
FISCAL TOPICS

Fiscal Services Division

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Ground Floor, State Capitol Building

Des Moines, Iowa 50319

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Emergency Solutions Grant Program

The [Emergency Solutions Grant \(ESG\) Program](#) is funded through the [U.S. Department of Housing and Urban Development \(HUD\)](#) and administered by the [Iowa Finance Authority \(IFA\)](#). The Program assists people with quickly regaining stability in permanent housing after experiencing a housing crisis and/or homelessness. Eligible recipients of the Program include cities, urban counties, territories, and states. The ESG Program provides funding for the following:

- Engaging homeless individuals and families living on the street.
- Improving the number and quality of emergency shelters for homeless individuals and families.
- Helping operate emergency shelters.
- Providing essential services to shelter residents.
- Rapidly rehousing homeless individuals and families.
- Preventing families and individuals from becoming homeless.

Background

The ESG Program was originally titled the Emergency Shelter Grants Program. The name was changed in the federal [Homeless Emergency Assistance and Rapid Transition to Housing \(HEARTH\) Act of 2009](#). The HEARTH Act also changed the Program's focus from addressing the needs of homeless people in emergency or transitional shelters to assisting people in quickly regaining stability in permanent housing after experiencing a housing crisis and/or homelessness. The Program provides funding for the following Program activities:

- **Street outreach:** Reaching out to unsheltered homeless individuals and families; connecting them with emergency shelter, housing, or critical services; and providing them with urgent, non-facility-based care. Eligible costs include engagement, case management, emergency health and mental health services, transportation, and services for special populations.
- **Emergency shelter:** Renovation of a building to serve as an emergency shelter; essential services such as case management, employment assistance, health care, and education; and shelter operational costs. Eligible costs include a hotel/motel voucher when no emergency shelter is available.
- **Rapid rehousing:** Housing relocation and stabilization services and/or short- and medium-term rental assistance as necessary to help individuals or families living in shelters or in places not meant for human habitation move as quickly as possible into permanent, stable housing. Eligible costs include rental assistance; financial assistance for rental application fees, security deposits, utility payments, last month's rent, and moving costs; and services such as housing searches, legal services, credit repair, and landlord-tenant mediation.
- **Homelessness prevention:** Housing relocation and stabilization services and short- and medium-term rental assistance to prevent individuals or families from moving to an emergency shelter, a place not meant for human habitation, or other defined places. This is similar to rapid rehousing, but with a focus on those already in stable living situations.

More Information

Emergency Solutions Grant Program: hudexchange.info/programs/esg
LSA Staff Contact: Evan Johnson (515.281.6301) evan.johnson@legis.iowa.gov

- Homeless Management Information System (HMIS) data collection: Participating in and contributing to the [HMIS](#) designated by the [Continuum of Care](#) for the area.

Funding

The ESG funding is awarded annually by the HUD to [state and local entities](#). The cities of Des Moines and Sioux City receive funds directly from the HUD, while funds awarded to the State are subgranted to local governments or nonprofit organizations. Subgrantees must provide matching funds unless an exemption is allowed by the IFA. Up to 7.5% of a recipient's award can be used for administrative activities.

The State received \$20.9 million in supplemental ESG funding in 2020 from the [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act of 2020](#). Also, Des Moines received \$3.2 million and Sioux City received \$1.2 million in CARES Act local funding.

Related Statutes and Administrative Rules

Iowa Administrative Code [265—42](#)

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