

COVID-19

Homeless System Response: Summary of ESG Program Waivers and Alternative Requirements

The purpose of this document is to itemize all waivers and alternative requirements currently in effect for the Emergency Solutions Grant (ESG) Program and to summarize their applicability to the following categories of ESG Program funds:

ESG Program Funding Description			Additional Information
ESG-CV	Pre-Notice	Any ESG or ESG-CV activities included in an action plan or substantial amendment for which HUD completed its review prior to 9/1/2020.	Review status is based on the date the CPD Field Office Review Checklist is completed. Recipients must confirm the review status for submissions directly with their Field Office. Round 1 and Round 2 ESG-CV funding allocations must be considered separately.
	Post-Notice	Any ESG or ESG-CV activities included in an action plan or substantial amendment for which HUD completed its review 9/1/2020 or later.	
Annual ESG	COVID Response	Annual ESG funds that are used for the purpose of preventing, preparing for, or responding to coronavirus.	Recipient meets the requirements in Section IV of the ESG-CV Notice.
	Non-COVID Response	Annual ESG funds that are not specifically designated to prevent, prepare for, or respond to coronavirus.	Recipient does not meet the requirements in Section IV of the ESG-CV Notice.

Requirements at 24 CFR Part 576 and all applicable federal requirements apply to the use of ESG-CV, unless alternative requirements or flexibilities have been established in [Notice CPD-20-08: Waivers and Alternative Requirements for the Emergency Solutions Grants ESG Program Under the CARES Act](#) (ESG-CV Notice). As shown below, the alternative requirements and flexibilities provided in the ESG-CV Notice are applicable to annual ESG funding when those funds are used to prevent, prepare for, and respond to coronavirus and requirements in Section IV of the ESG-CV Notice are met.

Except as otherwise stated in the Notice, the waivers and alternative requirements are effective as of the date a State or local government began preparing for coronavirus, which HUD presumes to

be January 21, 2020. However, recipients must maintain documentation demonstrating that these waivers and alternative requirements are used only with respect to ESG or ESG-CV eligible activities the recipient or its subrecipients implemented to prevent, prepare for, or respond to coronavirus, including documentation demonstrating when their particular state or local government began preparing for coronavirus.

		APPLICABILITY			
		ESG-CV		Annual ESG	
		Pre-Notice	Post-Notice	COVID Response	Non-COVID Response
Accessing ESG Funds to Prevent, Prepare for, and Respond to Coronavirus					
Application for funding (ESG-CV) and Using Annual ESG for COVID Response	1) Substantial amendment to most recently approved Action Plan; or 2) FY 2020 Annual Action Plan submission ESG-CV: Must include SF-424 and SF-424D with each submission for the first and second allocations (if submitted separately). Annual ESG: SF-424 is submitted as it normally would be as part of the initial Annual Action Plan submission.	✓	✓	Amend Con Plan and Citizen Participation Plan for each annual grant used for COVID response	Normal AAP submission
Waiver for Consultation and Citizen Participation	Waiver for consultation and citizen participation requirements.	✓	✓		
Consolidated Plan Certifications	Interim Certifications	✓			
	Appendix I Certifications		✓		
	Appendix II Certifications (required for each annual ESG grant under which the State will carry out activities directly)			✓	
	Appendix III Certifications (optional for non-States if annual certifications have already been submitted as required)			✓	
Public Notice	Each recipient must publish how it has used and will use its ESG-CV allocation on the Internet at the appropriate government website or electronic media.	✓	✓		
Documenting preventing, preparing for, and responding to coronavirus	Before drawing down funds, the recipient must identify the total funding and describe in IDIS how the activity prevents, prepares for, or responds to coronavirus.	✓	✓	✓	
Waiver for Citizen Participation Public Comment Period	30-day minimum for required public comment period is waived for substantial amendments, provided that no less than 5 days are provided for public comment on each substantial amendment. Waiver is applicable through the end of the recipients 2020 program year.			✓	✓
Waiver for Citizen Participation Reasonable Notice and Opportunity to Comment	Recipients may determine what constitutes reasonable notice and opportunity to comment given their circumstances. Authority is in effect through the end of the 2020 program year.			✓	✓

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Planning/Consultation Requirements					
Waiver for Consultation with the Continuum of Care	CoC consultation requirements are waived.	✓	✓		
Waiver for Coordination with Other Targeted Homeless Services	Requirements to coordinate with other targeted homeless services are waived.	✓	✓	✓	
Waiver for System and Program Coordination with Mainstream Resources	Requirements to coordinate with mainstream resources are waived.	✓	✓	✓	
Grant Administration					
Alternative Requirement for Pre-award Costs	Can cover or reimburse eligible costs incurred by a recipient or subrecipient prior to the period of performance provided that: <ul style="list-style-type: none"> costs are otherwise eligible; and costs were incurred by a recipient or subrecipient on or after January 21, 2020 to prevent, prepare for, and respond to coronavirus. 	✓	✓	✓	
Alternative Requirement for Match	Match requirement is waived.	✓	✓	✓	
Alternative Requirement for Administrative Costs	Recipients may use up to 10 percent of its total grant for administrative costs.	✓	✓	✓	
Alternative Requirement for Obligation Deadlines for States	Obligation deadline requirements in 576.203(a)(1) apply: obligate to subrecipient(s) within 60 days then subrecipient(s) must obligate within 120 days from the date of HUD's signature on the grant agreement. However, if additional time is needed to identify entities that have capacity and expertise to mitigate the impacts of coronavirus, States have: <ul style="list-style-type: none"> 180 days from date of HUD's signature on the grant agreement to obligate funds it will carry out directly. Up to 240 days from the date of HUD's signature on the grant agreement to obligate funds to subrecipients. 	✓	✓		

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Alternative Requirement for Alternative Requirement for Obligation Deadlines for Metropolitan Cities, Urban Counties, Territories	<p>Obligation deadline requirements in 576.203(a)(2) apply: 180 days from the date of HUD’s signature on the grant agreement to obligate.</p> <p>However, if additional time is needed to identify entities that have capacity and expertise to mitigate the impacts of coronavirus, local governments and territories have up to 240 days from the date of HUD’s signature on the grant agreement to obligate funds to subrecipients.</p>	✓	✓		
Alternative Requirement for Expenditure Deadline	All ESG-CV funds (both first and second allocations) must be expended for eligible activity costs by September 30, 2022 .	✓	✓		
Alternative Requirement for Expenditure Deadlines and Recapture Provisions	<ul style="list-style-type: none"> Recipient must expend at least 20 percent of its total ESG-CV award by September 30, 2021 (or HUD may recapture up to 20 percent of that award). Recipient must expend at least 80 percent of its total ESG-CV award by March 31, 2022 (or HUD may recapture up to 80 percent of that award). 	✓	✓		
Waiver for Annual CAPER/Sage Reporting	Recipients must report on uses of funds in the CAPER and in Sage. Recipients have up to 180 days from their program year end date to submit their annual CAPER.	✓	✓	✓	✓
Alternative Requirement for Quarterly Reporting	Recipients of \$150,000 or more of ESG-CV funding must submit, not later than 10 days after the end of each calendar quarter, a report containing information regarding: amount of funds received; amount of funds obligated or expended for each project or activity; detailed list of all such projects or activities, including a description of the project or activity; and detailed information on any subcontracts or subgrants awarded by the recipient.	✓	✓		
	The ESG-CV Notice provides HUD the discretion to issue further guidance if additional reporting is necessary. HUD has begun releasing ESG-CV quarterly reporting guidance, which is posted and continually updated on the HUD Exchange. All recipients are required to submit quarterly reports in the Sage HMIS Reporting Repository within 30 days from the end of each quarter.	✓	✓		

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Alternative Requirement for Program Income	<p>Program income (PI) is defined as provided by 2 CFR 200.80, except that:</p> <ul style="list-style-type: none"> PI includes any amount of a security or utility deposit returned to the recipient or subrecipient, as provided by 24 CFR 576.2; and Costs that are incidental to generating PI and not charged to the grant or subgrant may be deducted from gross income to determine PI, as allowed under 2 CFR 200.307(b). <p>PI may be treated as an addition to the recipient's or subrecipient's grant; otherwise, it must be deducted from allowable costs as provided by 2 CFR 200.307(e)(1).</p>	✓	✓	✓	
Program Requirements					
Alternative Requirement for Time Limit for Medium-Term Rental Assistance	Medium term rental assistance is changed from "more than 3 months but not more than 24 months" to "more than 3 months but not more than 12 months" of rental assistance.		✓		
Alternative Requirement for Time Limit for Emergency Shelter Activities	Emergency shelter funds may be used only during the period beginning on the date the recipient or subrecipient began preventing, preparing for, and responding to coronavirus and ending on January 31, 2022 .		✓		
Low-Barrier Assistance	Individuals and families experiencing homelessness may not be required to receive treatment or perform any other prerequisite activities as a condition for receiving shelter, rental assistance, or other services.	✓	✓		

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Waiver of 24 CFR 576.2, definition of "homeless," (1)(iii) See: CPD Memo: Availability of Additional Waivers for CPD Grant Programs to Prevent the Spread of COVID-19 and Mitigate Economic Impacts Caused by COVID-19 (Issued September 30, 2020)	<p>An individual may qualify as homeless under paragraph (1)(iii) of the homeless definition in 24 CFR 576.2 so long as he or she is exiting an institution where they resided for 120 days or less and resided in an emergency shelter or place not meant for human habitation immediately before entering that institution. Waiver is in effect until March 31, 2021.</p>	✓	✓	✓	✓
Alternative Requirement for Higher income limit in the "at risk of homelessness" definition	<p>Area Median Income limit increased to Very Low-income limit for the area (50% AMI) in the definition of "at risk of homelessness."</p>	✓	✓	✓	
Waiver for Emergency Shelter and Street Outreach Expenditure Cap	<p>Emergency shelter and street outreach expenditure cap is waived.</p>	✓	✓	✓	
Waiver for Fair Market Rent Requirement for Rental Assistance *See Availability of Waivers of CPD Grant Program and Consolidated Plan Requirements to Prevent the Spread of COVID-19 and Mitigate Economic Impacts Caused by COVID-19 for CoC, ESG, and HOPWA	<p>The requirement that rent not exceed the Fair Market Rent is waived so long as the rent complies with HUD's standards of rent reasonableness.</p> <p>Per HUD memo dated 3/31/2020, FMR requirement is waived for annual ESG funds not used for COVID response until 9/30/2020</p>	✓	✓	✓	*Until 9/30/2020

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Waiver Extending Maximum Periods of Assistance for Housing Relocation and Stabilization Services and Rental Assistance (RRH and HP)	Program participants reaching the 24-month maximum during the period beginning January 21, 2020 and ending February 28, 2021 may receive an additional 6 months of assistance for Housing Relocation and Stabilization Services costs and rental assistance.	✓	✓	✓	
Waiver to Create Grace Period for compliance with: Coordinated Entry Participation Written Standards HMIS Data Entry	Applicable to allowable costs incurred between January 21, 2020 and June 30, 2020. Compliance with coordinated entry participation, written standards, and HMIS data entry is waived for the first 60 days of the project's operation.	✓	✓	✓	
Waiver for Housing Stability Case Management (RRH and HP)	Requirement that case managers must meet on a monthly basis with program participants receiving homelessness prevention or rapid re-housing assistance is waived. However, recipients must continue to make housing stability case management and other appropriate services available and accessible.	✓	✓	✓	
Waiver for Procurement	Recipient may deviate from applicable federal procurement standards when using funds to procure goods and services to prevent, prepare for, and respond to coronavirus. If these flexibilities are used, recipient must establish alternative procurement standards to safeguard against fraud, waste, and abuse. This flexibility is not extended to subrecipients.	✓	✓	✓	
Additional Eligible Activities					
Hazard Pay	Provide hazard pay for recipient or subrecipient staff working <u>directly</u> to prevent, prepare for, and respond to coronavirus among persons who are homeless or at risk of homelessness.	✓	✓	✓	

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Temporary Emergency Shelter	<p>Used for a limited time to provide shelter for crisis response. Eligible costs include:</p> <ul style="list-style-type: none"> • Leasing • Acquisition • Operating costs • Essential Services • Housing search and Placement • Housing Search and Counseling • Other costs HUD pre-approves in writing <p>Exempt from:</p> <ul style="list-style-type: none"> • Minimum standards for emergency shelters at 24 CFR 403(b)* • Environmental review • Minimum periods of use (use & disposition requirements at 2 CFR 200.311 apply when there is acquisition/major rehab) <p>Funds available until January 31, 2022, unless HUD grants an exception upon the recipient's written request.</p> <p>*Lead-based paint requirements at 24 CFR 576.403(a) still apply.</p>				
Volunteer Incentives	<p>Street Outreach, Emergency Shelter, Rapid Re-Housing, and Homelessness Prevention funds may be used to provide reasonable incentives to volunteers (e.g., cash or gift cards) who have been and are currently helping to provide necessary services during the coronavirus outbreak.</p>				

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Hotel/Motel Costs	<p>Eligible households are those:</p> <ul style="list-style-type: none"> Experiencing homelessness (<u>note</u>: people experiencing homelessness were previously eligible for hotel/motel vouchers under the emergency shelter component), Receiving Rapid Re-Housing assistance under the Continuum of Care (CoC) or ESG programs, Receiving Homelessness Prevention assistance under the ESG program, or Residing in Permanent Supportive Housing. <p>Eligible costs:</p> <ul style="list-style-type: none"> A 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. 	✓	✓	✓	
HMIS Costs	<ul style="list-style-type: none"> HMIS costs may be used beyond where they are related to collecting data on ESG program participants and ESG program activities to the extent they are necessary to help the geographic area prevent, prepare for, and respond to coronavirus. Recipients that are not the HMIS Lead may pay for eligible HMIS costs either directly or by sub-granting to the HMIS Lead if the HMIS Lead is an eligible subrecipient to the extent that costs are necessary to help address coronavirus. 	✓	✓	✓	
Training	<p>Conduct or provide training on infectious disease prevention and mitigation for staff working directly to prevent, prepare for, and respond to coronavirus.</p> <ul style="list-style-type: none"> Eligible as a standalone activity; not an administrative cost for purposes of the 10% cap. Can be used to train homeless assistance providers, including those who do not receive funding through the CARES Act. 	✓	✓	✓	

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Landlord Incentives	<p>Rapid Re-Housing and Homelessness Prevention funds may be used to pay landlord incentives as reasonable and necessary to obtain housing for eligible households that may not exceed three times the rent charged for the unit (all incentives combined). Incentives include:</p> <ul style="list-style-type: none"> • Signing bonuses up to 2 months of rent; • Security deposits up to 3 months of rent; • Cost to repair damages incurred by program participant not covered by security deposit or incurred while program participant is staying in the unit; and • Costs of extra cleaning or maintenance of a program participant’s unit or appliances. 	✓	✓	✓	
Requirements for States					
Alternative Requirement for Ability for States to Carry Out Activities Directly	<p>States may use up to 100% of grant funds to carry out activities directly, provided that:</p> <ul style="list-style-type: none"> • State’s consolidated plan/action plan specifies the activities the State will carry out and the amount allocated for those activities; and • State submits the new certifications provided in Appendix I or II, as applicable. 	✓	✓	✓	
Alternative Requirement for States and local governments may subaward funds to PHAs and LRAs	<p>States may subaward funds to a public housing agency or to a local redevelopment authority, as defined under state law. Local governments already have this authority.</p>	✓	✓	✓	

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