



## EMERGENCY SOLUTIONS GRANT (ESG) FUNDING

### Policy and Procedures

Adopted: June 2024, Revised: April 21, 2025

#### **Overview**

The Emergency Solutions Grant (ESG) Funding policy and procedures, govern the Wake County Continuum of Care (CoC) funding recommendations submitted in the NC 507 Regional Application on behalf of the Wake CoC in response to the annual ESG Request For Applications (RFA) to the North Carolina Department of Health and Human Services (NC DHHS)-Division of Aging and Adult Services (DAAS). The policy and procedures are designed to inform funding recommendations of the Wake CoC, with the primary goal of establishing a consistent and transparent process for ESG funding decisions.

The U.S. Department of Housing and Urban Development (HUD) annually allocates funding to the NC State ESG Program through DAAS. A portion of those funds are allocated for administrative costs incurred by the State or are units of local government that are fiscal agents. The remaining funds, are distributed to eligible subrecipients recommended for funding by each CoC for ESG program costs. The amount of funding that each CoC or region is eligible to apply for is the "NC ESG Fair Share" which utilizes HUD's Continuum of Care Pro Rata Formula as the basis for determining the distribution amount of eligible funding for each Continuum of Care in NC.

The purpose of the annual ESG Request for Application (RFA), is to solicit applications from non-profits and local units of government who are interested in providing the NC DHHS DAAS Emergency Solutions Grants services related to assisting individuals or families that are homeless or at-risk of becoming homeless. NC DHHS-DAAS accepts applications for ESG funding from CoCs through the annual RFA process. The Regional Applications submitted on behalf of the CoC will recommend non-profit or local government agencies for funding based on the available funding determined by the NC ESG Fair Share. Recommended agencies will contract directly with NC DHHS, Division of Aging and Adult Services, for funding or with a Fiscal Sponsor, who will then contract directly with NC DHHS-DAAS.

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. Support operations of these shelters;
4. Provide essential services to shelter residents;
5. Rapidly re-house homeless individuals and families; and
6. Prevent families and individuals from becoming homeless.

ESG funds may be used for five program components/activities: street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, the Homeless Management Information System (HMIS) or comparable database systems for victim service providers, and administrative activities for fiscal sponsors. NC ESG has flexibility in certain areas of administering the ESG Program and may establish more detailed requirements than those required by HUD.

### **Wake CoC Funding Requirements**

Wake CoC funding recommendations will follow the regulatory caps established by HUD in determining the local allocations for eligible activities balanced with community need, priorities, and identified gaps in service delivery, shelter and housing assistance.

The Wake CoC's Regional Budget must meet the following requirements:

- Emergency Response Activities: Emergency Shelter and Street Outreach
  - A maximum of 60% of total funds available per CoC can be spent on emergency response activities.
- Housing Stabilization Activities: Rapid Rehousing and Homeless Prevention
  - A minimum of 40% of total funds available per CoC must be spent on housing stabilization activities.
- Wake CoC is responsible to ensure Project Budgets meet the following requirements:
  - Applicants that request Emergency Response funds may allocate all dollars for Emergency Shelter Operations or allocate no less than 60% of the funding for Shelter Operations and no more than 40% for Shelter Services.
  - Applicants that request Housing Stabilization funds may allocate all dollars for Financial Assistance or no less than 60% for Financial Assistance and no more than 40% for services.

### **Scoring and Funding Recommendations**

The Wake CoC must ensure that recommended projects meet the maximum and minimum allocation requirements as well as the Regional Application budget for the CoC noted above. The Wake CoC's Funding Review Committee will utilize a CoC approved ESG application scorecard that is publicly posted during the RFA to determine funding recommendations of properly submitted project applications, ranked highest to lowest scores within the established cap for each activity. The Funding Review Committee will ensure local priorities and a diversity of activities meet community needs and gaps while maintaining an equitable funding distribution to the extent allowed under each activity's cap until the Wake CoC's Fair Share is fully captured.

In the process of administering this program, NC DHHS-DAAS may make decisions and interpretations regarding regional, fiscal, and project applications and is entitled to the full discretion allowed by law in making all such decisions and interpretations. NC DHHS-DAAS reserves the right to request additional information from any applicant, to amend, modify, or withdraw provisions contained in the Regional Application or project applications that are inconsistent or in conflict with state or federal laws or regulations, and reserves the right to reject any and all applications received.