

ESG-CV Notice

EFFECTIVE DATE: September 1, 2020



TITLE: Waivers and Alternative Requirements for the Emergency Solutions Grants (ESG) Program Under the CARES Act

SUMMARY: This Notice announces the allocation formula, amounts, and requirements for the additional \$3.96 billion in funding provided for the Emergency Solutions Grants Program (ESG) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). These ESG-CV funds must be used to prevent, prepare for, and respond to coronavirus, 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 created by coronavirus. Requirements at 24 CFR Part 576 will apply to the use of these funds, unless otherwise provided by the alternative requirements and flexibilities established under the CARES Act, this Notice, or subsequent waivers, amendments or replacements to this Notice. The alternative requirements established by this Notice that limit activities in comparison with the requirements in 24 CFR 576 and the CARES Act are not retroactive. Accordingly, any ESG or ESG-CV activities included in an action plan or substantial amendment for which HUD completed its review must comply with the requirements in effect at the time of the recipient's consolidated plan submission, except where this Notice provides new flexibility as authorized by the CARES Act.



Prevent, Prepare for, and Respond to Coronavirus

- Connection to coronavirus response is at the activity level, not at the household level
- Activities do not need to accomplish all three categories – just one
- Consider both public health needs as well as addressing economic impact caused by coronavirus

Prevent, Prepare for, and Respond to Coronavirus

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.

Prevent, Prepare for, and Respond to Coronavirus

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.

Prevent, Prepare for, and Respond to 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.

ESG CV DEMOGRAPHIC REPORTING TOOL

Agency Name: _____ Start Date: _____ End Date: _____

1 - How many people were served with ESG grant funds?

Enter the unduplicated total number of people for each racial and ethnic group below

White	African American	Native American	All Other Races	Hispanic	Not Hispanic

2a - How many people experiencing homelessness in your system are symptomatic for COVID-19 (have fevers and other symptoms such as cough or difficulty breathing)?

Enter the unduplicated total number of people for each racial and ethnic group below

White	African American	Native American	All Other Races	Hispanic	Not Hispanic

2b - Of those people, how many were tested?

Enter the unduplicated total number of people for each racial and ethnic group below

White	African American	Native American	All Other Races	Hispanic	Not Hispanic

3a - How many people experiencing homelessness in your system have tested positive for COVID-19?

Enter the unduplicated total number of people for each racial and ethnic group below

White	African American	Native American	All Other Races	Hispanic	Not Hispanic

3b - How many of those positives have received treatment?

Enter the unduplicated total number of people for each racial and ethnic group below

White	African American	Native American	All Other Races	Hispanic	Not Hispanic

4 - How many people experiencing homelessness have been referred to isolation and quarantine “beds” within your system?

Enter the unduplicated total number of people for each racial and ethnic group below

White	African American	Native American	All Other Races	Hispanic	Not Hispanic

5 – How many people experiencing homelessness who have either appeared symptomatic or tested positive for COVID-19 have received permanent housing?

Enter the unduplicated total number of people for each racial and ethnic group below

White	African American	Native American	All Other Races	Hispanic	Not Hispanic

Documenting "Prevent, Prepare for, or Respond to"

- HUD presumes the earliest date a community began preventing, preparing, and responding to coronavirus is January 21, 2020.
- However, recipients must maintain adequate documentation in program/project files demonstrating when state or local government began preparing for coronavirus. This is the date which must be used for reimbursement purposes.
- Example: State X began their coronavirus response when the first case within the State was confirmed on February 20, 2020. Therefore, ESG-CV funds may be used to reimburse eligible costs dating back to February 20, 2020.

Administrative Funds

- Ensure your ESG program has sufficient administrative capacity and staffing - use the additional administrative funds provided via ESG-CV to ramp up.
- Staffing increases will help to ensure effectiveness in grant management, especially in circumstances where States are hoping to expand the pool of subrecipients to include those who do not have experience with ESG.
- Overhead costs associated with increasing admin staff are also eligible; if overhead costs (laptops, cell phones, etc.) are for staff carrying out ESG program activities (ES, SO, RRH, HP), charge those costs to the applicable component

Additional Eligible Activities

Temporary
emergency
shelter

Landlord
Incentives

Volunteer
incentives

Handwashing stations
and portable
bathrooms*

Training*

Hazard Pay*

*These activities are not covered in detail on this webinar. Refer to the notice of the 9/3 webinar for additional details.

Temporary Emergency Shelter

Structure/portion of structure used **for limited time because of a crisis** (natural disaster or public health emergency) to provide shelter to individuals and families displaced from their normal place or residence or shelter/unsheltered locations

Defining Temporary Emergency Shelter	
<input checked="" type="checkbox"/>	Used for response to a natural disaster or public health emergency
<input checked="" type="checkbox"/>	Local public health official determined that temporary emergency shelter is necessary for community's coronavirus response
<input checked="" type="checkbox"/>	In use only for the period of time needed for coronavirus response. Time limited to January 31, 2022 unless HUD grants an exception.

Temporary Emergency Shelter

In addition to all eligible costs under the ESG Emergency Shelter component, funds may also be used to pay for:

- Acquisition of real property (up to \$2.5 million per real property)
- Services, including
 - Essential services (576.102(a)(1))
 - Housing search and placement services (576.105(b)(1))
 - Housing search and counseling services (578.53(e)(5))
- Other shelter costs HUD approves in writing

Additional requirements for temporary emergency shelters are established in Section III.E.3.a of the Notice.

Temporary Emergency Shelter

Alternative Requirements	Minimum period of use <u>does not</u> apply
Environmental Review	Requirements <u>do not</u> apply – document that local public health determined temporary emergency shelter is necessary
Shelter Habitability Standards	Standards <u>do not</u> apply
Lead Based Paint Requirements	Standards <u>do</u> apply
Nondiscrimination and Accessibility Requirements	Requirements DO still apply, including the Fair Housing Act; Section 504 of the Rehabilitation Act, the Americans with Disabilities Act Note: Structures such as trailers or other non-conventional shelter structures must meet ADA requirements in order to be eligible

Landlord Incentives

- Funds may be used to pay for landlord incentives that are reasonable and necessary to obtain housing for individuals and families at risk of or experiencing homelessness.
- A recipient may not use ESG-CV funds to pay the landlord incentives an amount that exceeds three times the rent charged for the unit.
- Eligible landlord incentive 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; and,
 - Paying the costs of extra cleaning or maintenance of a program participant's unit or appliances.

Landlord Incentives

- Budget only under RRH and HP components
- Linked to assistance provided per household
- Not intended to hold open specific units (this would be project-based rental assistance, which is eligible under ESG)
- Can be used with other funding (e.g., CoC, CDBG-CV, CRF) so long as there isn't a duplication of benefits and all applicable ESG requirements are met

Volunteer Incentives

- Funds may be used to pay to provide reasonable incentives to volunteers who have been and are currently helping to provide necessary street outreach, emergency shelter, essential services, and housing relocation and stabilization services during the coronavirus outbreak.
- Allowing these reasonable costs will increase the number of people available to provide the needed services and connections to housing to individuals and families experiencing homelessness to prevent the spread of coronavirus.

Additional Flexibilities: Hotel/Motel

- Hotel/motel costs may include:
 - Renting hotel or motel room directly or through a hotel or motel voucher;
 - Cleaning of hotel or motel rooms used by program participants;
 - Repairs for damage caused by program participants above normal wear and tear of the room (could include bedbugs or other pest remediation)
- Hotel/motel costs can be provided **under ES component** to individuals and families:
 - Experiencing homelessness;
 - Receiving rapid re-housing assistance under the Continuum of Care (CoC) or ESG programs;
 - Receiving homelessness prevention under the ESG program; or
 - Residing in permanent supportive housing

Hotels/Motels

- Cannot use Rapid Re-housing or Homelessness Prevention funding to place an individual or family in a hotel or motel – eligible component is limited to Emergency Shelter
- Can use Emergency Shelter funds to place households assisted with RRH, HP, PSH who need to be isolated, quarantined, or otherwise protected from COVID
- All rental assistance requirements under the Rapid Re-housing and Homelessness Prevention components need to be met (e.g., lease, rental assistance agreement, habitability, rent reasonableness, etc) to use ESG or ESG-CV for this purpose

Alternative Requirement: At Risk of Homelessness Definition

Income Limit Raised to 50% AMI

- Alternative requirement also applies to annual ESG used for COVID response
- Income eligibility determination is **prospective, not retrospective**
- Helpful tool and guidance: income calculator on HUD Exchange which has not yet been updated with the increased income limit

Eviction Moratoria and Homelessness Prevention Eligibility

Very low-income households qualify for HP by meeting the risk factors of the at risk of homelessness definition in addition to lacking the resources and support networks to obtain or maintain housing. Examples:

- Households facing eviction
- Households living in doubled-up or overcrowded situations
- Individuals exiting institutions
- Unaccompanied Youth (Category 2 of the Homeless definition)
- Families with Children and Youth (Category 3 of the Homeless definition)

Recipients can reprogram funds to Rapid Re-housing to address the need of those currently homeless and ensure timely expenditure of funds.

Homelessness Prevention Documentation

- When a leaseholder faces eviction initiated by a property owner or landlord, that household may qualify for HP assistance under either:
 - Category 1, Risk Factor (c) of the definition of “At Risk of Homelessness”; or
 - Category 2 of the definition of “Homelessness”
- At Risk, Category 1c – Right to occupy housing will terminate in 21 days
 - Does not need to be equivalent of court-ordered eviction action
 - Written notification from entity with authority to terminate tenancy (landlord, property owner)
 - If landlord notification provides a way to avoid eviction, documentation must show that applicant can’t meet the terms of avoiding eviction
- Homeless, Category 2 – Household must leave residence within 14 days
 - Notice equivalent to eviction action, Notice to Quit, Notice to Terminate under state law
 - Does not need to be equivalent of court-ordered eviction action
 - If there is no reasonable expectation that a household will lose their residence within 14 days, criteria of Category 2 are not met

Alternative Requirements - Limitations

Applicable to ESG-CV activities included in a substantial amendment or annual action plan for which HUD completed its review on or after September 1, 2020 (effective date of the ESG-CV Notice

- Medium-term Rental Assistance limited to 3-12 months instead of 3-24 months.
- Emergency Shelter activities may be provided only until January 31, 2022

ESG CV Grant #

E-20-DW-20-0001

ESG CV unique Grant ID #

Allen Coutny	ESGCV01
Atchison, Ciyt of	ESGCV02
Catholic Charities	ESGCV03
Compass Behavioral	ESGCV04
Crawford County	ESGCV05
El Dorado, City of	ESGCV06
Ford County	ESGCV07
Garden City, City of	ESGCV08
Great Bend, City of	ESGCV09
Harvest America	ESGCV10
Harvey Coutny	ESGCV11
Hutchinson, City of	ESGCV12
Jackson County	ESGCV13
Johnson County	ESGCV14
Lawrence	ESGCV15
Leavenworth, City of	ESGCV16
Manhattan, City of	ESGCV17
McPherson, City of	ESGCV18
Pittsburg, City of	ESGCV19
Salina, City of	ESGCV20
Seward County	ESGCV21
Central KS Mental Health	ESGCV22
Pawnee Mental Health	ESGCV23
Spring River Mental Health	ESGCV24
Valeo Behavioral Health	ESGCV25
Wyandot Center	ESGCV26
KCSDV	ESGCV27

Q & A

