

**CORONAVIRUS AID, RELIEF AND
ECONOMIC SECURITY ACT (CARES
ACT) FUNDING**

**EMERGENCY SOLUTIONS GRANT
PROGRAM (ESG-CV)**

September 17, 2020

Round 1 ESG CARES Act Funding

- State received \$2,199,893
- Awarded to 9 agencies across the state on June 12, 2020

Round 2 ESG CARES Act Funding

- State received \$5,554,958
- Applications have not been released yet
- We want to hear from you – what are the needs in your community?

HUD's Priorities of the ESG-CV Program

These special ESG-CV funds are to be used to ***prevent, prepare for, and respond to*** the coronavirus pandemic (COVID-19) among individuals and families who are homeless or receiving homeless assistance; and to support additional homeless assistance and homelessness prevention activities to mitigate the impacts of COVID-19.

Prevent...coronavirus means an activity designed to prevent the initial or further spread of the virus to people experiencing homelessness, people at risk of homelessness, recipient or subrecipient staff, or other shelter or housing residents. This includes providing Personal Protective Equipment to staff and program participants, paying for non-congregate shelter options such as hotels and motels, paying for handwashing stations and portable toilets for use by people living in unsheltered situations, and providing rapid re-housing or homelessness prevention assistance to individuals and families who are homeless or at risk of homelessness (as applicable) to reduce their risk of contracting or further spreading the virus.

HUD's Priorities of the ESG-CV Program

Prepare for...coronavirus means an activity carried out by a recipient or subrecipient prior to or during a coronavirus outbreak in their jurisdiction to plan to keep people healthy and reduce the risk of exposure to coronavirus and avoid or slow the spread of disease. This includes updating written standards to prioritize people at severe risk of contracting coronavirus for shelter and housing consistent with fair housing and nondiscrimination requirements, adapting coordinated entry policies and procedures to account for social distancing measures or increased demand, developing a strategy and recruiting landlords to provide housing to people experiencing homelessness or at risk of homelessness, training homeless providers on infectious disease prevention and mitigation, and implementing a non-congregate shelter strategy to reduce the spread of coronavirus.

Respond to coronavirus means an activity carried out once coronavirus has spread to people experiencing homelessness, provider staff, or once individuals and families lose or are at risk of losing their housing as a result of the economic downturn caused by coronavirus. This includes transporting individuals and families experiencing homelessness to medical appointments, paying for shelter to isolate individuals who have contracted coronavirus from other program participants and people experiencing homelessness, providing rental assistance to those who are at risk of losing their housing, have already become homeless, or continue to experience homelessness due to the economic downturn caused by coronavirus, and providing hazard pay to recipient or subrecipient staff who put their own health at risk to continue to provide necessary services to individuals and families experiencing and risk of homelessness.

Important Sites:

- ESG CARES Act Notice:
<https://www.hud.gov/sites/dfiles/OCHCO/documents/20-08cpdn.pdf>
- ESG Information on the SDHDA website:
<https://www.sdhda.org/social-programs/emergency-solutions-grants-program>
- ESG on HUD Exchange:
<https://www.hudexchange.info/programs/esg/>
- COVID 19 Resources page for Homeless Assistance Programs on HUD Exchange:
<https://www.hudexchange.info/homelessness-assistance/diseases/>
- CDC Site – Resources to support people experiencing homelessness: <https://www.cdc.gov/coronavirus/2019-ncov/community/homeless-shelters/index.html>

What is ESG?

Funding to serve homeless or those at risk of becoming homeless.

- Renovation or rehabilitation of a building used for emergency shelter
- Shelter Operations
 - *Operating expenses of the emergency shelter*
 - *Essential services provided to shelter clients*
- Street Outreach
 - *Services provided to individuals/families living on the street*
- Rapid Rehousing and Homelessness Prevention
 - *Case Management services*
 - *Rental and Security Deposits*
 - *Rental and Utility Arrears*
 - *Rental Assistance – up to 24 months*
 - *Other housing related expenses*

ESG-CV Information...

- Applicants can be units of local government, nonprofit organizations, public housing agencies and local redevelopment authorities.
- All ESG-CV funds must be expended by September 30, 2022. We award an 18-month grant agreement with our subrecipients to allow time for recapture and reallocation of funds.
 - *HUD requires 20% of the total award to be expended by September 30, 2021*
 - *HUD requires 80% of the total award to be expended by March 31, 2022*
- Up to 5% Administrative costs are allowed for subrecipients
- Include people with lived experience in the design and creation of your program
- Reporting – Information entered into HMIS by the subrecipients will be used for quarterly reporting to HUD by the HMIS Lead.

CARES ACT flexibilities...

- Funds are not subject to spending cap on emergency shelter and outreach
- Pre-award costs are allowed for urgent activities and costs undertaken to prevent, prepare for, and respond to coronavirus back to March 13, 2020 which is the date of the Governor's Executive Order declaring an emergency in SD due to coronavirus
- Funds are exempt from the ESG match requirements
- Funds may be used to provide homelessness prevention assistance to any individual or family who does not have income higher than HUD's Very Low Income Limit – 50% AMI and meets the criteria of the “at risk of homelessness” definition
- While encouraged to offer treatment and supportive services when necessary to assist vulnerable homeless populations, individuals and families experiencing homelessness must not be required to receive treatment or perform any other prerequisite activities as a condition for receiving shelter, housing or other services for which these funds are used

Additional Eligible Activities

- ***Temporary Emergency Shelter*** – funds may be used to pay for temporary emergency shelter for individuals & families experiencing homelessness in order to prevent, prepare for, and respond to coronavirus
- ***Training*** – funds may be used for training on infectious disease prevention and mitigation for staff working directly to prevent, prepare for, and respond to coronavirus among persons who are homeless or at risk of homelessness
- ***Hazard Pay*** – funds may be used to pay hazard pay for staff working directly to prevent, prepare for, and respond to coronavirus
- ***Handwashing Stations & Portable Bathrooms*** – installing & maintaining handwashing stations & bathrooms (e.g. porta potties) in outdoor locations for people experiencing unsheltered homelessness

Additional Eligible Activities

- **Landlord Incentives** – eligible cost of paying for landlord incentives as reasonable and necessary to obtain housing for individuals/families. Eligible landlord incentives costs include:
 - *Signing bonuses equal to up to 2 months of rent*
 - *Security deposits equal to up to 3 months of rent*
 - *Paying the cost to repair damages incurred by the program participant not covered by the security deposit or that are incurred while the program participant is still residing in the unit*
 - *Paying the costs of extra cleaning or maintenance of a program participant's unit or appliances*
- **Volunteer Incentives** – cost of providing reasonable incentive to volunteers (e.g. cash or gift cards) who have been and are currently helping to provide necessary street outreach, emergency shelter, essential services and housing relocation & stabilization services during the coronavirus outbreak

Waivers, Alternative Requirements & Statutory Flexibilities for Existing Activities

- Temporary Emergency Shelter – the requirements at 24 CFR 576.102 apply, except funds may be used only for the costs of providing emergency shelter during the period beginning the date the recipient or subrecipient began preventing, preparing for, and responding to coronavirus and ending on January 31, 2022 and only for those costs that necessary to prevent, prepare for and respond to coronavirus
- Short-Term and Medium-Term Rental Assistance – alternative requirement is established where medium-term is established as for more than 3 months but not more than 12 months. The will allow more households to receive rapid re-housing and homelessness prevention assistance, which is necessary to prevent, prepare for, and respond to coronavirus
- Fair Market Rent (FMR) – the FMR is waived so long as the rent complies with HUD’s standards of rent reasonableness. Waiving this requirement will allow recipients to help program participants move quickly into housing or retain their existing housing, which is critical at reducing the spread of coronavirus and responding to coronavirus

Waivers, Alternative Requirements & Statutory Flexibilities for Existing Activities

- Hotel/Motel Costs – eligible costs include a hotel or motel voucher for homeless individuals/families where no appropriate emergency shelter is available. Additionally, alternative requirements allow for hotel/motel costs for individuals/families receiving rapid rehousing assistance under CoC or ESG, homelessness prevention under ESG or residing in permanent supportive housing
 - *Additionally, funds can be used to pay for cleaning of hotel and motel rooms used by program participants as well as to repair damages caused by program participants above normal wear & tear of the room*
 - *This would allow recipients to secure hotel/motel rooms more quickly to be available when needed to prevent the spread of coronavirus (e.g. when a participant needs to isolate to keep from spreading the virus to other shelter occupants or household members)*

QUESTIONS?

Denise Alberton
ESG and HMIS Administrator
605/773-2598
denise@sdhda.org

Lorraine Polak, Director
Rental Housing Development
605/773-3181
Lorraine@sdhda.org