



# ESG-CV Notice Office Hours for State Recipients

September 10, 2020



# Housekeeping

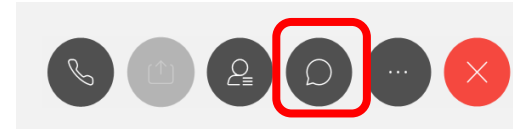
- A recording of today's session, along with the slide deck and a copy of the Chat and Q&A content will be posted to the HUD Exchange within 2-3 business days
- Event information for upcoming Office Hours, along with copies of all materials can be found here:

<https://www.hudexchange.info/homelessness-assistance/diseases/#covid-19-webinars-and-office-hours>

- To join the webinar via the phone, please call in using:  
1-855-797-9485      Access code: 171 573 8431

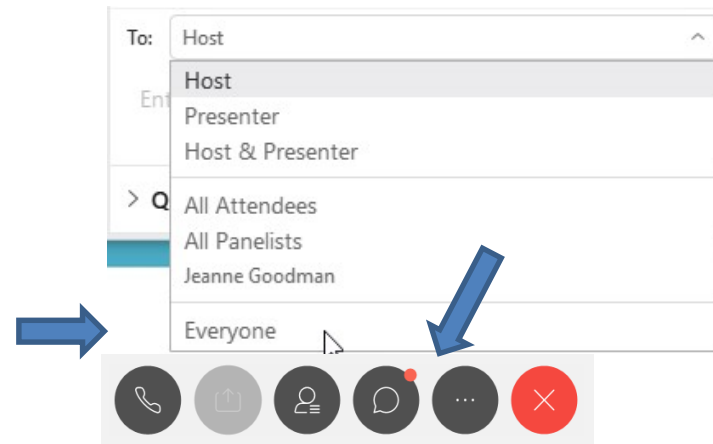
# Chat Feature

Select the Chat icon to make a comment or ask a question.



Be certain the To field is set to **Everyone**

An orange dot on the Chat icon indicates that you have unread messages.



# Speakers & Resource Advisors

## **Department of Housing and Urban Development**

Karen DeBlasio, Office of Special Needs Assistance Programs

Marlisa Grogan, Office of Special Needs Assistance Programs

William Snow, Office of Special Needs Assistance Programs

Mandy Wampler, Program Manager, Philadelphia Field Office

Nora Lally, HUD Technical Assistance, Homebase

Meghan Takashima, HUD Technical Assistance, Abt Associates, Inc.



# Overview

- The September 3, 2020 webinar provides a broader overview of the information contained in the ESG-CV Notice.
- This webinar is intended for State ESG Recipients and builds upon the basic ESG-CV Notice requirements covered in the September 3, 2020 webinar that are particularly relevant for States.
- Review the recording, chat questions, and slides from the ESG-CV Notice Webinar on 9/3/2020 [here](#).

# Session Goals

- Provide more detailed guidance on the waivers and alternative requirements established in the ESG-CV Notice relevant to State recipients
- Highlight key grant management requirements
- Provide ample time for Q&A

# Prevent, Prepare for, and Respond to Coronavirus

## ***Prevent...coronavirus***

Activities 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.

## ***Prepare for...coronavirus***

Activities 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.

## ***Respond to coronavirus***

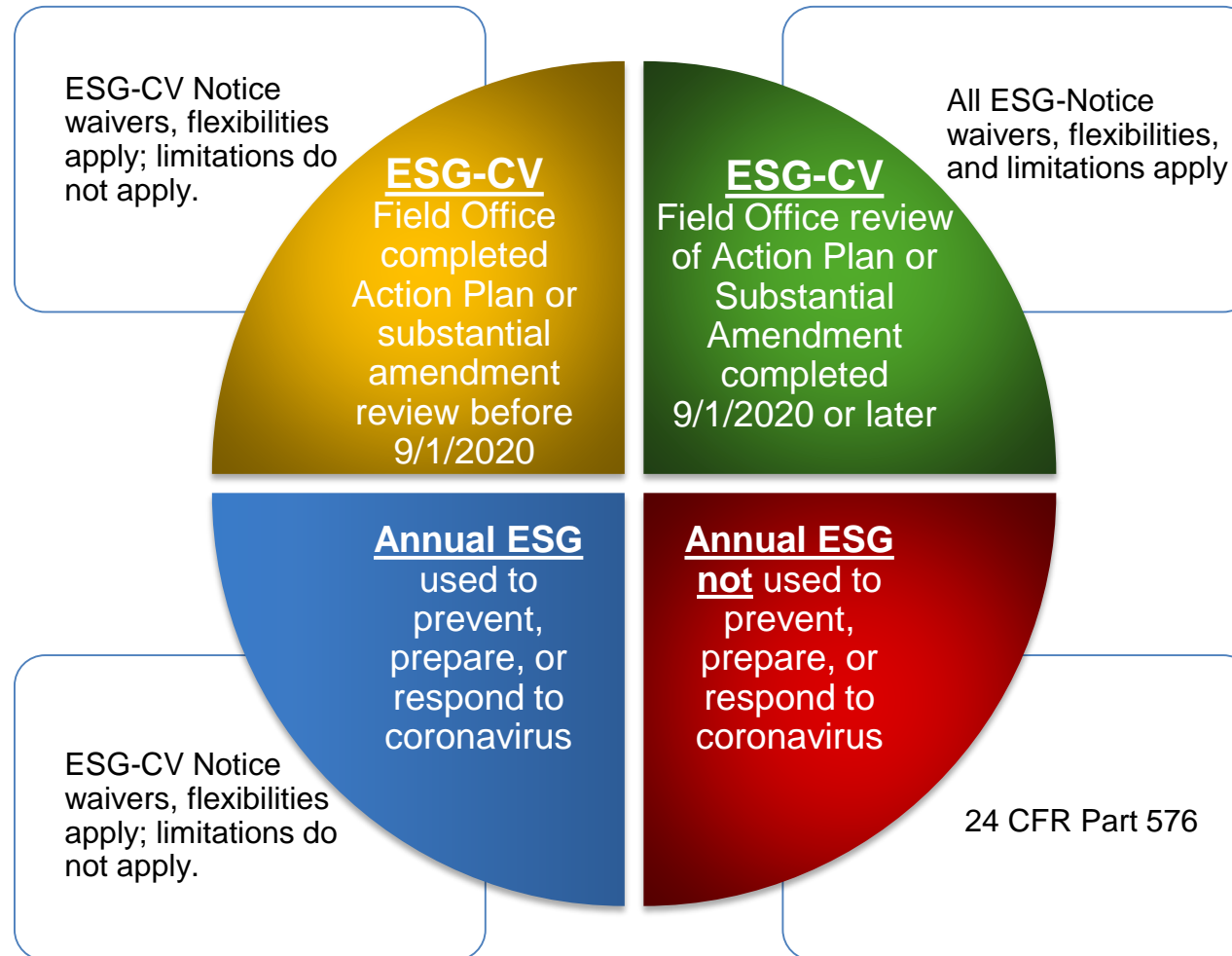
Activities carried out once coronavirus has spread to people experiencing homelessness, provider staff, or once individuals and families lose or are at risk of losing their housing as a result of the economic downturn caused by coronavirus.

# Prevent, Prepare for, and Respond to Coronavirus

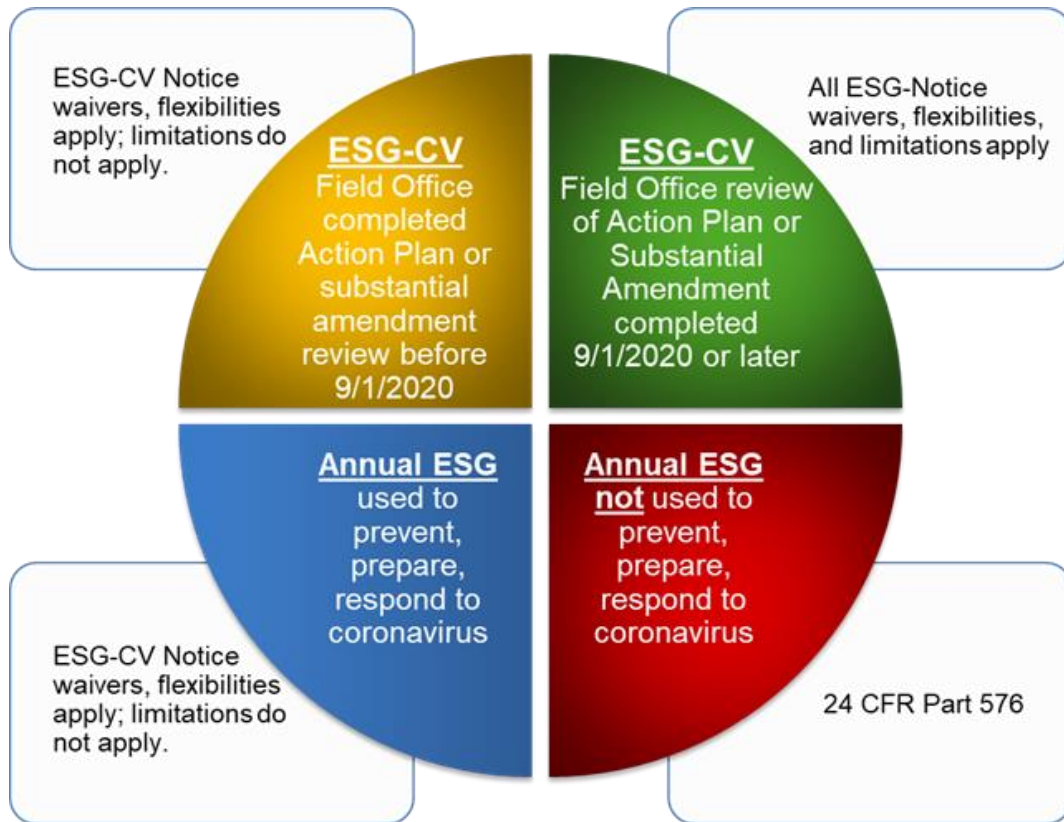
- Connection to coronavirus response is at the activity level, not at the household level
- Activities do not need to accomplish all three categories – just one
- Consider both public health needs as well as addressing economic impact caused by coronavirus



# Applicability of Waivers & Alternative Requirements



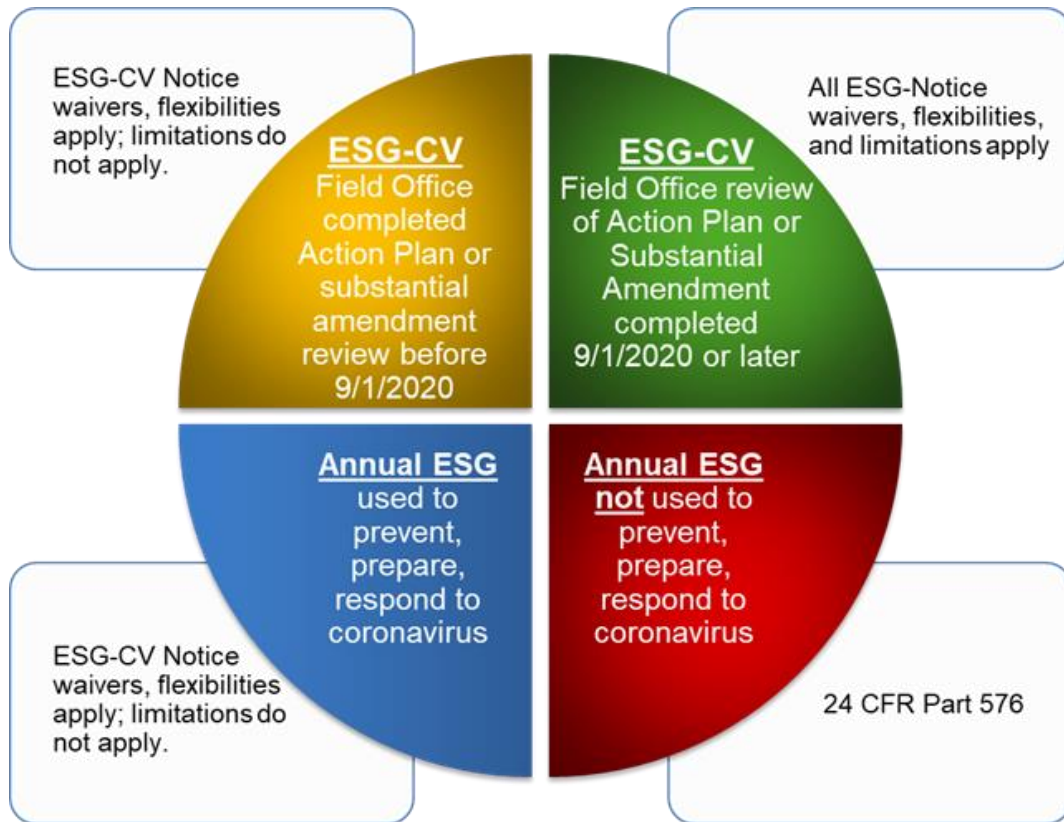
# Example One



State #1 had both Round 1 and Round 2 ESG-CV allocations uploaded in IDIS as of September 1, 2020

- ESG-CV Notice waivers, flexibilities apply; limitations do not apply

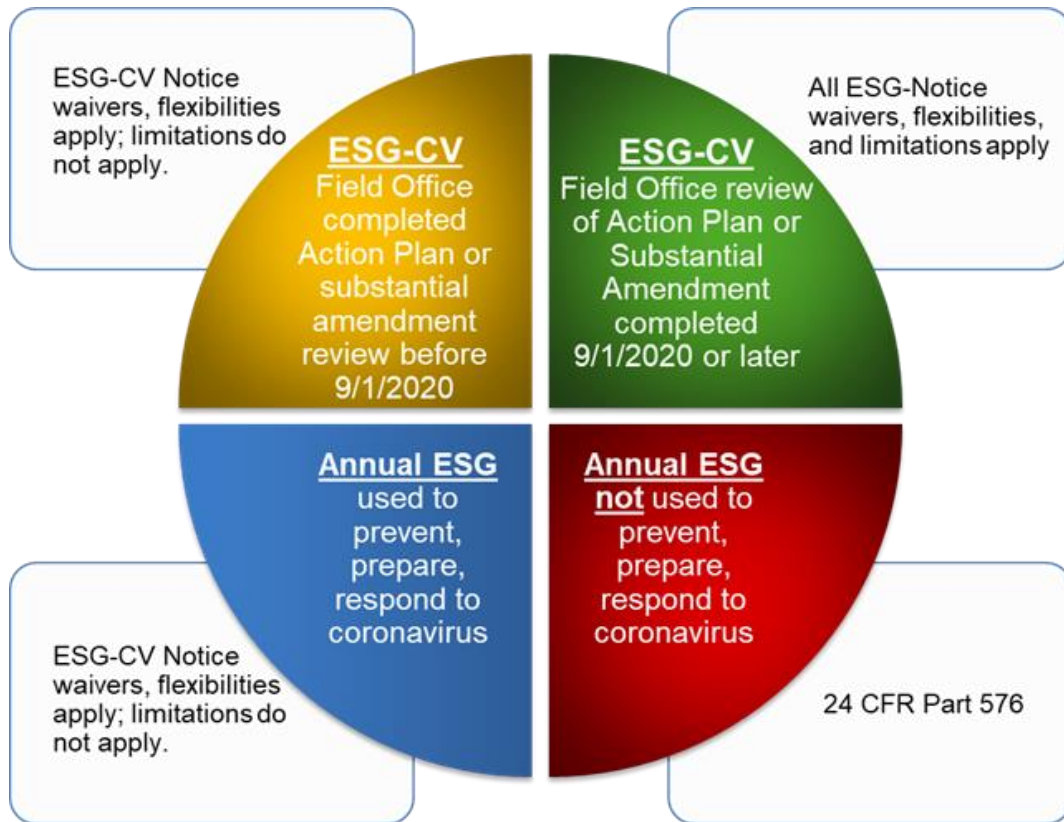
# Example Two



State #2 had their first allocation of ESG-CV loaded in IDIS as of September 1, but their second substantial amendment was submitted in IDIS on September 3, 2020

- For the first allocation, ESG-CV Notice waivers, flexibilities apply; limitations do not apply
- For allocation two, all ESG-Notice waivers, flexibilities, and limitations apply

# Example Three



State #3 has not yet submitted their substantial amendment for the first or second allocations

- For both allocations, all ESG-CV Notice waivers, flexibilities, and limitations apply

# How to Determine Applicability of ESG-CV Notice Limitations

- Grant Agreement and Amendment Status
  - If your grant agreement is signed for Round 1 prior to 9/1, then your Round 1 funds are **not** subject to the ESG-CV Notice limitations.
  - If your grant agreement amendment is signed for Round 2 prior to 9/1, then your Round 2 funds are **not** subject to the ESG-CV Notice limitations.

# How to Determine Applicability of ESG-CV Notice Limitations

- Status of ESG-CV Allocation in IDIS –

When an allocation (Round 1 or Round 2) is uploaded in IDIS before 9/1, those funds are not subject to the ESG-CV Notice limitations.

- Status of Field Office Review of Substantial Amendment or AAP submission

If you submitted a substantial amendment or Annual Action Plan prior to 9/1 but are unsure about whether the Field Office completed its review, reach out to your HUD Field Office representative.



# Applicability of ESG-CV Notice to Annual ESG Funds

- When funds from an annual grant are used to prevent, prepare for or respond to Coronavirus...
  - Limitations never apply in any situation to annual ESG
  - All waivers apply
  - All alternative requirements apply
- States need to clearly track and document what portion of funds are used for COVID response.
- If reprogramming prior year grant funds for COVID response, be aware of the impact on expenditure limits still applicable to annual ESG funds not used for COVID response.

# Example 1: State FY 2020 Annual ESG Allocation

**Total ESG Award Amount: \$2,000,000**

	<b>\$1,000,000 for COVID Response</b>	<b>\$1,000,000 for non-COVID Response</b>
Match Requirement	\$0.00	\$900,000 cash or in-kind (note: for States, first \$100,000 not required to be matched; must transfer benefit of exception to subrecipients least capable of meeting match requirement)
Shelter & Street Outreach Expenditure Cap	\$0.00	\$600,000
Administration Expenditure Cap	\$100,000	\$75,000



## Example 2: FY 2019 Annual ESG Reprogrammed for COVID Response

**Total ESG Award Amount: \$2,000,000**

**Initial ES/SO Cap: \$1,200,000**

**Initial Admin Cap: \$150,000**

Step 1: Identify total amount expended, including ES/SO and admin expenditures

Step 2: Calculate new caps based on current expenditures

Step 3: Account for any shortfalls in calculating total funds available for COVID response

	FY19 Expenditures (prior to 1/21/2020)	Expenditure Caps (based on current expenditures)	Total \$ Available for COVID
FY19 Grant Total	\$1,000,000	(\$280,000)	\$720,000
ES/SO	\$800,000	\$800,000	\$720,000
Administration	\$150,000	\$150,000	\$72,000

# Documenting "Prevent, Prepare for, or Respond to"

- Document how funds are being used to prevent, prepare for, and respond to coronavirus in the activity description on the Activity Screen in IDIS:

**Activity Description:**

Annual ESG - non-COVID response:  
\$50,000 from the 2019 Emergency Shelter activity is budgeted for shelter operations

Annual ESG - COVID response:  
\$24,000 from the 2019 Emergency Shelter activity has been reprogrammed for coronavirus response. These funds will be used to prevent, prepare for, and respond to coronavirus by enhancing shelter sanitation per local public health infection control guidelines. Funds will also be used for personal protective equipment and hygiene supplies.

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- Maintain adequate documentation in program/project files demonstrating when state or local government began preparing for coronavirus.

# 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.

# Important Dates

## Date of Cost Eligibility (Pre-Award Costs)

- May use ESG-CV funds to reimburse costs incurred as of the date the State or unit of local government began preparing for coronavirus
- Recipients must document when they began preparing for coronavirus (notes on formal planning meetings or calls; screenshot of calendar invite)
- Date must be on or after January 21, 2020

## Obligation (States)

- **180 days** to obligate funds will carry out directly.
- **Up to 240 days** to obligate ESG-CV funds to subrecipients when more time is needed because it plans to identify and select new subrecipients
- Program records must describe changes recipient plans to identify and select new subrecipients and why extension is necessary.

## Expenditure Deadlines

- All ESG-CV funds must be expended on eligible costs by **September 30, 2022**
- Recipients should expend at least **20 percent** of their total award by **September 30, 2021** (or HUD may recapture up to 20%)
- Recipients should expend at least **80 percent** of their total award by **March 31, 2022** (or HUD may recapture up to 80%)

# Obligation Flexibilities to Promote Equity

- Recipients working to identify and select subrecipients who represent the communities most impacted by coronavirus have more time to obligate funds
- If using that flexibility, program records must demonstrate changes recipient implemented to identify and select new subrecipients and the outcomes of the process
- More information available at: [Increasing Equity in the Homeless Response System Through Procurement](#)

	Days to obligate: Standard	Days to obligate: If State will carry out activities directly	Days to obligate: If working to identify and select new subrecipients
<b>States</b>	60 days from date HUD signs grant agreement	180 days from date HUD signs grant agreement	240 days from date HUD signs grant agreement

# Allocation Strategies to Promote Equity

Additional time to obligate funds provides opportunity for States to make strategic allocations that promote equity. Some strategies include:

- Using data to allocate resources to areas within your State with higher percentages of black, Indigenous, and people of color, who have a greater risk of contracting and dying from COVID-19
- Assertive outreach to community organizations led by black, Indigenous, and people of color to encourage their response to an RFP.
- Critically examining and addressing state-level policies that may stand in the way of expanding your pool of subrecipients to better serve those at greater risk of homelessness and COVID-19

# Allocation Strategies to Promote Equity (Cont)

Setting specific equity related procurement goals to:

- Increase services in underserved communities
- Fund subrecipients with diverse senior leadership representative of the community served (ask explicitly about this in RFP and score response)
- Partner with local community foundations, universities or other philanthropy to support smaller organizations
- Incentivize subgrants to organization with demonstrated success in serving black, Indigenous, and people of color (ask explicitly about their performance in the RFP and score response).

# States Can Elect to Carry Out Grant Activities Directly

- States may use up to 100% of their allocation to directly carry out activities.
- This may be a good option where state agencies have more capacity to manage additional funds than subrecipients do or where there is a limited pool of subrecipients.
- States may decide to carry out specific activities directly and subgrant the rest, depending on experience and capacity within state government.



# If States Elect to Carry Out Activities Directly...

- Substantial Amendment or Action Plan for ESG-CV funds must specify type and amount of activities state will carry out directly
- States must document that they're designating to themselves (through written designation to a departments)
- States must submit the certifications in Appendix II of the ESG-CV Notice for each annual grant under which the State will exercise the flexibility to carry out activities directly
- States will need to ensure they formalize/update written standards

# Subgranting to Public Housing Agency and Local Redevelopment Authorities

- New flexibility provided by the ESG-CV Notice; prior to Notice, only local governments could subaward to PHAs and LRAs.
- Consider capacity improvements in carrying out rehousing activities
  - Existing structure for large-scale or regional rehousing programs
  - Existing landlord relationships through other programs
  - Expanded coverage to areas not covered by rehousing providers

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

# 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

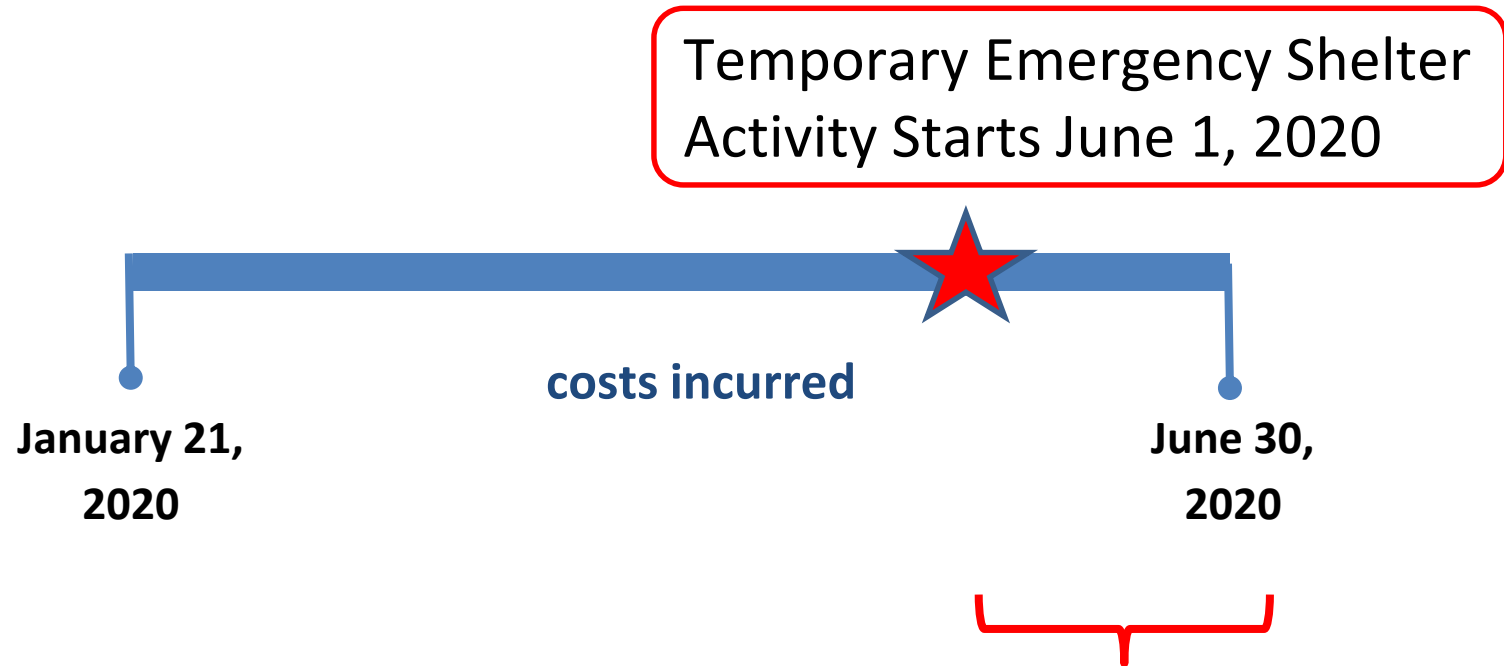


# Grace Period for Coordinated Entry, Written Standards & HMIS Requirements

- For costs incurred for new activities between the beginning of a community's coronavirus response (January 21, 2020 or later) and June 30, 2020, the requirements to participate in coordinated entry, administer assistance in accordance with ESG written standards and participate in HMIS are waived for the first 60 days of the project's operation.
- From July 1, 2020 onwards, Coordinated Entry, ESG written standards and HMIS requirements are applicable to the new activities allowable under the ESG-CV Notice.



# Grace Period for Coordinated Entry, Written Standards & HMIS Requirements



**30-day Grace Period** for activity to come into compliance with Coordinated Entry, Written Standards, and HMIS requirements

# Certifications

- New certifications and SF-424 & SF-424D forms must be submitted for subsequent substantial amendments for Round 2 funding.
- If Round 1 and Round 2 funding are covered in a substantial amendment or AAP at the same time, then certs and SF-424 & SF-424D only need to be submitted once (must reflect total Round 1 + Round 2 award amounts)

# Certifications for State ESG Recipients

- ESG-CV Notice included updated certifications for ESG State Recipients
  - Appendix I – ESG-CV Certifications
  - Appendix II – Annual ESG Certifications
- States that already submitted Interim Certifications – Appendix I Certifications do not need to be submitted unless your State intends to administer funds directly
- Submit Appendix II Certifications for each annual grant under which the State will exercise flexibility to carry out activities directly

# Additional Assistance or Flexibilities

- Waiver Requests (statutory and regulatory) – include:
  - Description of project
  - Citation to statutory and regulatory requirements requesting to waive
  - Explanation of reasons for good cause for waiver
  - How waiver is necessary to prevent, prepare for, and respond to COVID
- Requests to extend January 31, 2022 time limit for Temporary Emergency Shelter
- Request to expend funds on other Temporary Emergency Shelter costs not already identified in the ESG-CV Notice

# Q & A

