

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE**

651 Bannon Street, Suite 400
Sacramento, CA 95811
(916) 263-2771
www.hcd.ca.gov



May 9, 2025

ESG-RUSH Management Memo 25-01

To: **ESG-RUSH Subrecipients**

Subject: **HCD ESG-RUSH Policies and Procedures Crosswalk**
Emergency Solutions Grants (ESG) Program
Rapid Unsheltered Survivor Housing (RUSH)
Grant Number E-25-DW-06-0001

Background

On February 4, 2025, the U.S. Department of Housing and Urban Development (HUD) awarded the California Department of Housing and Community Development (HCD) \$3,000,000 for the Rapid Unsheltered Survivor Housing (RUSH) program. ESG-RUSH grants, awarded under the Emergency Solutions Grants (ESG) grant program, are made for the purpose of assisting individuals and families experiencing homelessness or at risk of homelessness, who have been residing in a “declared disaster area,” and have needs that are not otherwise served or fully met by existing Federal disaster relief programs. Funds are provided pursuant to FR-6315-N-01 (RUSH Notice) and as authorized by section 231 of the Department of Housing and Urban Development Appropriations Act of 2020.

The RUSH Notice includes a suspension of requirements and regulatory waivers to certain ESG program requirements that may conflict with certain components of existing Policies and Procedures (P&P) that HCD has in place for the administration of the ESG program. Additionally, the July 1, 2024, HUD memo “*Streamlined Process for Suspensions and Waivers of Community Planning and Development (CPD) Grant Program and Consolidated Plan Requirements to Facilitate Recovery from Presidentially Declared Major Disasters*” also applies to RUSH funding.

HCD has prepared this memo to address any potential conflicts between the RUSH Notice; HUD Memo; and HCD’s ESG P&Ps, forms, checklists, or other materials. This may include specific alternative requirements/waivers or suspension of requirements. If an item is not listed, then it remains in effect for the ESG-RUSH program without change, or a new version has been created for the ESG-RUSH program. These documents are available online at:
<https://www.hcd.ca.gov/grants-and-funding/programs-active/emergency-solutions-grants>.

Note: Some waivers may expire or have specific time limits or other special parameters that require recipients (i.e. HCD) to re-notify HUD of its intent to use the waiver. Subrecipients must consult with HCD for availability of waivers from HUD.

Crosswalk List

CA ESG Subrecipient Program Manual			
Category	Page(s)*	Discussion/Notes/Description	Source
Emergency Shelter / Eligible Activities	Page 32	<p>It is HCD policy that ESG funds not be used for renovation, conversion, or major rehabilitation of emergency shelters, although ESG program regulations at 24 CFR 576.102 allow for it.</p> <p>ESG-RUSH funds may be used for renovation, conversion, or major rehabilitation of emergency shelters impacted by disaster with written approval from HCD.</p> <p>See RUSH Notice.</p>	RUSH Notice, ESG Subrecipient Manual
Rapid Re-Housing (RRH) /Periods of Assistance	Pages 42, 44-45, 57, 59-60	<p>These sections discuss maximum amounts and periods of assistance. Pursuant to the HUD Memo, 24-month caps on rental assistance, and housing relocation and stabilization services are waived.</p> <p>Funds may be used to provide up to 36 consecutive months of these services, in addition to the 30 days of housing stability case management that may be provided before the move into permanent housing.</p> <p>See HUD Memo, also see revised HCD ESG RRH manual.</p>	HUD Memo
Participant Eligibility, Admissions	Pages 56 119-129, 137-138	These sections discuss program participant eligibility requirements. In addition to meeting ESG requirements, a participant must also meet the requirements provided in the RUSH	RUSH Notice

		<p>Notice to be eligible for ESG-RUSH funding.</p> <p>See RUSH Notice, also see revised HCD ESG RRH manual.</p>	
Habitability, Housing, Shelter Standards	Pages 58, 88, 107	<p>Pursuant to the HUD Memo, certain habitability, housing and shelter standards at 24 CFR 576.402(c) and 24 CFR 576.403(b) are waived for units or shelters in the declared disaster area that are or will be occupied by individuals or families eligible for assistance. Note: The HUD memo provides additional requirements that must still be met.</p> <p>See HUD Memo, also see revised HCD ESG RRH manual.</p>	HUD Memo
Fair Market Rent (FMR)	Pages 60-61	<p>FMR is waived. However, the rent reasonableness standard must still be met.</p> <p>See HUD Memo, also see revised HCD ESG RRH Manual.</p>	HUD Memo
Assisting Program Participants with Subleases	Pages 65-66, 107	<p>The requirements in 24 CFR 576.105 and 576.106 are waived to the extent that the references to "owner" and "lease" in 24 CFR 576.105 and 576.106 restrict an individual or family from receiving assistance in a unit they rent from the primary leaseholder. References to lease can apply to a program participant's sublease or lease with a primary leaseholder.</p> <p>See HUD Memo, also see revised HCD ESG RRH Manual.</p>	HUD Memo
Obligation Requirements, Advance Payments, and Expenditure,	Pages 76, 80-81	In accordance with the HUD Memo, RUSH Notice, and HCD policy, certain requirements or procedures regarding expenditure, obligation, disbursement, and other related	HUD Memo, RUSH Notice

Reimbursement, and Disbursement Procedures		<p>procedures/requirements may differ from the requirements of the ESG program.</p> <p>Any differences in requirements or procedures will be handled on a case-by-case basis and detailed in the grantee/subrecipient standard agreement.</p>	
Match Requirements	Pages 76, 108	Match requirements are waived.	RUSH Notice
ESG Program Guidelines			
Build America, Buy America (BABA)	Pages 6, 12	ESG-RUSH is exempt from BABA requirements	RUSH Notice
Habitability, Housing, Shelter Standards	Page 12	<p>Pursuant to the HUD Memo, certain habitability, housing and shelter standards at 24 CFR 576.402(c) and 24 CFR 576.403(b) are waived for units or shelters in the declared disaster area that are or will be occupied by individuals or families eligible for assistance. Note: The HUD memo provides additional requirements that must still be met.</p> <p>See HUD Memo, also see revised HCD ESG RRH manual.</p>	HUD Memo
Match Requirements	Pages 18, 20-21, 25	Match requirements are waived.	RUSH Notice
Obligation Requirements, Advance Payments and Expenditure, Reimbursement, and Disbursement Procedures	Pages, 19, 22, 27, 29	In accordance with the HUD Memo, RUSH Notice, and HCD policy, certain requirements or procedures regarding expenditure, obligation, disbursement, and other related procedures/requirements may differ from the requirements of the ESG program.	HUD Memo, RUSH Notice

		Any differences in requirements or procedures will be handled on a case-by-case basis and detailed in the grantee/subrecipient standard agreement.	
Other Policies, Procedures, Forms, Checklists, and Other Materials			
Match Policy	All	Match requirements are waived.	RUSH Notice
Minimum Habitability Standards for Shelter and Housing Policy	All	<p>Pursuant to the HUD Memo, certain habitability, housing and shelter standards at 24 CFR 576.402(c) and 24 CFR 576.403(b) are waived for units or shelters in the declared disaster area that are or will be occupied by individuals or families eligible for assistance.</p> <p>Each unit or shelter must still meet applicable state and local standards and be free of life-threatening conditions defined in NOTICE PIH 2017-20 (HA).</p> <p>See HUD Memo, also see revised HCD ESG RRH manual.</p>	HUD Memo
Fair Market Rent and Rent Reasonableness Policy, Rent Reasonableness and Fair Market Rent Certification Form	Pages 3-4 (II.C), certification	FMR is waived. However, the rent reasonableness standard must still be met. See HUD Memo, also see revised HCD ESG RRH Manual.	HUD Memo

() The absence of a page number or document or an incorrectly listed page number should not be interpreted that such reference is not applicable. It is the grantee's/subrecipient's to ensure all applicable rules and regulations are followed. This includes any forms, templates, checklists or other materials associated with a document listed above.*