MSHDA™

EMERGENCY SOLUTIONS GRANT

Office of Homeless Solutions

ESG FY2026-2027 Notice of Funding Availability (NOFA)

October 1, 2026, to September 30, 2027

Application Due: Friday, July 31, 2026

Emergency Solutions Grant (ESG)

735 E Michigan Ave
P.O. Box 30044
Lansing, MI 48909

EQUAL HOUSING OPPORTUNITY

CONTENTS

I. Timeline

ESG FY2026-2027 Funding
October 1, 2026, to September 30, 2027

June 8, 2026	NOFA (Notice of Funding Availability), application (PDF version), and optional local application guidance document released and posted to MSHDA ESG website. Contact assigned Homeless Assistance Specialist with any questions.
June 16, 2026 1:00 p.m.	ESG NOFA webinar. **REGISTER HERE**
July 31, 2026 **No later than 5:00 p.m.**	ESG application is due in IGX (MSHDA's grant management software).
September 4, 2026	Grant documents made available to the Fiduciary in IGX. (No funds can be incurred until the grant has been signed by the grantee and MSHDA.)
September 18, 2026	Grant document signatures completed in IGX by the Fiduciary.
October 1, 2026	Grant start date.

II. General Overview

The Emergency Solutions Grant (ESG) program is a U.S. Department of Housing and Urban Development (HUD) federal program that serves households which are or are at risk of experiencing homelessness (Beneficiaries). In the 2026-2027 grant year, the Michigan State Housing Development Authority (MSHDA) is expected to receive $5,000,000 from HUD and will provide a 1:1 match to total an estimated $10,000,000 available to ESG subgrantee organizations across the State of Michigan.

ESG is applied in strategic coordination with other sources of locally available funding to end homelessness. All funded communities are responsible to ensure that: 1) housing and service outcomes continue to improve; 2) people with lived experience/expertise (PWLE) are regularly engaged, supported, and encouraged to inform policy, system design, and service delivery standards; and 3) regular review of HUD System Performance Measures informs local service planning and improvement. Additionally, ESG requires the use of a Coordinated Entry System (CES) as the process through which Beneficiaries may access the housing crisis response system in a streamlined way. A CES is created by all homeless service providers working together in a synchronized fashion in conjunction with a primary coordinating agency known as the Housing Assessment and Resource Agency (HARA).

The Continuum of Care (CoC) or local planning body (LPB) under the Balance of State CoC, which is the CoC made of all rural and non-contiguous jurisdictions across the state of Michigan not otherwise served by a local CoC, operates a CES by mapping out the resources and delivery process used to prevent homelessness and rapidly re-house people living in homelessness. As a result, duplication of services is reduced and gaps within the community's system are identified. In addition, the CES overcomes barriers that individual programs often cannot address, allowing communication, coordination, and collaboration to be brought to scale on a community-wide level.

Each CES must employ a standardized process for assessment and prioritization that considers the unique needs of each household seeking services. Individuals and families are referred for service and served by the best resources to effectively address their needs. The most intensive interventions are prioritized for those with the highest needs.

Through the Michigan Interagency Council on Homelessness and its Homeless Policy Council, state and local partners work together to establish and provide ongoing support and strategic goals for communities carrying out the mission of preventing and ending homelessness in Michigan.

III. New for October 2026

Pay for Performance

Pay for Performance outlines specific, measurable data points by which a CoC or LPB could demonstrate its progress toward benchmarks in actions and outcomes. Meeting or exceeding these benchmarks results in an increase to the CoC or LPB's annual MSHDA ESG allocation.

Under this NOFA, CoCs and LPBs must be able to demonstrate their achievement in four (4) of the five (5) benchmarks to receive the Pay for Performance increase to their FY2026-2027 allocation. Demonstration of achievement is proven through HMIS Data Warehouse reports for the last two completed grant cycle (10/1/2023-9/30/2024 and 10/1/2024-9/30/2025). MSHDA will run these reports prior to the FY2026-2027 allocation announcement in July. MSHDA will inform CoC and LPB Coordinators and Chairs of the results of these reports and the status of achievement. CoCs and LPBs can also run this report for local review and discussion at any time.

- **HUD System Performance Measure #1 (Length of Time Homeless):**
    - CoCs and LPBs must demonstrate a year-over-year improvement of 5 days on the length of time people remain homeless OR maintain a length of time at or below the last reported state average (89 days as of the 2024 Annual Homeless Report).

- **HUD System Performance Measure #2 (Returns to Homelessness):**
    - CoCs and LPBs must demonstrate a year-over-year improvement of 3% on the extent to which people return to homelessness following exits to permanent housing destinations OR maintain a percentage of total returns to homelessness at or below the last reported state average (20% as of the 2024 Annual Homeless Report).

- **HUD System Performance Measure #7 (Exits to Permanent Housing):**
  CoCs and LPBs must demonstrate a year-over-year improvement of 10% on exits to permanent housing from emergency shelters, transitional housing, and rapid re-housing, OR maintain a percentage at or above the last reported state average (47% as of the 2024 Annual Homeless Report)

- **Did the agency/community spend at least 90% of its 2024-2025 MSHDA ESG funding allocation by September 30, 2025?**

- **Employ people with lived experience and expertise**
    - Does any subgrantee within the CoC/LPB currently employ, either part-time or full-time, persons with lived experience of homelessness? Please identify the agency and position (***do not include employee name[s])***.
    - Information to secure this measure must be submitted by the Fiduciary via email to Jen Leaf, Homeless Assistance Specialist, by June 29, 2026. Email: leafj@michigan.gov

IV. Program Description

The Emergency Solutions Grant (ESG) offers funding assistance to public and non-profit organizations that are responding to the needs of homeless populations through a comprehensive community-wide planning process and implementation strategy.

Core Strategies for ESG:

- **Adopt proven principles and tools to prevent and end homelessness:** Use of a comprehensive community-based prevention and rapid re-housing system that embraces the principles of Housing First, progressive engagement, strength-based case management, racial equity, and trauma-informed services. Promote program models with successful measurable outcomes that are supported by data.
- **Ensure racially equitable access to resources and housing outcomes:** Black, Indigenous, and People of Color (BIPOC) experience homelessness at disproportionately high rates due to historic and

ongoing systemic racism. Funders, CoCs, and homelessness services have a significant and direct responsibility to minimally ensure the local system of care is not contributing to or supporting a racially disparate impact on access to critical housing resources.

- **Engage people with lived experience/expertise:** Collaborate, partner with, support, and employ people who have experienced homelessness to develop a deeper understanding of the conditions affecting certain populations, the solutions that are most effective, and the potential harmful unintended consequences of the existing system and its current/historic actions on behalf of those it aims to serve.
- **Breakdown silos:** Collaborate and coordinate with all members of the CoC/LPB to ensure that local, state, and federal resources are used effectively and efficiently to end homelessness.
- **Map and evaluate the Coordinated Entry System (CES):** CoC/LPB membership must review the CES flow at least annually to determine the effectiveness and equity of access, assessment, prioritization, and referral for anyone seeking assistance. Please review the following HUD materials for more information: Coordinated Entry
- **Align available resources for housing outcomes:** Work as a community to align available funding and programs to keep people housed or to rapidly re-house them.
- **Build public support and political will for ending homelessness:** Share data and best practices with mayors, county officials, schools, and other interested parties.
- **Create a communications plan:** Develop a marketing and communications plan for the Coordinated Entry System with key partners in the community, including 2-1-1, MSHDA Housing Choice Voucher (HCV) Housing Agents, mainstream service partners, government officials, consumers, and the general public. Examples include social media, brochures, and informational meetings.
- **Complete routine data collection, analysis, and reporting:** Collect and analyze data via the Homeless Management Information System (HMIS). (Domestic violence service providers must use a comparable database.) Staff should be trained on when to start entering data, what data must be entered, and how to share data with referral organizations.
- **Implement Continuous Quality Improvement:** At a minimum, CoCs/LPBs must review system performance measure outcomes as required by MSHDA and outlined in quarterly Consolidated Annual Performance and Evaluation Report (CAPER).

V. Grant Term

Grants will begin on October 1, 2026, and end September 30, 2027.

VI. Homeless Definitions for ESG Funding

The following are HUD definitions for homelessness and at risk of homelessness. The applicant and its proposed programs or services must serve individuals and families who qualify as defined below.

HUD Categories of Homelessness:
Category 1 - An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

i. An individual or family with a primary night-time residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
ii. An individual or family living in a supervised publicly or privately-operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or
iii. An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.

Category 2 - An individual or family who will imminently lose their primary night-time residence provided that:

i. The primary night-time residence will be lost within 14 days of the date of application for homeless assistance;

ii. No subsequent residence has been identified; <u>and</u>
iii. The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, needed to obtain other permanent housing.

NOTE: Category 3 (Homeless under other federal statute) is not currently applicable to MSHDA ESG.

Category 4 - Any individual or family who:

- Is experiencing trauma, a lack of safety related to, or fleeing or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous, traumatic, or life-threatening conditions, related to the violence against the individual or a family member in the individual's or family's current housing situation, including where the health and safety of the children are jeopardized
- Has no other safe residence, and
- Lack the resources to obtain other safe permanent housing

HUD Categories for At Risk of Homelessness:
Category 1 – Any individual or family who:

i. Has an annual income below 30% of the median family income for the area; and
ii. Does not have sufficient resources or support networks immediately available to prevent them from moving to an emergency shelter or another place described in Category 1 of the HUD homelessness definition; and
iii. Meets one or more of the following conditions (risk factors):
    a. Has moved because of economic reasons 2 or more times during the 60 days immediately preceding the application for assistance; or
    b. Is living in the home of another because of economic hardship; or
    c. Has been notified that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance; or
    d. Lives in a hotel or motel and the cost is not paid for by charitable organizations or by Federal, State, or local government programs for low-income individuals; or
    e. Lives in severely overcrowded housing or single renter occupancy (SRO) unit in which more than 2 persons or lives in a larger housing unit in which there resides more than one and a half persons per room; or
    f. Is exiting a publicly funded institution or system of care; or
    g. Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness (use the characteristics described in your jurisdictions Consolidated Plan).

Category 2 – Any unaccompanied children and youth who:

i. Do not qualify as homeless under the HUD homeless definition but qualify as homeless under another Federal statute.

Category 3 – Any families with children and youth where:
An unaccompanied youth who does not qualify as homeless under the HUD homeless definition but qualifies as homeless under section 725(2) of the McKinney-Vento Homeless Assistance Act, and the parent(s) or guardians(s) or that child or youth if living with him or her.

VII. <u>Collaboration</u>

For use of MSHDA ESG funds, a community Memorandum of Understanding (MOU) must be developed between the CoC/LPB, Fiduciary, HARA, and Subgrantees. The MOU identifies what services will be provided, how services will be coordinated, and how monitoring will be conducted to ensure all HUD and MSHDA requirements are met. MSHDA provides the required MOU document for completion each grant year and it can be found on the MSHDA ESG website.

MSHDA will establish grants with the designated Fiduciary and the Fiduciary will be responsible for distribution of funds, compliance with MSHDA and HUD requirements, and monitoring of awarded subgrantees.

VIII. Defining Roles

The following is an explanation of the minimum duties performed by the CoC/LPB, Fiduciary, HARA, and Subgrantees. As in previous ESG NOFAs, the CoC/LPB recommends to MSHDA agencies to receive funding in accordance with MSHDA ESG NOFA parameters. The CoC/LPB-recommended Fiduciary will be awarded the funds; therefore, the Fiduciary is the only agency billing MSHDA for reimbursement.

NOTE: MSHDA reserves the right to alter any/all recommendations based on issues of prior applicant performance, applicant capacity, eligibility of project activities, and consistency with the criteria and standards discussed in this NOFA.

Continuum of Care (CoC) or Local Planning Body (LPB)

While a Continuum of Care (CoC) and a Local Planning Body (LPB) are considered similar structures under MSHDA, a CoC is a HUD-recognized independent jurisdiction and can apply directly to HUD for its CoC Program funds. A LPB is in fact part of the larger, HUD-recognized Michigan Balance of State CoC. Both CoCs and LPBs are responsible for the following as outlined in federal regulation, the MSHDA ESG program, and accepted best practices:

- Implement and maintain a homeless crisis response system that is routinely monitored and evaluated based on HUD's System Performance Measures and MSHDA's Pay for Performance.
- Regularly engage, support, employ and compensate people with lived experience and expertise of homelessness (PLEE).
- Evaluate the Coordinated Entry System (access, assessment, prioritization, and referral) and housing outcomes with a racial equity lens.
- Develop a culture that teaches and makes decisions based upon outcomes.
- Analyze the local portfolio of grants to determine if the right mix of housing and services is available to meet the needs of the homeless households that present for assistance. Determine whether funding for some projects, in whole or in part, should be reallocated to make resources available for new efforts.
- Prioritize the use of MSHDA funds for proven strategies.
- Solidify and enhance partnerships within the following areas:
    - Behavioral health
    - Domestic violence and human trafficking
    - Education and employment
    - Healthcare
    - Law enforcement
    - Veteran, aging, and youth services
- Further the application and implementation of best practices and guiding principles among grantees.
- Confirm and support the identified agency(s) that will function as Fiduciary and Housing Assessment and Resource Agency (HARA), and other grantees.
- Monitor services provided by all grantees to ensure they meet the needs of the local community and that any critical issues are addressed.
- Provide MSHDA with annual PIT count meeting minutes, notices, and agendas to the designated MSHDA Homeless Assistance Specialist.
- Ensure that all funded agencies, including domestic violence service providers, participate in CoC or LPB meetings.
- Ensure completion of HMIS sharing agreement (Qualified Services Organization Business Associates Agreement - QSOBAA) between all relevant CoC/LPB agencies.

Fiduciary

The Fiduciary is an agency selected and affirmed by the CoC or LPB to receive and distribute ESG funding as allocated by the approved budget. The Fiduciary agrees to the following responsibilities:

- Execute grant documents for the community's allocation, including:

  - Completion of all Memorandum of Understanding (MOU) signatures with the CoC or LPB and with all Key Partners.
  - Sign grant agreement and applicable documents required by MSHDA.

Note: The completed MOU is sufficient to document the subgrantee relationship with the Fiduciary, but Fiduciaries can choose to initiate and execute subgrantee grants if desired.

- Assure use of funds in accordance with the grant agreement, communicating knowledge of any fraudulent activity to MSHDA and the CoC or LPB.
- Submit quarterly Financial Status Reports (FSRs) in the grant management system.
- Advise the CoC or LPB of agencies not using dollars in a timely manner to avoid loss of funds to the community and possible recapture by MSHDA.
- Evaluate the quality of services and provide oversight to funding grantees based upon documented outcomes and in partnership with the CoC or LPB.
- Collect and submit quarterly and annual Consolidated Annual Performance and Evaluation Reports (CAPERs) that address specific performance outcomes supported by HMIS data (domestic violence service providers must use a comparable database). CAPERs are submitted to MSHDA, with a copy to the CoC or LPB for review.
- Monitor ten percent (10%) of all participant files, as well as the financial records, of all grantees except emergency shelters. Emergency shelters are monitored directly by MSHDA and do not require additional monitoring by the Fiduciaries.

Housing Assessment Resource Agency (HARA)

The Housing Assessment and Resource Agency (HARA) is an agency selected and affirmed by the CoC or LPB to facilitate the prioritization and referral of households within the homeless crisis response system or Coordinated Entry System. CoCs or LPBs may also support the HARA to complete primary entry functions such as access and assessment. Other agencies may also be identified by the CoC or LPB to provide access and assessment, but MSHDA funds require recognition of one HARA per CoC or LPB. The HARA agrees to the following responsibilities:

- Implement the prioritization process for literally homeless households as developed by the CoC or LPB.
- Complete referrals based on prioritization, eligibility, and participant choice to all CoC- or LPB-identified housing resources within the geographic area of the CoC or LPB.
- Provide routine reports to the CoC or LPB on the prioritization and referral processes, including number of households identified and served by the CoC or LPB.
- Employ staff as Housing Resource Specialists to provide Housing Relocation and Stabilization Services and Rental Assistance dollars for Homelessness Prevention and Rapid Re-Housing.
- Employ staff to oversee the Housing Choice Voucher Homeless Preference waiting list.
- Employ staff to act as Housing Navigators to perform outreach to landlords, develop lists of available rental units, and assist households in identifying available housing units.
- Maintain knowledge of MSHDA housing developments within the CoC or LPB, the availability of Project Based Vouchers within any developments, and at least quarterly contact with each development regarding availability of units.
- Assist developers to ensure that case management services are available to new units made available through the Low-Income Housing Tax Credit (LIHTC) Program, and if applicable, refer applicants to the Project Based Voucher waiting list.
- Ensure accessibility in each county served through established office hours.

All Grantees

All grantees are selected and affirmed by the CoC or LPB agree to the following responsibilities:

- Collaborate with the CoC or LPB to align funding and address any gaps in system design to end homelessness.
- Provide eligible services as defined within this policy and as specified in their grant agreement with the Fiduciary.
- Enter client information in HMIS (domestic violence service providers must use a comparable database).
- Coordinate with the HARA to ensure the required assessment tool and/or process is completed for literally homeless households.

- Routinely review and correct HMIS/comparable database data quality issues and monitor outcome performance.
- Maintain financial and client level records to support billings, retaining records for five years.
- Request payment and provide necessary supportive documentation to the Fiduciary on at least a quarterly basis.
- Submit quarterly and annual CAPERs that address specific performance outcomes supported by HMIS data to the Fiduciary.
- Ensure compliance with grant terms and provide the Fiduciary and MSHDA access to financial and programmatic records when requested.

IX. Selection Criteria

The following criteria outline the minimum requirements by role for any agency receiving MSHDA ESG funding.

NOTE: According to 24 CFR 576.2, local public housing agencies and state housing finance agencies are not eligible subgrantees of these ESG funds. MSHDA is eligible for these dollars as the State's direct recipient and pass-through entity to subgrantees.

Fiduciary:

- Recommended by the local CoC/LPB.
- A 501(c)3 nonprofit agency or local unit of government that operates its principal place of business in the State of Michigan (CoC/LPB, if incorporated as a 501(c)3 Entity, is eligible).
- Actively involved in the CoC/LPB planning process.
- Participation in a Qualified Service Organization Business Associate Agreement (QSOBAA) to allow sharing within HMIS.
- Exhibits the financial capacity to administer funds as demonstrated through an audited federal financial statement.
- Has financial management systems in place such as cash receipts and disbursement logs, invoices, and cancelled check registers, etc.
- Employ staff who possess a bachelor's degree in accounting *or* possess experience in accounting along with college accounting credits *or* a bookkeeper whose work is overseen by an accounting firm.

Housing Assessment and Resource Agency (HARA):

- A 501(c)3 nonprofit agency or local unit of government that operates its principal place of business in the State of Michigan (CoC/LPB, if incorporated as a 501(c)3 Entity, is eligible).
- Actively involved in the CoC/LPB planning process.
- Experienced in serving homeless populations.
- Experienced in providing assessments, referrals, and case management services specifically targeted to people who are homeless.
- Experienced with successful HMIS data collection.
- Ability to complete standardized assessments to help ensure that the right individual/family is getting to the right program to end their homelessness.
- Participation in a QSOBAA to allow sharing within HMIS.
- Exhibits the financial capacity to administer funds as demonstrated through an audited federal financial statement.
- Has financial management systems in place such as cash receipts and disbursement logs, invoices, and cancelled check registers, etc.
- Employ staff who possess a bachelor's degree in accounting *or* possess experience in accounting along with college accounting credits *or* a bookkeeper whose work is overseen by an accounting firm.
- Capacity to place households on the MSHDA HCV Homeless Preference Waitlist and refer applicants for the Project Based Voucher (PBV) Program.
- Have established office hours Monday through Friday, sometime between 8:00 a.m. to 6:00 p.m., in the geographic area being served, i.e., a rural HARA may have office hours between 8:00 a.m. to 2:00 p.m. Monday through Friday (no phone-only system). HARAs must also have an emergency communications

plan in the event of unexpected closure to effectively redirect individuals and families seeking emergency services.
- Considered a leader in the community with the ability to collaborate, coordinate and partner with other local organizations.

NOTE: Agencies currently designated as the HARA for the 2025-2026 ESG grant year will continue their role as the HARA for the 2026-2027 fiscal year unless there is documented evidence of poor performance or extenuating circumstances, such as the current agency choosing to discontinue service. CoCs/LPBs that decide to designate a new HARA for 2026-2027 ESG fiscal year must obtain approval from MSHDA prior to the submission of the ESG application. This policy supports capacity building within system change and fosters community partners to have a vested interest in the success of their designated HARA. The HARA must be an agency that serves all populations.

All Funded Grantees
- Recommended by the CoC/LPB.
- A 501(c)3 nonprofit agency or a local unit of government that operates its principal place of business in the State of Michigan.
- A local unit of government can subgrant the funds to a PHA.
- Actively involved in the CoC/LPB planning process.
- Willing to re-align existing program structures and use of funds to fill gaps and end homelessness.
- Willing to use HMIS to collect relevant data (domestic violence service providers use a comparable database).
- Capacity to use a standardized assessment tool or process.
- Participation in a QSOBAA to allow sharing within HMIS.
- Exhibits the financial capacity to administer funds as demonstrated through an audited financial statement.
- Has financial management systems in place such as cash receipts and disbursement logs, invoices, and cancelled check registers, etc.
- Employ staff who possess a bachelor's degree in accounting *or* possess experience in accounting along with college accounting credits *or* a bookkeeper whose work is overseen by an accounting firm.
- Does not require program participants to complete any prerequisites to receive services (i.e., religious activities, sobriety treatment, etc.).
- Displays the ability to collaborate, coordinate and partner with other local organizations.

NOTE: Domestic violence service providers are not eligible to receive emergency shelter funding through their CoC/LPB. MSHDA provides a set-aside of ESG funds to MDHHS to fund DV agencies across Michigan. Please see Section XI (ESG Funds to MDHHS for Domestic Violence Service Providers) for more information.

X. Use of Funds

Additional information and details for each component can be found in the MSHDA Policy Manual.

1. **Street Outreach**
   - **Essential Services:** Services necessary to reach 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, and transportation.

2. **Emergency Shelter**
   - **Essential Services:** Eligible costs include case management, childcare, education services, employment assistance and job training, transportation, and services for special populations.
   - **Shelter Operations:** Eligible costs include maintenance, rent, security, fuel, food for shelter guests, furnishings, equipment, insurance, utilities, and supplies necessary for the operations of emergency shelter. These funds cannot be used for construction or rehabilitation of shelters.

3. **Homelessness Prevention**
    - **Housing Relocation and Stabilization Services – Service Costs:** Eligible costs include housing search and placement assistance, housing stability case management, mediation, and legal services.
    - **Housing Relocation and Stabilization Services – Financial Assistance:** Eligible costs include rental application fees, security deposits, utility deposits, utility payments, and moving costs.
    - **Short-and/or Medium-Term Rental Assistance:** Eligible costs include rent arrears, as well as short-term and medium-term rental assistance.
    - **Participant Eligibility:**
        - Individual or household is certified as Category 2 or 4 under HUD definitions of homelessness OR certified under HUD definition of At Risk of Homelessness.
        - Annual income of the individual or household is below 30% of area median income.
        - Assistance is necessary to help the individual or household achieve or regain stability in their current permanent housing or move into other permanent housing.

4. **Rapid Re-Housing**
    - **Housing Relocation and Stabilization Services – Service Costs:** Eligible costs include housing search and placement assistance, housing stability case management, Housing Choice Voucher (HCV) waiting list case management, mediation, and legal services.
    - **Housing Relocation and Stabilization Services – Financial Assistance:** Eligible costs include rental application fees, security deposits, utility deposits, utility payments, and moving costs.
    - **Short-and/or Medium-Term Rental Assistance:** Eligible costs include short-term and medium-term rental assistance up to 12 months
    - **Participant Eligibility:**
        - Individual or household is certified as Category 1 under HUD definitions of homelessness. This includes households fleeing domestic violence through the use of emergency shelter or living in places not meant for human habitation.
        - Annual income of the individual or household is below 30% of area median income.
        - Assistance is necessary to help the individual or household move as quickly as possible into permanent housing and achieve stability.

5. **HMIS Data Entry:** Up to **ten percent (10%)** of the total grant allocation can be used for the costs of participating in HMIS and equipment. (Domestic violence service providers must use a comparable database.)

6. **Administrative:** Up to **seven and a half percent (7.5%)** of the total grant allocation can be used for general management, oversight, and coordination of MSHDA ESG services, as well as for training on ESG requirements.

NOTE: MSHDA passes 100% of the available administrative funds to its subgrantees and does not keep any funds for its role in applying for and administering these grant funds.

Additional Parameters for CoC/LPB Budget Allocation of MSHDA ESG Funds:

- A minimum of forty percent (40%) of the total grant allocation must be awarded to the HARA.

- At least 40% of all **rental assistance** (Homelessness Prevention and Rapid Re-Housing) must be allocated to Rapid Re-Housing Rental Assistance.

- Any agency that is affirmed by the CoC/LPB, must meet the criteria outlined in Section IX (Selection Criteria) of this NOFA to be awarded Rapid Re-Housing and Homelessness Prevention services and rental assistance.

- Total emergency shelter funding (both essential services and shelter operations) cannot exceed 30% of the total grant allocation.

- No award to any grantee shall be less than $10,000.

NOTE: Future funding allocations will be impacted if any funds over $1,000 are returned in the final financial status report (FSR). MSHDA will reduce the determined allocation by 50% of the total returned funds (ex. $6,000 returned in the FY2025-2026 grant cycle would result in a $3,000 reduction to the FY2027-2028 allocation). Reductions to the base allocation can have lingering detrimental impacts on all subsequent funding allocations.

XI. ESG Funds to MDHHS for Domestic Violence Service Providers

MSHDA directly allocates funds to MDHHS for the purposes of supporting the following activities for qualifying domestic violence service providers:

- Emergency shelter essential services and operations
- Comparable database support and access
- Administrative costs (up to 7.5% of the total grant allocation)

MDHHS is the Fiduciary for these funds and assumes all responsibilities as outlined in Section VIII (Defining Roles) of this NOFA.

All requirements and expectations outlined in this NOFA are applicable to awarded domestic violence service provider agencies. All providers must follow MSHDA policy and are required to use MSHDA forms for services provided, unless otherwise indicated.