

## PARKINS Sheila \* HCS

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**From:** HSD Homeless Services \* HCS  
**Sent:** Thursday, April 4, 2024 4:10 PM  
**To:** HSD Homeless Services \* HCS; SIBLEY Cody \* HCS; SERVIN Nicole \* HCS  
**Subject:** UPDATE: Action Required - ESG CV - Habitability Standards Checklist  
**Attachments:** ESG-Emergency-Shelter-and-Permanent-Housing-Standards-Checklists.docx; ESG-Emergency-Shelter-and-Permanent-Housing-Standards.pdf

Greetings,

Thank you all for your continued efforts in meeting the necessary requirements for the close-out of the Emergency Solutions Grant – COVID 19 (ESG-CV) program. We wanted to follow up on the update below and notify that we will be extending the deadline for submission until the end of the day **April 22<sup>nd</sup>, 2024**. We also wanted to provide some clarification on which organizations and services would require the submission of the Habitability Standards Checklists.

A Habitability Standards Checklist is required for organizations that used ESG-CV funding for acquisition/rehabilitation/renovation or conversion **and** are converting their facility from Temporary Emergency Shelter to Permanent Emergency Shelter.

If your organization did not complete acquisition/rehabilitation/renovation or conversion under ESG-CV but will be converting to Permanent Emergency Shelter under ESG, then the checklist would need to be completed as an ESG requirement. Otherwise, submission of the checklist is not required.

Please feel free to reach out with any questions to this email, Cody Sibley ([cody.sibley@hcs.oregon.gov](mailto:cody.sibley@hcs.oregon.gov)) or Nicole Servin ([nicole.servin@hcs.oregon.gov](mailto:nicole.servin@hcs.oregon.gov))

Thank you!

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**From:** HSD Homeless Services \* HCS  
**Sent:** Thursday, March 21, 2024 4:55 PM  
**Cc:** HSD Homeless Services \* HCS <HSD.HomelessServices@HCS.oregon.gov>  
**Subject:** Action Required: ESG CV - Habitability Standards Checklist

**To:** Gatekeepers  
**From:** Homeless Services Section Staff  
**Date:** 3/21/2024

**Please distribute to:** Executive Directors Homeless Services Program Staff

**Category:** Action Required

**Update For:**  
Other: ESG-CV - Habitability Standards Checklist

**Message:**

Greetings ESG-CV Program Staff,

As we continue to close out the Emergency Solutions Grant – COVID 19 program, our team is working on collecting all necessary documentation to meet the Department of Housing and Urban Development requirements. All grantees **must** complete the attached Habitability Standards Checklist and return to [HSD.HomelessServices@hcs.oregon.gov](mailto:HSD.HomelessServices@hcs.oregon.gov) by no later than the end of the day **Monday, April 8<sup>st</sup>, 2024**. Please complete the attached word document labeled “ESG-Emergency-Shelter-and-Permanent-Housing-Standards-Checklists.”

A description of the Habitability Standards and the corresponding checklist have been attached to this email and can also be found on the HUD website at the link [here](#).

For reference, below is an excerpt from ESG CFRs:

*The Emergency Solutions Grants (ESG) Program interim rule, at 24 CFR 576.403, establishes minimum standards for safety, sanitation, and privacy in emergency shelters funded with ESG, and minimum habitability standards for permanent housing funded under the Rapid Re-housing and Homelessness Prevention components of ESG. This document explains when the minimum standards apply. Note: This document does not describe how to conduct an inspection, nor does it address the lead-based paint requirements, which can be found at 24 CFR part 35.*

*Accompanying the habitability standards are checklists, which offer an optional format for documenting compliance with the appropriate standards.*

If you have any questions, please feel free to reach out immediately. Failure to provide a copy of the Habitability Standards checklist may cause your organization to be out of compliance. Thank you all for your continued efforts in ensuring all HUD guidelines are met.

**For More Information Contact:**

**Email:** [HSD.HomelessServices@hcs.oregon.gov](mailto:HSD.HomelessServices@hcs.oregon.gov)

# ESG Minimum Habitability Standards for Emergency Shelters and Permanent Housing: Checklists

## About this Tool

The Emergency Solutions Grants (ESG) Program Interim Rule establishes different habitability standards for emergency shelters and for permanent housing (the Rapid Re-housing and Homelessness Prevention components).

- **Emergency Shelter Standards.**
  - Emergency shelters that receive ESG funds for renovation or shelter operations must meet the minimum standards for safety, sanitation, and privacy provided in §576.403(b).
  - In addition, emergency shelters that receive ESG funds for renovation (conversion, major rehabilitation, or other renovation) also must meet state or local government safety and sanitation standards, as applicable.
- **Permanent Housing Standards.** The recipient or subrecipient cannot use ESG funds to help a program participant remain in or move into housing that does not meet the minimum habitability standards under §576.403(c). This restriction applies to all activities under the Homelessness Prevention and Rapid Re-housing components.

Recipients and subrecipients must document compliance with the applicable standards. Note that these checklists do not cover the requirements to comply with the Lead-Based Paint requirements at §576.403(a). For more discussion about how and when the standards apply, see **ESG Minimum Standards for Emergency Shelters and Permanent Housing**, located at <http://OneCPD.info/esg>.

The checklists below offer an optional format for documenting compliance with the appropriate standards. These are intended to:

1. Provide a clear summary of the requirements and an adaptable tool so recipients and subrecipients can formally assess their compliance with HUD requirements, identify and carry out corrective actions, and better prepare for monitoring visits by HUD staff.
2. Provide a tool for a recipient to monitor that its subrecipient is in compliance with HUD requirements. Where non-compliance is identified, the ESG recipient can use this information to require or assist the subrecipient to make necessary changes.

Prior to beginning the review, the subrecipient should organize relevant files and documents to help facilitate their review. For instance, this may include local or state inspection reports (fire-safety, food preparation, building/occupancy, etc.), or policy and procedure documents related to emergency shelter facility maintenance or renovations.

Carefully read each statement and indicate the shelter's or unit's status for each requirement (Approved or Deficient). Add any comments and corrective actions needed in the appropriate box. The reviewer should complete the information about the project, and sign and date the form. This template includes space for an "approving official," if the recipient or subrecipient has designated another authority to approve the review. When the assessment is complete, review it with program staff and develop an action plan for addressing any areas requiring corrective action.

## Minimum Standards for Emergency Shelters

**Instructions:** Place a check mark in the correct column to indicate whether the property is approved or deficient with respect to each standard. A copy of this checklist should be placed in the shelter's files.

Approved	Deficient	<b>Standard</b> (24 CFR part 576.403(b))
		<p>1. <i>Structure and materials:</i></p> <p>a. The shelter building is structurally sound to protect the residents from the elements and not pose any threat to the health and safety of the residents.</p> <p>b. Any renovation (including major rehabilitation and conversion) carried out with ESG assistance uses Energy Star and WaterSense products and appliances.</p>
		<p>2. <i>Access.</i> Where applicable, the shelter is accessible in accordance with:</p> <p>a. Section 504 of the Rehabilitation Act (29 U.S.C. 794) and implementing regulations at 24 CFR part 8;</p> <p>b. The Fair Housing Act (42 U.S.C. 3601 et seq.) and implementing regulations at 24 CFR part 100; and</p> <p>c. Title II of the Americans with Disabilities Act (42 U.S.C. 12131 et seq.) and 28 CFR part 35.</p>
		<p>3. <i>Space and security:</i> Except where the shelter is intended for day use only, the shelter provides each program participant in the shelter with an acceptable place to sleep and adequate space and security for themselves and their belongings.</p>
		<p>4. <i>Interior air quality:</i> Each room or space within the shelter has a natural or mechanical means of ventilation. The interior air is free of pollutants at a level that might threaten or harm the health of residents.</p>
		<p>5. <i>Water Supply:</i> The shelter's water supply is free of contamination.</p>
		<p>6. <i>Sanitary Facilities:</i> Each program participant in the shelter has access to sanitary facilities that are in proper operating condition, are private, and are adequate for personal cleanliness and the disposal of human waste.</p>
		<p>7. <i>Thermal environment:</i> The shelter has any necessary heating/cooling facilities in proper operating condition.</p>
		<p>8. <i>Illumination and electricity:</i></p> <p>a. The shelter has adequate natural or artificial illumination to permit normal indoor activities and support health and safety.</p> <p>b. There are sufficient electrical sources to permit the safe use of electrical appliances in the shelter.</p>
		<p>9. <i>Food preparation:</i> Food preparation areas, if any, contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner.</p>
		<p>10. <i>Sanitary conditions:</i> The shelter is maintained in a sanitary condition.</p>
		<p>11. <i>Fire safety:</i></p> <p>a. There is at least one working smoke detector in each occupied unit of the shelter. Where possible, smoke detectors are located near sleeping areas.</p> <p>b. All public areas of the shelter have at least one working smoke detector.</p> <p>c. The fire alarm system is designed for hearing-impaired residents.</p> <p>d. There is a second means of exiting the building in the event of fire or other emergency.</p>
		<p>12. If ESG funds were used for renovation or conversion, the shelter meets state or local government safety and sanitation standards, as applicable.</p>
		<p>13. Meets additional recipient/subrecipient standards (if any).</p>

## CERTIFICATION STATEMENT

I certify that I have evaluated the property located at the address below to the best of my ability and find the following:

- Property meets all of the above standards.
- Property does not meet all of the above standards.

**COMMENTS:**

ESG Recipient Name: \_\_\_\_\_

ESG Subrecipient Name (if applicable): \_\_\_\_\_

Emergency Shelter Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Evaluator Signature: \_\_\_\_\_ Date of review:

\_\_\_\_\_

Evaluator Name: \_\_\_\_\_

Approving Official Signature (if applicable): \_\_\_\_\_ Date:

\_\_\_\_\_

Approving Official Name (if applicable): \_\_\_\_\_

## Minimum Standards for Permanent Housing

**Instructions:** Place a check mark in the correct column to indicate whether the property is approved or deficient with respect to each standard. The property must meet all standards in order to be approved. A copy of this checklist should be placed in the client file.

Approved	Deficient	<b>Standard</b> <i>(24 CFR part 576.403(c))</i>
		1. <i>Structure and materials:</i> The structure is structurally sound to protect the residents from the elements and not pose any threat to the health and safety of the residents.
		2. <i>Space and security:</i> Each resident is provided adequate space and security for themselves and their belongings. Each resident is provided an acceptable place to sleep.
		3. <i>Interior air quality:</i> Each room or space has a natural or mechanical means of ventilation. The interior air is free of pollutants at a level that might threaten or harm the health of residents.
		4. <i>Water Supply:</i> The water supply is free from contamination.
		5. <i>Sanitary Facilities:</i> Residents have access to sufficient sanitary facilities that are in proper operating condition, are private, and are adequate for personal cleanliness and the disposal of human waste.
		6. <i>Thermal environment:</i> The housing has any necessary heating/cooling facilities in proper operating condition.
		7. <i>Illumination and electricity:</i> The structure has adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There are sufficient electrical sources to permit the safe use of electrical appliances in the structure.
		8. <i>Food preparation:</i> All food preparation areas contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner.
		9. <i>Sanitary condition:</i> The housing is maintained in sanitary condition.
		10. <i>Fire safety:</i> <ol style="list-style-type: none"> <li>a. There is a second means of exiting the building in the event of fire or other emergency.</li> <li>b. The unit includes at least one battery-operated or hard-wired smoke detector, in proper working condition, on each occupied level of the unit. Smoke detectors are located, to the extent practicable, in a hallway adjacent to a bedroom.</li> <li>c. If the unit is occupied by hearing-impaired persons, smoke detectors have an alarm system designed for hearing-impaired persons in each bedroom occupied by a hearing-impaired person.</li> <li>d. The public areas are equipped with a sufficient number, but not less than one for each area, of battery-operated or hard-wired smoke detectors. Public areas include, but are not limited to, laundry rooms, day care centers, hallways, stairwells, and other common areas.</li> </ol>
		11. Meets additional recipient/subrecipient standards (if any).



## CERTIFICATION STATEMENT

I certify that I have evaluated the property located at the address below to the best of my ability and find the following:

- Property meets all of the above standards.
- Property does not meet all of the above standards.

**COMMENTS:**

ESG Recipient Name: \_\_\_\_\_

ESG Subrecipient Name: \_\_\_\_\_

Program Participant Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

Apartment: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Evaluator Signature: \_\_\_\_\_ Date of review:

\_\_\_\_\_

Evaluator Name: \_\_\_\_\_

Approving Official Signature (if applicable): \_\_\_\_\_ Date:

\_\_\_\_\_

Approving Official Name (if applicable): \_\_\_\_\_



# ESG Minimum Habitability Standards for Emergency Shelters and Permanent Housing

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## Introduction

The Emergency Solutions Grants (ESG) Program interim rule, at 24 CFR 576.403, establishes minimum standards for safety, sanitation, and privacy in emergency shelters funded with ESG, and minimum habitability standards for permanent housing funded under the Rapid Re-housing and Homelessness Prevention components of ESG. This document explains when the minimum standards apply.

**Note:** This document does not describe how to conduct an inspection, nor does it address the lead-based paint requirements, which can be found at 24 CFR part 35.

## Minimum Standards for Emergency Shelters

Whenever ESG funds are used under the Emergency Shelter component for renovation or shelter operations, the building must meet the minimum standards for safety, sanitation, and privacy provided in §576.403(b), also listed in Appendix A. If cash or non-cash contributions (e.g. funds or staff time) used for renovation or shelter operations are to be contributed to the recipient's ESG program as match, the emergency shelter must meet the minimum standards, because all matching contributions must meet all requirements that apply to the ESG funds provided by HUD (§576.201(c)).

**Note:** The same standards apply regardless of the amount of ESG funds involved. For example, a shelter that receives \$1,000 in ESG funds to replace a water heater is subject to the same standards as a shelter that receives \$80,000 for operating costs.

The recipient or subrecipient must be sure to maintain documentation of compliance with the minimum standards for Emergency Shelter activities in the program's records.

## Renovation

Any building for which ESG funds are used for conversion, major rehabilitation, or other renovation must meet:

- The minimum safety, sanitation, and privacy standards under §576.403(b); **and**
- State or local government safety and sanitation standards, as applicable.

In addition:

- If the recipient established any other standards that add to or exceed HUD's minimum standards, the recipient/subrecipient must ensure that the shelter meets these standards.
- An inspection to ensure that the building meets all of the minimum standards must be completed when the renovation is complete and before the shelter is occupied.
- The shelter should follow the minimum standards for as long as the minimum period of use requirement is in place for the facility (10 years for major rehabilitation and conversion, or 3 years for other renovation).

- The recipient should be involved in planning the renovation up front to ensure that the renovation work will result in the shelter meeting the minimum standards.

### **Shelter Operations**

Any emergency shelter that receives ESG funds for shelter operations (including minor repairs) must meet the minimum safety, sanitation, and privacy standards under §576.403(b).

In addition:

- If the recipient established any other standards that add to or exceed HUD’s minimum standards, the recipient/subrecipient must ensure that the shelter meets these standards.
- The shelter must be inspected on-site to ensure that it meets the minimum standards before ESG funds are provided for shelter operations.
- The shelter must meet all standards for the entire period during which ESG funds are provided for operating the emergency shelter. For example, if operating assistance is provided for 24 months, the shelter must remain in compliance with the minimum standards for those 24 months.
- If the shelter fails to meet the minimum standards, ESG funds (under either shelter operations or renovation) may be used to bring it up to the minimum standards.
- If the shelter continues to receive ESG shelter operating funds over a period of time, then a periodic, on-site inspection must be conducted each time the shelter receives funds. For example, if the shelter receives an annual allocation of funds from the ESG recipient, an inspection must be conducted annually.
- If the recipient/subrecipient moves the shelter to a new site or structure, that new site or structure must meet all emergency shelter standards for the remaining period that ESG funds are used for operating expenses.

**Minimum Standards Do Not Apply to  
Essential Services and HMIS Activities**

- The minimum standards for emergency shelters apply only when ESG funds are used for **shelter operations** and **conversion, major rehabilitation, or other renovation**.
- **Essential services** provided under the Street Outreach and Emergency Shelter components do not trigger either the minimum standards for emergency shelter or the minimum standards for permanent housing. This is because there is no unit to inspect; these services are provided for persons who are sleeping in emergency shelters or with a primary nighttime 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.
- Likewise, the minimum standards do not apply to an emergency shelter (or other organization) receiving ESG funds only for **HMIS** costs.

## Minimum Standards for Permanent Housing

The recipient or subrecipient cannot use ESG funds to help a program participant **remain in** or **move into** housing that does not meet the minimum habitability standards under §576.403(c) (also listed in Appendix A).

This restriction applies to all activities under the Homelessness Prevention and Rapid Re-housing components, including rental assistance and housing relocation and stabilization services. In addition:

- If an eligible household needs homelessness prevention assistance to remain in its existing unit, the assistance can only be provided if that unit meets the minimum standards.
- If an eligible household needs homelessness prevention or rapid re-housing assistance to move to a new unit, the assistance can only be provided if the new unit meets the minimum standards. The unit the household is leaving does not need to be inspected.
- The housing must also comply with any other standards established by the recipient that exceed or add to these minimum standards.

**Note:** The same standards apply regardless of the amount of ESG funds involved. For example, the recipient or subrecipient must inspect the unit and confirm that it meets the ESG minimum habitability standards, even if the only ESG assistance being provided is for a security deposit or moving assistance.

The recipient or subrecipient must be sure to document compliance with the ESG habitability standards for Emergency Shelter activities in the program participant's file.

## Homelessness Prevention

When ESG Rental Assistance and/or Housing Relocation and Stabilization Services are provided under the Homelessness Prevention component to help a program participant **remain in** or **move into** permanent housing, the ESG minimum habitability standards apply to either the current unit (if the program participant is staying in place) or to a new unit (if the program participant is moving). Even if only a minimal amount of Housing Relocation and Stabilization Services assistance—such utility arrears/payments (Financial Assistance) or housing stability case management (Services)—is provided under the Homelessness Prevention component to assist a program participant to stay in their unit, the habitability standards apply to the unit and must be documented in the program participant's file.

**Example:** Jonathan has a part-time job and a large amount of debt; he has not been paying his entire rent for the past few months. He has received an eviction notice, and he has no family or friends in the area that can help him. After he goes through the ESG intake assessment and is determined to be eligible, the case manager determines that he could benefit from credit counseling and a financial literacy course.

**Scenario A:** The credit counseling and financial literacy course is all the ESG assistance Jonathan needed to help him re-prioritize rent payments and get back on track. Even though he has received services only, because it is homelessness

prevention and the assistance is directly related to helping him remain in his unit, a habitability inspection is required.

**Scenario B:** First, the case manager attempts mediation with the landlord, but the landlord refuses to work with them and goes to court. Jonathan needs legal services to prevent the eviction and help him stay in the unit, along with payments of several months of rental arrears. Again, a habitability inspection must be completed because the ESG services and assistance are directly related to assisting him to stay in his unit.

### **Rapid Re-housing**

When ESG Rental Assistance and/or Housing Relocation and Stabilization Services are provided under the Rapid Re-housing component to help a program participant move into a new permanent housing unit, the habitability standards apply to the unit into which they are moving and must be documented in the program participant's file. If Rapid Re-housing services are being provided before a unit has been identified, no habitability inspection is required until there is a unit to inspect. If assistance with arrears for a prior unit is needed as part of the rapid re-housing assistance, no habitability inspection is required for the old unit on which the arrears are owed, so long as the program participant will be rapidly re-housed in a different unit.

**Example:** Sarah and her 1 year-old daughter are staying in an emergency shelter, and an ESG subrecipient is assisting her to prepare for permanent housing, funded under the Rapid Re-housing component.

**Scenario A:** After developing a housing plan with her case manager, she receives housing stability case management to identify and address some of the issues preventing her from obtaining and remaining in housing, and housing search and placement assistance to assess housing barriers, to develop an action plan for locating housing, and to start the housing search process. The case manager also helps Sarah access other mainstream resources, including child care and food stamps, to help increase their stability when Sarah is able to find and rent an apartment on her own. In this scenario, there is not yet a unit to inspect, so no habitability inspection is required.

**Scenario B:** In addition to housing stability case management and housing search and placement assistance, the case manager is able to obtain funds from a local charity that will cover Sarah's security deposit and the first 2 months of rent in her own apartment. The case manager also spends time helping Sarah make moving arrangements. In this scenario, the unit she moves into must meet the habitability standards—even though no ESG financial assistance or rental assistance was provided—because the ESG-funded services were directly related to a helping the program participant move into a particular unit.

## When and how often must inspections be conducted for Rapid Re-housing and Homelessness Prevention assistance?

The timing and frequency of inspections depends on the type of activity, as described below.

**If the program participants need Homelessness Prevention assistance to stay in their current housing**, the housing must be inspected and found to meet the minimum habitability standards before the recipient/subrecipient incurs ESG costs for any of the following:

- Providing any service to the program participant;
- Entering into a rental assistance agreement with the owner; or
- Making any payment on behalf of the program participant (e.g., rental or utility arrears, rental or utility payments, etc.).

**Note:** The interim rule states that ESG funds may not be used to help someone move into or remain in a unit that does not meet the habitability standards. However, in some situations (e.g. when providing legal services), homelessness prevention assistance to stay in a unit must be provided quickly—even before the habitability inspection can be completed. In these cases, a recipient/subrecipient could use *non-ESG funds* to pay for an eligible program participant's rental arrears, rental assistance, or financial assistance, or provide services to keep an individual or family in their unit, **before an inspection is performed**, so long as the unit is inspected and determined to meet the habitability standards **before** any costs are charged to the ESG grant or matching funds. If the unit does not meet the habitability standards at the time of the inspection, recipients are prohibited from using ESG funds to pay for assistance provided before the unit meets the standards. In addition, funds spent before a unit meets the habitability standards may not be counted as match.

**If the program participant needs Homelessness Prevention or Rapid Re-housing assistance to obtain housing**, the unit into which the program participant is moving must be inspected before the program participant signs the lease and before the recipient/subrecipient provides any ESG rental assistance or housing relocation and stabilization services specific to the unit into which the program participant will be moving.<sup>1</sup>

**In all cases**, if ESG funds are used for **ongoing** assistance (such as rental assistance, utility payments, etc.), the recipient/subrecipient must take reasonable measures to ensure the unit meets the minimum habitability standards for permanent housing for the duration of the assistance. If HUD monitors and discovers that a unit does not meet the minimum standards, then HUD may determine that the recipient is out of compliance with the ESG requirements.

**For one-time assistance** (such as rental arrears, a security deposit, etc.), the unit for which assistance is being provided—either for households that remain in place or for households that are moving to a unit—must meet the minimum standards for permanent housing at the time the assistance is provided (e.g., when the rental arrears payment is made).

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<sup>1</sup> One exception to this is the rental application fee. If a program participant applies for several units, only the unit into which they ultimately decide to move must be inspected.

## About the Standards

The minimum standards for emergency shelters and permanent housing, respectively, are listed in the regulation, at §576.403(b) and (c), and also in Appendix A of this document. Recipients/subrecipients must keep sufficient records to demonstrate that they are meeting the minimum standards.

### **Can we use different standards?**

Recipients may establish standards more stringent than the ESG program's minimum standards for permanent housing and emergency shelter, or may allow the subrecipient to establish such standards, as long as all HUD-required standards are also met. For recipients that intend to apply more stringent standards, these standards should be described in a written policy to ensure that all individuals responsible for implementing the policy have access to consistent guidance.

It is important to note that the Housing Quality Standards (HQS) used for other HUD programs are different than the minimum standards for permanent housing and emergency shelter assisted with ESG funds. While in most respects HQS is more stringent and detailed than the ESG minimum standards for permanent housing and emergency shelter, the ESG standards for fire safety are more specific. Recipients/subrecipients who choose to use HQS instead of the ESG habitability standards should amend their checklists and notify inspectors that they must complete the more stringent inspection for fire safety. Appendix A illustrates the differences between the standards for permanent housing and emergency shelters, and compares those standards with HQS.

### **Does a certified inspector need to conduct inspections?**

Inspections to determine that emergency shelters and permanent housing meet the ESG minimum standards do not need to be evaluated by a certified inspector. In general, ESG inspections may be conducted by:

- ESG program staff (recipient/subrecipient staff); or
- Staff from or hired by an agency of the recipient/subrecipient, such as a city department that is designated to conduct inspections, or a contractor hired for that task; or
- Staff from another subsidy program that is providing assistance and also requires an inspection (e.g., Section 8, Public Housing).

However, the inspection must determine whether all aspects of the ESG minimum habitability standards have been met for the particular unit assisted with ESG funds; **simply conducting an HQS inspection, a city housing code inspection, a sampling of units in a particular development, or another type of housing quality assessment is insufficient.**

### **How should compliance with minimum standards for emergency shelter or permanent housing be documented?**

Recipients/subrecipients must document compliance with the ESG permanent housing and emergency shelter standards, as applicable, and this documentation must include inspection reports, as required under §576.500(j). Recipients (or subrecipients, if applicable) have discretion to establish their own approaches to documenting initial and ongoing compliance with the

standards. Procedures for ensuring such compliance must be included in the recipient's/subrecipient's written policies and procedures, as required under §576.500(a).

Documenting compliance with the appropriate minimum standards includes ensuring that inspection reports from the initial and any follow-up inspections are retained. In developing these policies and procedures, recipients should consider issues such as what action will be taken if conditions change or if a recipient/subrecipient has reason to believe the shelter or housing unit might not pass another inspection.

HUD is providing inspection checklists that may be used to document the results of on-site inspections for emergency shelters and for permanent housing. These can be found in the companion document, *ESG Minimum Standards for Emergency Shelter and Permanent Housing: Checklists* on HUD's OneCPD website (<http://onecpd.info/esg>). The checklists are models for documenting compliance with the appropriate standard; HUD is not requiring recipients/subrecipients to use this specific format. However, they do capture the information HUD requires.

Recipients/subrecipients may accept documentation of inspections conducted by staff affiliated with another subsidy program. However, as described above, since other programs' standards may be different (e.g., HQS standards differ slightly, as illustrated in Appendix A), in these cases, recipients/subrecipients must ensure that the other program's inspection protocol is adapted to adequately document compliance with all applicable ESG standards.

For permanent housing units, the completed checklist (or equivalent documentation) should be placed in the program participant's file. For an emergency shelter, the completed checklist (or equivalent documentation) should be placed in a file pertaining to the shelter. In either case, the documentation must be available during monitoring by HUD or the recipient.

**Note:** These records are subject to record retention requirement at 24 CFR 576.500(y) and the access to records requirements at 24 CFR 576.500(z).

### **Can ESG funds be used to pay for inspections?**

Recipients/subrecipients may charge expenses associated with conducting emergency shelter and permanent housing inspections to the ESG grant. Inspection costs may be charged in different ways depending on the situation.

#### **Charge to the Emergency Shelter component:**

- As an emergency shelter renovation cost if a recipient/subrecipient pays for an inspection of its own shelter after completing a renovation to ensure the shelter meets the standards after the renovation.
- As a shelter operations cost if a recipient/subrecipient pays for an inspection of its own shelter while it is receiving and using funds for shelter operations.

#### **Charge to the Rapid Re-housing or Homelessness Prevention component:**

- As a housing search and placement cost if a recipient/subrecipient is helping a program participant remain in or move into a particular housing unit and inspects that housing unit to comply with the minimum standards for permanent housing.

#### **Charge as an Administrative Cost:**

- If the recipient is inspecting a shelter run by a subrecipient to ensure the shelter complies with the minimum standards for emergency shelter (e.g. as a part of a monitoring review).
- If the recipient is inspecting permanent housing occupied by program participants to ensure the subrecipient has complied with the minimum standards for permanent housing (e.g. as a part of a monitoring review).

**What happens if HUD determines that the emergency shelter or permanent housing minimum standards have not been followed?**

If HUD monitors and discovers that the recipient or subrecipient is out of compliance with the emergency shelter or permanent housing standards, HUD may require any of the remedial actions or sanctions set forth in §576.501(b).

**Are the emergency shelter or permanent housing inspections the same as the lead-based paint inspections?**

No. The requirements are both listed under 576.403 of the ESG Interim Rule, under “Shelter and Housing Standards,” but lead-based paint requirements must be assessed **in addition to** the minimum standards for emergency shelter and permanent housing standards. However, recipients/subrecipients may choose to conduct the inspection at the same time. For information about lead-based paint requirements, see 24 CFR part 35, subparts A, B, H, J, K, M, and R, which apply to all ESG-funded shelters and all housing occupied by ESG program participants.



**Appendix A**  
**Comparison of ESG Minimum Standards for Emergency Shelter and Permanent Housing and HQS**  
(Bold text highlights areas of the minimum standards different from HQS)

<b>Minimum safety, sanitation, and privacy standards for emergency shelter §576.403(b)<sup>i</sup></b>	<b>Minimum habitability standards for permanent housing §576.403(c)<sup>ii</sup></b>	<b>Housing quality standards (HQS) §982.401</b>
<p>(1) Structure and materials. The shelter building must be structurally sound to protect residents from the elements and not pose any threat to health and safety of the residents. <b>Any renovation (including major rehabilitation and conversion) carried out with ESG assistance must use Energy Star and WaterSense products and appliances.</b></p>	<p>(1) Structure and materials. The structures must be structurally sound to protect residents from the elements and not pose any threat to the health and safety of the residents.</p>	<p>(g) Structure and materials —</p> <p>(1) Performance requirement. The dwelling unit must be structurally sound. The structure must not present any threat to the health and safety of the occupants and must protect the occupants from the environment.</p> <p>(2) Acceptability criteria.</p> <p>(i) Ceilings, walls, and floors must not have any serious defects such as severe bulging or leaning, large holes, loose surface materials, severe buckling, missing parts, or other serious damage.</p> <p>(ii) The roof must be structurally sound and weathertight.</p> <p>(iii) The exterior wall structure and surface must not have any serious defects such as serious leaning, buckling, sagging, large holes, or defects that may result in air infiltration or vermin infestation.</p> <p>(iv) The condition and equipment of interior and exterior stairs, halls, porches, walkways, etc., must not present a danger of tripping and falling. For example, broken or missing steps or loose boards are unacceptable.</p> <p>(v) Elevators must be working and safe.</p>
<p>(2) Access. The shelter must be accessible in accordance with Section 504 of the Rehabilitation Act (29 U.S.C. 794) and implementing regulations at 24 CFR part 8; the Fair Housing Act (42 U.S.C. 3601 et seq.) and implementing regulations at 24 CFR part 100; and Title II of the Americans with Disabilities Act (42 U.S.C. 12131 et seq.) and 28 CFR part 35; where applicable.</p>		

<b>Minimum safety, sanitation, and privacy standards for emergency shelter</b> <b>§576.403(b)<sup>1</sup></b>	<b>Minimum habitability standards for permanent housing</b> <b>§576.403(c)<sup>ii</sup></b>	<b>Housing quality standards (HQS)</b> <b>§982.401</b>
<p>(3) Space and security. Except where the shelter is intended for day use only, the shelter must provide each program participant in the shelter with an acceptable place to sleep and adequate space and security for themselves and their belongings.</p>	<p>(2) Space and security. Each resident must be provided adequate space and security for themselves and their belongings. Each resident must be provided an acceptable place to sleep.</p>	<p>Space and security —</p> <p>(1) Performance requirement. The dwelling unit must provide adequate space and security for the family.</p> <p>(2) Acceptability criteria.</p> <p>(i) At a minimum, the dwelling unit must have a living room, a kitchen area, and a bathroom.</p> <p>(ii) The dwelling unit must have at least one bedroom or living/sleeping room for each two persons. Children of opposite sex, other than very young children, may not be required to occupy the same bedroom or living/sleeping room.</p> <p>(iii) Dwelling unit windows that are accessible from the outside, such as basement, first floor, and fire escape windows, must be lockable (such as window units with sash pins or sash locks, and combination windows with latches). Windows that are nailed shut are acceptable only if these windows are not needed for ventilation or as an alternate exit in case of fire.</p> <p>(iv) The exterior doors of the dwelling unit must be lockable. Exterior doors are doors by which someone can enter or exit the dwelling unit.</p>
<p>(4) Interior air quality. <b>Each room or space within the shelter must have a natural or mechanical means of ventilation.</b> The interior air must be free of pollutants at a level that might threaten or harm the health of residents.</p>	<p>(3) Interior air quality. <b>Each room or space must have a natural or mechanical means of ventilation.</b> The interior air must be free of pollutants at a level that might threaten or harm the health of residents.</p>	<p>(h) Interior air quality —</p> <p>(1) Performance requirement. The dwelling unit must be free of pollutants in the air at levels that threaten the health of the occupants.</p> <p>(2) Acceptability criteria.</p> <p>(i) The dwelling unit must be free from dangerous levels of air pollution from carbon monoxide, sewer gas, fuel gas, dust, and other harmful pollutants.</p> <p>(ii) There must be adequate air circulation in the dwelling unit.</p> <p>(iii) Bathroom areas must have one openable window or other adequate exhaust ventilation.</p> <p>(iv) Any room used for sleeping must have at least one window. If the window is designed to be openable, the window must work.</p>

<b>Minimum safety, sanitation, and privacy standards for emergency shelter</b> <b>§576.403(b)<sup>1</sup></b>	<b>Minimum habitability standards for permanent housing</b> <b>§576.403(c)<sup>ii</sup></b>	<b>Housing quality standards (HQS)</b> <b>§982.401</b>
<p>(5) Water supply. The shelter's water supply must be free of contamination.</p>	<p>(4) Water supply. The water supply must be free from contamination.</p>	<p>(i) Water supply —</p> <p>(1) Performance requirement. The water supply must be free from contamination.</p> <p>(2) Acceptability criteria. The dwelling unit must be served by an approvable public or private water supply that is sanitary and free from contamination.</p>
<p>(6) Sanitary facilities. Each program participant in the shelter must have access to sanitary facilities that are in proper operating condition, are private, and are adequate for personal cleanliness and the disposal of human waste.</p>	<p>(5) Sanitary facilities. Residents must have access to sufficient sanitary facilities that are in proper operating condition, are private, and are adequate for personal cleanliness and the disposal of human waste.</p>	<p>(b) Sanitary facilities —</p> <p>(1) Performance requirements. The dwelling unit must include sanitary facilities located in the unit. The sanitary facilities must be in proper operating condition, and adequate for personal cleanliness and the disposal of human waste. The sanitary facilities must be usable in privacy.</p> <p>(2) Acceptability criteria.</p> <p>(i) The bathroom must be located in a separate private room and have a flush toilet in proper operating condition.</p> <p>(ii) The dwelling unit must have a fixed basin in proper operating condition, with a sink trap and hot and cold running water.</p> <p>(iii) The dwelling unit must have a shower or a tub in proper operating condition with hot and cold running water.</p> <p>(iv) The facilities must utilize an approvable public or private disposal system (including a locally approvable septic system).</p>
<p>(7) Thermal environment. The shelter must have any necessary heating/cooling facilities in proper operating condition.</p>	<p>(6) Thermal environment. The housing must have any necessary heating/cooling facilities in proper operating condition.</p>	<p>(e) Thermal environment —</p> <p>(1) Performance requirement. The dwelling unit must have and be capable of maintaining a thermal environment healthy for the human body.</p> <p>(2) Acceptability criteria.</p> <p>(i) There must be a safe system for heating the dwelling unit (and a safe cooling system, where present). The system must be in proper operating condition. The system must be able to provide adequate heat (and cooling, if applicable), either directly or indirectly, to each room, in order to assure a healthy living environment appropriate to the climate.</p> <p>(ii) The dwelling unit must not contain unvented room heaters that burn gas, oil, or kerosene. Electric heaters are acceptable.</p>

<p><b>Minimum safety, sanitation, and privacy standards for emergency shelter</b> §576.403(b)<sup>i</sup></p>	<p>(8) Illumination and electricity. The shelter must have adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There must be sufficient electrical sources to permit the safe use of electrical appliances in the shelter.</p>	<p><b>Minimum habitability standards for permanent housing</b> §576.403(c)<sup>ii</sup></p>	<p>(7) Illumination and electricity. The structure must have adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There must be sufficient electrical sources to permit the safe use of electrical appliances in the structure.</p>	<p><b>Housing quality standards (HQS)</b> §982.401</p>	<p>(f) Illumination and electricity —</p> <p>(1) Performance requirement. Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. The dwelling unit must have sufficient electrical sources so occupants can use essential electrical appliances. The electrical fixtures and wiring must ensure safety from fire.</p> <p>(2) Acceptability criteria.</p> <p>(i) There must be at least one window in the living room and in each sleeping room.</p> <p>(ii) The kitchen area and the bathroom must have a permanent ceiling or wall light fixture in proper operating condition. The kitchen area must also have at least one electrical outlet in proper operating condition.</p> <p>(iii) The living room and each bedroom must have at least two electrical outlets in proper operating condition. Permanent overhead or wall-mounted light fixtures may count as one of the required electrical outlets.</p>
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<b>Minimum safety, sanitation, and privacy standards for emergency shelter</b> <b>§576.403(b)<sup>1</sup></b>	<b>Minimum habitability standards for permanent housing</b> <b>§576.403(c)<sup>ii</sup></b>	<b>Housing quality standards (HQS)</b> <b>§982.401</b>
<p>(9) Food preparation areas, if any, must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner.</p>	<p>(8) Food preparation. All food preparation areas must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner.</p>	<p>(c) Food preparation and refuse disposal —</p> <p>(1) Performance requirement.</p> <p>(i) The dwelling unit must have suitable space and equipment to store, prepare, and serve foods in a sanitary manner.</p> <p>(ii) There must be adequate facilities and services for the sanitary disposal of food wastes and refuse, including facilities for temporary storage where necessary (e.g., garbage cans).</p> <p>(2) Acceptability criteria.</p> <p>(i) The dwelling unit must have an oven, and a stove or range, and a refrigerator of appropriate size for the family. All of the equipment must be in proper operating condition. The equipment may be supplied by either the owner or the family. A microwave oven may be substituted for a tenant-supplied oven and stove or range. A microwave oven may be substituted for an owner-supplied oven and stove or range if the tenant agrees and microwave ovens are furnished instead of an oven and stove or range to both subsidized and unsubsidized tenants in the building or premises.</p> <p>(ii) The dwelling unit must have a kitchen sink in proper operating condition, with a sink trap and hot and cold running water. The sink must drain into an approvable public or private system.</p> <p>(iii) The dwelling unit must have space for the storage, preparation, and serving of food.</p> <p>(iv) There must be facilities and services for the sanitary disposal of food waste and refuse, including temporary storage facilities where necessary (e.g., garbage cans).</p> <p>(m) Sanitary condition —</p> <p>(1) Performance requirement. The dwelling unit and its equipment must be in sanitary condition.</p> <p>(2) Acceptability criteria. The dwelling unit and its equipment must be free of vermin and rodent infestation.</p>
<p>(10) Sanitary conditions. The shelter must be maintained in a sanitary condition.</p>	<p>(9) Sanitary conditions. The housing must be maintained in a sanitary condition.</p>	<p>(1) Performance requirement. The dwelling unit and its equipment must be in sanitary condition.</p> <p>(2) Acceptability criteria. The dwelling unit and its equipment must be free of vermin and rodent infestation.</p>

<b>Minimum safety, sanitation, and privacy standards for emergency shelter</b> §576.403(b) <sup>i</sup>	<b>Minimum habitability standards for permanent housing</b> §576.403(c) <sup>ii</sup>	<b>Housing quality standards (HQS)</b> §982.401
<p>(11) Fire safety. There must be at least one working smoke detector in each occupied unit of the shelter. Where possible, smoke detectors must be located near sleeping areas. The fire alarm system must be designed for hearing-impaired residents. All public areas of the shelter must have at least one working smoke detector. There must also be a second means of exiting the building in the event of fire or other emergency.</p>	<p>(10) Fire safety. (i) There must be a second means of exiting the building in the event of fire or other emergency.  (ii) Each unit must include at least one battery-operated or hard-wired smoke detector, in proper working condition, on each occupied level of the unit. Smoke detectors must be located, to the extent practicable, in a hallway adjacent to a bedroom. If the unit is occupied by hearing impaired persons, smoke detectors must have an alarm system designed for hearing-impaired persons in each bedroom occupied by a hearing-impaired person.  (iii) The public areas of all housing must be equipped with a sufficient number, but not less than one for each area, of battery-operated or hard-wired smoke detectors. Public areas include, but are not limited to, laundry rooms, community rooms, day care centers, hallways, stairwells, and other common areas.</p> <p>See endnote <sup>iii</sup>.</p>	<p>(n) Smoke detectors performance requirement —</p> <p>(1) Except as provided in paragraph (n)(2) of this section, each dwelling unit must have at least one battery-operated or hard-wired smoke detector, in proper operating condition, on each level of the dwelling unit, including basements but excepting crawl spaces and unfinished attics. Smoke detectors must be installed in accordance with and meet the requirements of the National Fire Protection Association Standard (NFPA) 74 (or its successor standards). If the dwelling unit is occupied by any hearing-impaired person, - smoke detectors must have an alarm system, designed for hearing-impaired persons as specified in NFPA 74 (or successor standards).</p> <p>(2) For units assisted prior to April 24, 1993, owners who installed battery-operated or hard-wired smoke detectors prior to April 24, 1993 in compliance with HUD's smoke detector requirements, including the regulations published on July 30, 1992, (57 FR 33846), will not be required subsequently to comply with any additional requirements mandated by NFPA 74 (i.e., the owner would not be required to install a smoke detector in a basement not used for living purposes, nor would the owner be required to change the location of the smoke detectors that have already been installed on the other floors of the unit).</p>
<p>See endnote <sup>iii</sup>.</p>	<p>See endnote <sup>iii</sup>.</p>	<p>(j) Lead-based paint performance requirement. The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at part 35, subparts A, B, M, and R of this title apply to units assisted under this part.</p>
		<p>(k) Access performance requirement. The dwelling unit must be able to be used and maintained without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire (such as fire stairs or egress through windows).</p>

Minimum safety, sanitation, and privacy standards for emergency shelter §576.403(b) <sup>i</sup>	Minimum habitability standards for permanent housing §576.403(c) <sup>ii</sup>	Housing quality standards (HQS) §982.401
		<p>(1) Site and Neighborhood —</p> <p>(1) Performance requirement. The site and neighborhood must be reasonably free from disturbing noises and reverberations and other dangers to the health, safety, and general welfare of the occupants.</p> <p>(2) Acceptability criteria. The site and neighborhood may not be subject to serious adverse environmental conditions, natural or manmade, such as dangerous walks or steps; instability; flooding; poor drainage, septic tank back-ups or sewage hazards; mudslides; abnormal air pollution, smoke or dust; excessive noise, vibration or vehicular traffic; excessive accumulations of trash; vermin or rodent infestation; or fire hazards.</p>

<sup>i</sup> The minimum safety, sanitation, and privacy standards for emergency shelter apply to emergency shelters receiving ESG funds for renovation (including conversion and major rehabilitation) and/or operating costs. In addition, any building for which Emergency Solutions Grant (ESG) funds are used for conversion, major rehabilitation or other renovation must meet also state or local government safety and sanitation standards, as applicable. The recipient may also establish standards that exceed or add to these minimum standards.

<sup>ii</sup> ESG funds cannot be used to help a program participant remain or move into housing that does not meet these minimum habitability standards. The recipient may also establish standards that exceed or add to these minimum standards.

<sup>iii</sup> Although the minimum standards for emergency shelter and permanent housing do not cover lead-based paint requirements, the recipient or subrecipient must follow the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821–4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851–4856), and implementing regulations in 24 CFR part 35, subparts A, B, H, J, K, M, and R, with respect to shelters assisted under ESG and housing occupied by program participants.