**Office of Special Needs COVID-19 Frequently Asked Questions:**

**Emergency Solutions Grants (ESG)**

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*For information specifically relating to the CARES Act eviction moratorium for ESG, see:* [*https://www.hudexchange.info/resource/6021/how-does-the-federal-eviction-moratorium-impact-the-esg-and-coc-programs/*](https://www.hudexchange.info/resource/6021/how-does-the-federal-eviction-moratorium-impact-the-esg-and-coc-programs/)

*For guidance on negotiating rent-repayment plans for participants in Office of Special Needs programs, see: https://www.hud.gov/sites/dfiles/CPD/documents/CPD\_Eviction\_Prevention\_for\_At\_Risk\_Tenants\_intro\_2020-08-10.pdf*

**Office of Special Needs** **General CARES Act and COVID-19 Questions**

**Question 1: When will CARES Act supplemental funds be distributed?**

A.: The CARES Act allocated $3.96 billion for the Emergency Solutions Grant (ESG) program and $40 million for technical assistance providers with experience in providing health care services to homeless populations in order to provide an immediate increase in capacity building and technical assistance available to ESG program recipients . These funds will be awarded quickly by using existing grant formulas; they will also be accompanied by new guidance that cuts red tape so grantees can quickly help their communities. HOPWA issued $63.7 million for competitive and formula grants and $1.3 million for technical assistance. On April 2, 2020, $1 billion was allocated for Emergency Solutions Grants (ESG). The remaining $2.96 billion of ESG funds were awarded on June 9, 2020. Upon submission of the grantee’s action and implementation plans, grant agreements will be executed if the funding is available in LOCCS.

**Question 2: How does HUD plan to notify communities of their CARES Act funding?**

A.: CPD has sent grant notification letters to grantees, which are also available on HUD.gov.

**Question 3: Will HUD update guidance for communities on how can deploy CARES Act funds?**

A.: Yes, current guidance is available at <https://www.hud.gov/program_offices/comm_planning/covid-19>.

**Question 4: What waivers are available due to COVID-19?**

A.: HUD's Office of Community Planning and Development (CPD) issued general waivers relating to COVID-19 on March 31, 2020, and May 22, 2020.

See program-by-program descriptions here: [https://www.hud.gov/sites/dfiles/CPD/documents/Flexibilities\_Waivers\_Guidance\_for\_CARE\_Act\_CPD\_Funds\_062320.pdf](https://www.hud.gov/sites/dfiles/CPD/documents/Flexibilities_Waivers_Guidance_for_CARE_Act_CPD_Funds_062320.pdf?utm_source=NLIHC+All+Subscribers&utm_campaign=3fe358277a-Memo_062920&utm_medium=email&utm_term=0_e090383b5e-3fe358277a-291751253&ct=t(Memo_062920))

March 31, 2020 Waiver: <https://www.hud.gov/sites/dfiles/CPD/documents/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.pdf>

May 22, 2020 Waiver: [https://www.hud.gov/sites/dfiles/CPD/documents/Additional\_Waivers\_for\_CPD\_Grant\_Programs\_to\_Prevent\_COVID-19\_Spread\_and\_Mitigate\_COVID-19\_Economic\_Impacts.pdf](https://www.hud.gov/sites/dfiles/CPD/documents/Additional_Waivers_for_CPD_Grant_Programs_to_Prevent_COVID-19_Spread_and_Mitigate_COVID-19_Economic_Impacts.pdf?utm_source=NLIHC+All+Subscribers&utm_campaign=cfb07f4b95-Memo_060120&utm_medium=email&utm_term=0_e090383b5e-cfb07f4b95-293283889&ct=t%28Memo_060120%29)

**Emergency Solutions Grants (ESG) CARES Act and COVID-19 Questions**

**Question 1: When will CARES Act supplemental ESG funding be made available?**

A.: On April 2, 2020, HUD announced allocations of $1 billion for the first round of CARES Act ESG funding via formula grants. For the remaining $2.96 billion in ESG funds, the statutory deadline for allocation was within 90 days of enactment, that is by June 24,2020. HUD allocated these remaining grant funds on June 9, 2020, using an alternative formula developed by the Secretary with specific targeting goals in the statute. HUD will also award $40 million in technical assistance for ESG grantees.

*View specific state and grantee allocations and methodology here:* [*https://www.hud.gov/program\_offices/comm\_planning/budget/fy20*](https://www.hud.gov/program_offices/comm_planning/budget/fy20)

*https://www.hud.gov/sites/dfiles/CPD/documents/ESG\_CARES\_Act\_Round\_2\_Allocation\_Methodology\_rev.pdf*

**Question 2: For HMIS lead activities, the 3/31/2020 COVID-19 waiver states that it only applies, “to the extent necessary”, how should we document the necessity of these expenses?**

A.: HUD used “to the extent necessary” as follows in CPD’s March 31, 2020 memorandum providing various ESG waivers, which CPD extended on May 22, 2020, to apply not only to annual ESG funds, but the CARES Act’s ESG funding:

“The condition that the recipient must be the HMIS Lead to pay costs under 24 CFR 576.102(a)(2) is waived to the extent necessary to allow any recipient to use ESG funds to pay costs of upgrading or enhancing its local HMIS to incorporate data on ESG Program participants and ESG activities related to COVID-19.”

The statement quoted above only waives the condition in 24 CFR 576.102(a)(2) that the recipient must be the HMIS Lead to use ESG funds for the costs described in 24 CFR 576.102(a)(2). All other requirements remain in effect, including the specific costs listed and the applicable cost principles in 2 CFR part 200.

The words “to the extent necessary” in the quoted waiver statement means recipients that are not HMIS Lead may use ESG funds for the costs described in 24 CFR 576.102(a)(2) only with respect to “the costs of upgrading or enhancing its local HMIS to incorporate data on ESG Program participants and ESG activities related to COVID-19.”

As further stated in the March 31, 2020, memorandum, this limited waiver may be used during the 6 month-period following March 31, 2020, provided that the recipient follows the memorandum’s general instructions for notifying HUD and documenting the need for the waiver consistent with the justifications HUD stated in the memorandum.

Although the waiver statement did not use “necessary” to refer to the necessity of the expenses, recipients must still follow the same requirements that apply to incurring and documenting all costs charged to ESG grants, including maintaining adequate documentation to show the costs charged to the ESG grant are necessary, reasonable, allocable, and otherwise meet the criteria for allowable costs in 2 CFR 200.403.

*For additional information, please go to:*

[*https://www.hud.gov/sites/dfiles/CPD/documents/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.pdf*](https://www.hud.gov/sites/dfiles/CPD/documents/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.pdf)

**Question 3: Can ESG program recipients use ESG Street Outreach for essential services and supplies to reduce the spread of infectious disease in their programs?**

A.: Yes, ESG funds may be used for allowable costs of providing essential services as described in 24 CFR 576.100(d) and 576.101, including costs of supplies that are reasonable and necessary to performing those essential services. The following are examples of virus-related costs that may be allowed, depending on the service provided under section 576.101 and factors described in 2 CFR 200.403:

* Engagement/Urgent physical needs: Hand sanitizer, soap, tissue packets, masks

Equipping service staff: Masks, disposable gloves, hand sanitizer, other personal protective equipment, portable handwashing stations (e.g., when providing meals to homeless people in an outdoor space), washers/dryers (e.g., when used to wash masks, clothing, or blankets used in outreach).

* Transportation: Train or bus tokens, taxi or rideshare for program participant travel to and from medical care.

*Technical assistance resources are available at:*

[*https://www.hud.gov/homelessness\_resources*](https://www.hud.gov/homelessness_resources)

**Question 4: Can ESG program recipients use Emergency Shelter funds for essential services and supplies to reduce the spread of infectious disease in their programs?**

A.: Yes, ESG funds may be used for allowable costs of providing essential services as described in 24 CFR 576.100(d) and 576.102(a)(1), including allowable costs of supplies needed to perform those services, as well as allowable costs of supplies needed for safe operation of emergency shelters as described in 24 CFR 576.100(d) and 576.102(a)(3). The following are examples of virus-related costs that may be allowed, depending on the activity criteria in section 576.102 and factors described in 2 CFR 200.403:

* Shelter operation: Hand sanitizer, soap, tissue packets, cleaning supplies (e.g. bleach, disinfectant wipes, scrubbers, mops), protective equipment (e.g. masks, disposable gloves), bed linens, towels, cots, room dividers, washers, dryers, portable handwashing stations.
* Equipping service staff: Masks, disposable gloves, hand sanitizer, other personal protective equipment.
* Case management/Referrals: Coordinating medical care.
* Transportation: Train or bus tokens, taxi or rideshare for program participant travel to and from medical care.

**Question 5: Can ESG program recipients (States, territories, cities and counties) establish a policy in their Consolidated Plan/Annual Action Plan (Con Plan/AAP) to rapidly direct available ESG funds towards disaster preparedness and response strategies?**

A.: Yes. To effectively prepare and respond to disaster situations, ESG recipients may establish a policy in their Con Plan/AAP that outlines how they intend to use available funding to make quick, targeted ESG awards in exceptional circumstances, such as a public health emergency. This Disaster Policy should include the rationale and process, the areas that may be served, and the activity types that will be funded. Depending on where the jurisdiction is in its program year, a recipient may establish this policy either through a substantial amendment to their Con Plan/AAP or in the development and submission of the jurisdiction’s Con Plan/AAP.

Key elements:

* Flexibility: Build in the flexibility to temporarily suspend traditional allocation processes, such as time consuming competitive award processes.
* Targeted: Specify that the recipient may direct funds to the geographic area(s) where it is most needed and will have the greatest impact.
* Streamlined: Minimize the administrative burden to the extent possible, accounting for the limitations impacted areas and organizations may have for burdensome application requirements.
* Strategic: Thoughtfully analyze the availability of all existing grant balances, including those from older grant years. Consider establishing a threshold for recouping funds from slow spending or inactive subgrants that can be repurposed to address emergent disaster or public health needs.

IMPORTANT NOTE: Section 312 (42 U.S.C. 5155) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended (42 U.S.C. 5121 et seq.) prohibits duplication of benefits for programs that provide financial assistance to people or entities suffering losses because of a major disaster or emergency. Accordingly, whether using ESG funding provided under the CARES Act or using annual ESG funding to create a program/project specifically targeted to respond to coronavirus recipients, recipients will be expected to implement adequate procedures to prevent any duplication of benefits. “Duplication of benefits” occurs when Federal financial assistance is provided to a person or entity through a program to address losses resulting from a Federally-declared emergency or disaster, and the person or entity has received (or would receive, by acting reasonably to obtain available assistance) financial assistance for the same costs from any other source (including insurance), and the total amount received exceeds the total need for those costs.

**Question 6: Can ESG funds be used to train staff on how to deliver services during the COVID-19 pandemic, including how to recognize symptoms, how to protect recipient staff from infection, and how to protect against spreading the virus while providing assistance?**

A.: Yes. Section 576.100(d) of the Emergency Solutions Grants (ESG) Program Interim Rule allows recipients or subrecipients to charge staff and overhead costs directly related to carrying out street outreach, emergency shelter, homelessness prevention, rapid re-housing, and HMIS as eligible costs of those program components. This means that to the extent staff need to be trained on how to work with individuals who may have contracted the virus or prevent the spread of COVID-19, the costs for training those staff can be charged to the budget line item of the staff member's duties. For example, in an emergency shelter that receives funding for case management and trains case managers on how to identify if someone may have contracted the virus and maintain their own safety in their interactions, the cost of training can be charged to the emergency shelter – essential services activity.