

COVID-19 Federal Resource Guideline Series: CARES Act Emergency Solution Grants (ESG)

What needed activities or services can new CARES Act Emergency Solution Grants (ESG) funds provide or pay for?

CARES Act ESG is a formula grant to states and local governments. HUD [recently released a publication](#) on how to use ESG to fund activities to protect homeless people from COVID-19.

The ESG program provides funding to address:

- Shelter expansion and deconcentration ([CDC Guidelines](#))
- Non-congregate shelter backing up FEMA (e.g. help operate shelters, provide essential services to shelter residents)
- Connection with permanent housing (e.g. rapidly rehouse homeless individuals and families, prevent families/individuals from becoming homeless)
- Landlord outreach (e.g. improve the number and quality of emergency shelters for homeless individuals and families)
- Rental assistance up to 2 years

Who is eligible for ESG funding?

Larger cities, larger counties, and Balance of State Continuums of Care are eligible recipients for ESG funding. It funds a broad range of activities for people who are homeless or who are at risk of homelessness, which in this bill includes anyone with income below 50 percent of area median income. The bill also includes the provision that does not allow for treatment or performance requirements to be imposed.

What funds are available?

Total funding for standard ESG is about \$280 million. The new CARES Act ESG will be \$4 billion. Funding will be released in two waves. The first will use the regular ESG formula, is in the process of being released, and will include \$1 billion. The remainder will be distributed based on a new formula developed by HUD, considering states' and communities' needs related to coronavirus response.

Where can you find more information?

Shelter providers: If your shelter or outreach program needs additional supplies or staffing that will impact your approved budget, please check with your ESG recipient (i.e., State or City/County funder) on how to initiate a budget modification.

ESG Recipients: If your state, city, or county has prior year ESG grant funds – contact your local HUD CPD field office to determine whether these resources can be utilized to support local infectious disease preparedness.