements will be presented in the forthcoming notice.

What is Rapid Rehousing

Rapid re-housing provides short-term rental assistance and services. The goals are to help people obtain housing quickly, increase self- sufficiency, and stay housed. It is offered without preconditions (such as employment, income, absence of criminal record, or sobriety) and the resources and services provided are typically tailored to the needs of the person.

How is this funding administered?

The grant money is provided to the homeless, people facing foreclosure or evictions by local state housing authority related agencies near you. These local charities, government

social services and non-profit organizations accept applications to rehouse people or stop homelessness..

The goal of the local government Homelessness Prevention and Rapid Rehousing Program (HPRP) is to provide financial assistance, counseling, and other services to prevent families and people from losing their homes. The grants will help tenants, homeowners as well as currently homeless. The money will also be used to help those who are currently experiencing homelessness find both short term and permanent long term housing or apartments and stay in the new housing units.

The financial assistance is generally limited to the following. However each state and local community will disburse funds as they see fit.

- Payments for security deposits
- Rental assistance that can be short-term (up to 3 months) or long term (up to 18 months)
- Assistance in paying for utility deposits and help for paying utility bills, if lack of utilities will lead to homelessness.
- Moving cost assistance to move into a new, more affordable home
- Vouchers to pay for motels or hotels.
- Homeless Prevention grants could be provided in the form of rental assistance, which will include back rent for months in which the household has been unable to pay.

Thank You for your time reading this informational packet. If you have any further questions or concerns, please contact the Planning and Development Committee

City Hall, Room 160

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On behalf of the City of Duluth, Thank you for your time reading this packet, and we hope it has helped you. Good luck with your applications