

# State of California 2019-2020 Annual Action Plan Substantial Amendment

Public Comment Draft

*The following amendment language will be added to the 2019-2020 Annual Action Plan to allow the state access to emergency funding intended to provide a timely response to the impacts of the COVID-19 pandemic. The full text of the existing plan may be found at <https://www.hcd.ca.gov/policy-research/plans-reports/docs/Draft-2019-20-Annual-Action-Plan.pdf>.*

## Executive Summary

### AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

#### Introduction

On March 27, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security Act or the “CARES Act”. The Act identified additional funding for the Emergency Solutions Grant (ESG) Program, the Community Development Block Grant (CDBG) program, and the Housing Opportunities for Persons with AIDS (HOPWA) to support preparation for, and response to, the community impacts of the COVID-19 pandemic. The distribution plan of the U.S. Department of Housing and Urban Development (HUD) for the additional funding includes multiple phases: an initial phase that would allow for quick access to funding necessary to address the immediate crisis resulting from the rising pandemic, as well as later phases that would support post-pandemic community recovery.

The 2019-2020 Annual Action Plan (AP) is being amended to incorporate additional funding in the initial phase (FY 2019-2020) of HUD’s CARES Act distribution plan, and to describe the Methods of Distribution (MOD) for the CARES Act funding in the CDBG, ESG, and HOPWA programs.

#### Summary of Citizen Participation Process and consultation process

The Substantial Mmendment to the 2019-2020 Annual Action Plan (AP Amendment) addressing additional funding from the CARES Act will be available for a public comment period of 5 days per waiver of federal regulations. The waiver may be found at <https://www.hudexchange.info/resource/6007/availability-of-waivers-of-community-cpd-grant-program-and-consolidated-plan-requirements-to-prevent-the-spread-of-covid19-and-mitigate-economic-impacts-caused-by-covid19/>. The waiver allows for added flexibility in the ESG and HOPWA programs.

The draft AP Amendment is available for comment from all interested members of the public from **Thursday, April 16, 2020 to Wednesday, April 22, 2020**.

The draft AP Amendment and the public notice document are available for review on HCD’s website at <http://www.hcd.ca.gov/policy-research/plans-reports/index.shtml>.

Please submit written comments to [ConsolidatedPlan@hcd.ca.gov](mailto:ConsolidatedPlan@hcd.ca.gov).

Comments may also be mailed to:

Department of Housing and Community Development  
Federal Branch Suite 200  
2020 W. El Camino Ave  
Sacramento CA, 95833

## **AP-12 Participation - 91.115, 91.300(c)**

### **Summary of citizen participation process/Efforts made to broaden citizen participation**

The AP Amendment addressing additional funding from the CARES Act will be available for a public comment period of 5 days per waiver of the federal regulations. The draft AP Amendment is available for comment from all interested members of the public from **Thursday, April 16, 2020 to Wednesday, April 22, 2020**.

The draft AP Amendment and the public notice document are available for review on HCD's website at <http://www.hcd.ca.gov/policy-research/plans-reports/index.shtml>.

## **AP-15 Expected Resources – 91.320(c) (1,2)**

### **Introduction**

The CARES Act provides one-time funding for the following three state-level programs (funding designations for CARES Act funds is Coronavirus (CV):

- Emergency Solutions Grant CARES Act Stimulus (ESG-CV),
- Housing Opportunities for Persons with Aids CARES Act Stimulus (HOPWA-CV), and
- Community Development Block Grant CARES Act Stimulus (CDBG-CV).

### **Anticipated Resources**

The anticipated resources for the ESG-CV, HOPWA-CV, and CDBG-CV programs are based on award letters received in early April 2020 and indicate actual awards for these funds. Future funding for the ESG-CV and CDBG-CV is expected to address longer term impacts of the COVID-19 pandemic, however those funds will be programmed through future plans and amendments. See table of anticipated resources on following page.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan	Narrative Description
			Annual Allocation	Program Income	Prior Year Resources	Total		
<b>ESG-CV</b>	Public Federal	Financial Assistance, Overnight shelter, Rapid-Rehousing, Transitional housing	\$43,990,603	\$0	\$0	\$43,990,603	\$0	One-time award of funds – March 2020
<b>CDBG-CV</b>	Public Federal	Acquisition, Admin and Economic Development, Public Services and Facility Improvements	\$19,331,744	\$0	\$0	\$19,331,744	\$0	One-time award of funds – March 2020
<b>HOPWA-CV</b>	Public Federal	Permanent housing in facilities, Permanent housing placement, Short term or transitional housing facilities, STRMU Supportive Services, Tenant Based Rental Assistance (TBRA)	\$578,909	\$0	\$0	\$578,909	\$0	One-time award of funds – March 2020

## AP-20 Annual Goals and Objectives – 91.320(c)(3) &(e)

### Goals Summary Information

The figures below represent estimates of allocation goals and objectives for the additional funding provided under the CARES Act. These figures are determined by the funding recipients' priority needs.

Sort Order	Goal Name	Start Year	End Year	Category	Needs Addressed	Estimated Funding	Goal Outcome Indicator	Total
1	Provide homeless assistance and prevention services	2020	2020	Homeless	Homeless assistance and prevention services	ESG-CV \$43,990,603  HOPWA-CV \$578,909	Tenant-based rental assistance/ Rapid Rehousing (Households Assisted)	TBD
							Homeless Person Overnight Shelter (Persons Assisted)	TBD
							HIV/AIDS Housing Operations (Household Housing Units)	TBD
							Homelessness Prevention (Persons Assisted)	TBD
							Household Housing Unit Other	TBD

Sort Order	Goal Name	Start Year	End Year	Category	Needs Addressed	Estimated Funding	Goal Outcome Indicator	Total
2	Increase economic development opportunities	2020	2020	Non-Housing Community Development	Economic Development Opportunities	CDBG-CV - TBD	Jobs created/retained (Jobs)	TBD
							Businesses Assisted (Businesses Assisted)	TBD
3	Maintain or increase public services	2020	2020	Non-Housing Community Development	Public Services	CDBG-CV - TBD	Public service activities supporting response to COVID-19 (Persons Assisted)	TBD
4	Maintain or increase public facilities	2020	2020	Non-Housing Community Development	Public Facilities	CDBG-CV - TBD	Public Facility activities supporting healthcare capacity and housing for persons experiencing homelessness	TBD

## AP-25 Allocation Priorities – 91.320(d)

### Introduction

The amended percentages below are based on the expected amount of funds that will be awarded by each new program funded by the CARES Act for federal Fiscal Year (FY) 2019-2020 for eligible activities that fall within that goal. The percentages below will depend on funding awardees' needs and demand for activities within the specified goal categories.

### Funding Allocation Priorities

Program	Increase the supply of affordable rental housing (%)	Expand homeownership and improve existing housing (%)	Provide homeless assistance & prevention services (%)	Increase economic development opportunities (%)	Maintain or increase public services (%)	Maintain or increase public facilities (%)	Colonias Set-Aside (%)	Total (%)
CDBG-CV	0	0	TBD %	TBD %	TBD %	TBD %	0 %	100%
ESG-CV	0	0	100%	0	0	0	0	100%
HOPWA-CV	0	0	100%	0	0	0	0	100%

## AP-30 Methods of Distribution – 91.320(d)&(k)

### Introduction

The CARES Act provides one-time funding for the following three state-level programs:

- Emergency Solutions Grant CARES Act Stimulus (ESG-CV),
- Housing Opportunities for Persons with Aids CARES Act Stimulus (HOPWA-CV), and
- Community Development Block Grant CARES Act Stimulus (CDBG-CV).

CARES Act funding will be distributed using the existing methods of distribution for the HOPWA-CV funds. The CDBG-CV and ESG-CV funds will use streamlined distribution methods to ensure funding can be distributed and expended as quickly as possible on activities that address immediate and medium-term responses to the COVID-19 pandemic. Eligible activities must be related to COVID-19 response and recovery.

### Distribution Methods

#### CDBG-CV (Community Development Block Grant CARES Act Stimulus Program)

CDBG-CV funding will be distributed to all CDBG-eligible non-entitlement jurisdictions as a formula grant based on the formula prescribed in the Department’s Permanent Local Housing Allocation (PLHA) program (<https://www.hcd.ca.gov/grants-funding/active-funding/plha.shtml>), which is based on the formula used for allocating the Community Development Block Grant to entitlement jurisdictions (<https://www.hudexchange.info/onecpd/assets/File/CDBG-Formula-Appropriation-Process-Transcript.pdf>). The estimated formula allocation is below. The method of distribution may change as HCD sees fit or as advised by HUD to properly address the needs addressed by the CARES Act allocation or any future special allocation.

Jurisdiction	Estimated Allocation	Jurisdiction	Estimated Allocation
Alpine County	\$60,664	Los Banos	\$167,721
Alturas	\$70,681	Loyalton	\$60,271
Amador City	\$58,699	Madera County	\$244,134
Amador County	\$119,594	Mammoth Lakes	\$72,843
American Canyon	\$104,665	Maricopa	\$59,485
Anderson	\$92,486	Marina	\$140,416
Angels	\$72,450	Mariposa County	\$114,487
Arcata	\$156,917	Marysville	\$98,379
Artesia	\$120,969	McFarland	\$100,540
Arvin	\$123,523	Mendocino County	\$311,904
Atwater	\$141,006	Merced County	\$277,135
Auburn	\$106,826	Modoc County	\$68,128
Avenal	\$93,272	Mono County	\$68,717
Benicia	\$126,077	Montague	\$61,253
Biggs	\$63,021	Mount Shasta	\$80,111
Bishop	\$74,610	Napa County	\$127,648
Blue Lake	\$60,860	Nevada City	\$70,289

Brawley	\$134,719
Butte County	\$297,171
Calaveras County	\$184,025
Calexico	\$181,668
Calimesa	\$79,129
Calipatria	\$68,717
Calistoga	\$75,985
Capitola	\$93,664
Carmel-by-the-Sea	\$73,039
Chowchilla	\$98,379
Clearlake	\$130,006
Coalinga	\$91,897
Colfax	\$64,199
Colusa	\$76,574
Colusa County	\$74,414
Corcoran	\$101,522
Corning	\$82,468
Crescent City	\$72,057
Del Norte County	\$125,487
Dinuba	\$132,166
Dixon	\$102,897
Dorris	\$59,288
Dos Palos	\$73,825
Dunsmuir	\$64,199
El Centro	\$192,668
El Dorado County	\$427,801
Etna	\$59,878
Eureka	\$167,131
Exeter	\$87,182
Farmersville	\$87,575
Ferndale	\$63,413
Firebaugh	\$85,022
Fort Bragg	\$95,237
Fort Jones	\$61,646
Fortuna	\$96,808
Fowler	\$72,254
Glenn County	\$95,237
Grass Valley	\$120,773
Greenfield	\$124,702
Gridley	\$82,468
Grover Beach	\$108,005
Guadalupe	\$90,129

Nevada County	\$273,010
Orange Cove	\$90,325
Orland	\$82,468
Oroville	\$122,148
Pacific Grove	\$105,843
Palos Verdes Estates	\$86,200
Parlier	\$119,005
Pismo Beach	\$88,754
Placer County	\$405,604
Placerville	\$98,772
Plumas County	\$108,005
Plymouth	\$60,075
Point Arena	\$60,075
Portola	\$67,146
Rancho Mirage	\$153,381
Red Bluff	\$110,558
Rio Dell	\$70,485
Rio Vista	\$85,807
Riverbank	\$108,790
San Benito County	\$108,005
San Joaquin	\$70,092
San Juan Bautista	\$67,735
San Juan Capistrano	\$210,740
Sand City	\$59,838
Santa Cruz County	\$504,411
Scotts Valley	\$92,486
Shasta County	\$255,724
Shasta Lake	\$91,111
Sierra County	\$60,271
Siskiyou County	\$126,666
Solano County	\$114,290
Soledad	\$107,808
Sonora	\$81,485
South Lake Tahoe	\$147,685
St. Helena	\$79,325
Suisun City	\$137,863
Susanville	\$83,058
Sutter County	\$103,683
Sutter Creek	\$70,092
Taft	\$80,700
Tehama	\$58,463
Tehama County	\$166,385



Gustine	\$65,575
Hidden Hills	\$63,610
Hollister	\$160,649
Holtville	\$73,628
Humboldt County	\$306,993
Huron	\$88,754
Imperial	\$81,485
Imperial County	\$154,953
Indian Wells	\$79,129
Industry	\$58,463
Inyo County	\$92,486
Ione	\$67,146
Jackson	\$77,950
King City	\$119,594
Kings County	\$145,720
Lake County	\$215,454
Lakeport	\$70,681
Lassen County	\$90,915
Lemoore	\$129,416
Lincoln	\$181,078
Lindsay	\$104,468
Live Oak	\$79,914
Livingston	\$97,004
Loomis	\$72,843

Trinidad	\$58,895
Trinity County	\$108,397
Truckee	\$93,272
Tulare County	\$520,126
Tulelake	\$61,057
Tuolumne County	\$215,847
Ukiah	\$115,665
Vernon	\$58,267
Wasco	\$120,773
Weed	\$68,325
Westmorland	\$64,788
Wheatland	\$64,199
Williams	\$72,057
Willits	\$82,271
Willows	\$83,450
Winters	\$79,129
Woodlake	\$80,111
Yolo County	\$121,755
Yountville	\$72,254
Yreka	\$90,915
Yuba County	\$242,759
Total Local Assistance	\$18,751,792
State of California Operations	\$579,952
<b>Program Total</b>	<b>\$19,331,744</b>

A total of 17 percent of the allocation will be available to each awarded jurisdiction for program administration costs. Costs incurred in COVID-19 response prior to allocation may be eligible for reimbursement as per the CARES Act. Applicants will be asked to identify pre-agreement costs as part of the simplified application.

Allocations will be made through the state's Grants Network System and will be administered on an activity basis. Any allocations that are not claimed by the respective jurisdiction will, at the end of the application and award period, be tabulated and at the Department's discretion, used to increase awarded allocations. Grantees will be able to identify up to three activities for their allocation from the following activities prioritized for CDBG-CV funding:

- Public services to respond to COVID-19 impacts
- Public facility improvements to increase capacity for healthcare facilities
- Housing facilities for persons experiencing homelessness
- Economic development to support needs for working capital and furniture, fixtures, and equipment focusing on safety requirements

As permitted in the CARES Act, HUD has elected to waive the federal caps on public services for services that are in response to COVID-19 impacts. Grantees will be required to document that the services funded through CDBG-CV are in response to COVID-19. Any services provided that are not in response to COVID-19 will be subject to the federal 15 percent public services cap.

The Department is seeking waivers from the state statutory requirements that at least 51 percent of annual CDBG allocations be made available to housing and housing-related activities, 30 percent set-aside for economic development activities, 5 percent set-aside for Colonias, and 1.25 percent set-aside for non-federally recognized Native American tribes and communities for CDBG-CV funding in FY 2019-2020. Further, the Department is seeking to waive the 50 percent expenditure rule and statutory requirements for Housing Element submittal and adoption. These waivers will apply only to CDBG-CV funding and will not apply to funds awarded through the 2019 and 2020 annual CDBG allocations.

Funding from the 2019 and 2020 annual CDBG allocations for economic development activities currently available in an open Notice of Funding Availability (NOFA) will be made available on an over-the-counter first come basis to help support needs for economic development. These funds will not be subject to the CDBG-CV waivers, and applicants will be expected to meet all of the NOFA and application requirements.

The Public Facilities allocation priority for CDBG-CV is primarily for public facilities related to the provision of health and medical care, and that support housing for persons experiencing homelessness in compliance with the recommendations found at the following link: <https://www.hudexchange.info/resource/6004/covid19-systemwide-protocol-for-people-experiencing-homelessness/>.

This method of distribution is expected to facilitate immediate fund utilization and improve emergency response to critical community needs resulting from the COVID-19 pandemic.

### **ESG-CV (Emergency Solutions Grants CARES Act Stimulus Program)**

The ESG-CV special allocation provided in the CARES Act will be utilized to prevent, prepare for, and respond to coronavirus among individuals and families who are experiencing homelessness or receiving homelessness assistance; and to support additional homelessness assistance and homelessness prevention activities to mitigate the impacts created by coronavirus.

Any future special ESG allocations will be addressed and allocated according to HUD guidance.

### **Describe the state program addressed by the Method of Distribution.**

HCD's ESG program is traditionally distributed by formula to two separate allocations: Continuum of Care (CoC) and Balance of State (BoS). CoC allocations contain a city or county that receives ESG funds directly from HUD. BoS funds are allocated to Service Areas that do not contain a city or county that receives ESG funds directly from HUD. The ESG-CV CARES funding allocation will utilize a formula-based method of distribution for CoC and BoS Service Areas which considers factors such as HUD's homeless Point in Time (PIT) count, poverty

rates, extremely low-income household renter cost burden data, coronavirus infection rates and HUD's unsheltered homeless figures.

The entirety of the federally allocated ESG-CV funds are to be utilized to address homelessness and may be used for currently eligible activities related to crisis response including:

- Emergency Shelter (ES),
- Homeless Prevention (HP),
- Street Outreach (SO),
- Rapid Rehousing (RR), and
- Homeless Management Information System (HMIS) (24 CFR §576.100).

Currently, HCD intends to distribute the funds in a direct allocation method or over the counter application method.

**Describe all of the criteria that will be used to select applications and the relative importance of these criteria.**

The ESG-CV funding allocation will utilize a formula-based method of distribution for CoC and BoS Service Areas which considers factors such as HUD's homeless Point in Time (PIT) count, poverty rates, extremely low-income household renter cost burden data, coronavirus infection rates and HUD's unsheltered homeless figures.

*Allocation*

Funds will be allocated to CoC Service Areas either to currently approved units of general-purpose local government, known as Administrative Entities (AEs), or directly to the CoC provided the CoC is a state and federally recognized non-profit government entity and has capacity to administer the funding. If the CoC does not meet these requirements, the CoC must designate an AE to administer the funding for that CoC Service area. The allocations will be made to approved AEs listed in the 2020 Continuum of Care NOFA, Appendix A issued February 28, 2020 and to CoCs listed in the 2020 Balance of State NOFA Appendix A issued February 28, 2020. These AEs must commit to administering ESG-CV funds, in collaboration with their CoC, throughout their CoC Service Area, including ensuring access to ESG-CV funds by households living in non-entitlement areas.

The estimated formula allocation is below. These allocations are estimates and may be adjusted as the formula is finalized.

<b>CoC #</b>	<b>CoC Name (Grantee)</b>	<b>ESG-CV Allocation</b>
526	Amador, Calaveras, Tuolumne and Mariposa Counties CoC	\$548,000
604	Bakersfield/Kern County CoC	\$907,000
519	Chico/Paradise/Butte County CoC	\$922,000
523	Colusa, Glenn, Trinity Counties CoC	\$548,000
512	Daly/San Mateo County CoC	\$834,000
521	Davis/Woodland/Yolo County CoC	\$837,000
525	El Dorado County CoC	\$437,000
514	Fresno/Madera County CoC	\$1,008,000
522	Humboldt County CoC	\$984,000
613	Imperial County CoC	\$1,028,000
530	Inyo, Mono, Alpine Counties CoC	\$365,000
529	Lake County CoC	\$670,000
600	Los Angeles City & County CoC	\$5,224,000
507	Marin County CoC	\$600,000
509	Mendocino County CoC	\$705,000
520	Merced City & County CoC	\$871,000
517	Napa City & County CoC	\$341,000
531	Nevada County CoC	\$444,000
502	Oakland/Alameda County CoC	\$1,748,000
611	Oxnard/San Buenaventura/Ventura County CoC	\$651,000
516	Redding/Shasta, Siskiyou, Lassen, Plumas, Del Norte, Modoc, Sierra Counties CoC	\$856,000
505	Richmond/Contra Costa County CoC	\$1,065,000
608	Riverside City & County CoC	\$1,478,000
515	Roseville/Rocklin/Placer County CoC	\$505,000
503	Sacramento City & County CoC	\$1,143,000
506	Salinas/Monterey, San Benito Counties CoC	\$857,000
609	San Bernardino City & County CoC	\$1,247,000
601	San Diego City and County CoC	\$2,060,000
500	San Jose/Santa Clara City & County CoC	\$2,290,000
614	San Luis Obispo County CoC	\$468,000
602	Santa Ana/Anaheim/Orange County CoC	\$2,445,000
603	Santa Maria/Santa Barbara County CoC	\$1,031,000
504	Santa Rosa/Petaluma/Sonoma County CoC	\$791,000
511	Stockton/San Joaquin County CoC	\$751,000
527	Tehama County CoC	\$676,000
510	Turlock/Modesto/Stanislaus County CoC	\$857,000

518	Vallejo/Solano County CoC	\$755,000
513	Visalia, Kings, Tulare Counties CoC	\$1,192,000
508	Watsonville/Santa Cruz City & County CoC	\$984,000
524	Yuba City & County/Sutter County CoC	\$672,000
	Local Assistance	\$41,795,000
	State Operations	\$2,195,603
	<b>Total</b>	<b>\$43,990,603</b>

The above allocation processes are the current suggested allocation methods and may change as HCD sees fit or as advised by HUD to properly address the needs addressed by the CARES Act allocation or any future special allocation.

HCD will enter into a contract with the AE, and the AE will contract directly with its selected providers. The AE shall collaborate with the CoC in administering an application selection. The local government Administrative Entities (AEs) will select applications for funding using a process that is:

1. Fair and open and avoids conflicts of interest in project selection, implementation, and the administration of funds;
2. Follows procurement requirements of 24 CFR Part 200;
3. Evaluates provider capacity and experience, including the ability to deliver services in non-entitlement areas;
4. Utilizes data and considers community input to identify unmet needs;
5. Prioritizes activities that address the highest unmet need, considering other available funding and system-wide performance measures;
6. Considers project-level performance measures when evaluating proposals;
7. Incorporates reasonable performance standards as set forth in the Action Plan based on HUD requirements and guidance. If the applicant has not implemented the proposed activity or similar activity within the past three years, the Continuum of Care shall work with the funded applicant to ensure it meets reasonable performance standards specified in the Action Plan in the contract year;
8. Complies with federal ESG requirements; and
9. Considers any other practices promoted or required by HUD.

**Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG ONLY)**

ESG-CV funds will be distributed to either local governments (AEs) or non-profit homeless service providers (CoCs) per the above *Allocation*, according to factors which may include HUD's homeless PIT count, poverty rates, extremely low-income household renter cost burden data, coronavirus infection rates and rates of unsheltered homeless according to the standard ESG Method of Distribution and criteria discussed previously.

## **Describe how resources will be allocated among funding categories.**

Individual homeless service providers may propose uses of funds in accordance with their needs.

### *ESG-CV Administration*

Grantees may receive approximately 5 percent of their formula allocation for Administration as defined in the federal regulations.

### *Homeless Service Provider Indirect Cost Allocation*

As permitted by the applicable grantee, homeless service providers receiving funds from an AE or CoC may charge an indirect cost allocation as calculated pursuant to 24 CFR §576.109.

The above allocation processes are the current suggested allocation methods and may change as HCD sees fit or as advised by HUD to properly address the needs addressed by the CARES Act allocation or any future special allocation.

## **Describe threshold factors and grant size limits.**

### *Minimum and Maximum Grant Limits*

Grantees will be responsible for setting any minimum and maximum grant amounts to subgrantees since they will be evaluating provider applications and managing the contracts. HCD will be monitoring grantees to ensure that they can effectively manage the number of awards made.

## **What are the outcome measures expected as a result of the method of distribution?**

The method of distribution for ESG-CV is designed to align with the CARES Act and any future special allocation goals. The specific goals and goal outcome indicators associated with ESG-CV activities in the Strategic Plan are addressing and preventing homelessness (Goal Outcome Indicators: Households Assisted, Persons Assisted).

For the CARES Act funding allocation, ESG-CV anticipates serving as many unsheltered homeless as possible, if not all unsheltered homeless; increasing the availability of Rapid Rehousing facilities; and increasing the number of Rapid Rehousing recipients, Emergency Shelter services recipients, and Homeless Prevention services recipients proportionate to the currently undetermined total CARES Act funding allocation to HCD.

## **HOPWA-CV (Housing Opportunities for Persons with AIDS CARES Act Stimulus Program)**

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) supplemental HOPWA funds, will allow our HOPWA grantees to pay for an increased number of hotel/motel and extend the length of time they can provide short-term rent, mortgage, and utility (STRMU) assistance to eligible households to prevent homelessness of a tenant or mortgagor of a dwelling for a period of up to 24 months. Hotel/motel assistance will provide lodging at hotels, motels, or other

locations to quarantine HOPWA-eligible persons or their household members. The Office of AIDS (OA) will notify current HOPWA grantees about the available funds. Distribution of funds will be based on need, COVID-19 impact in the jurisdiction, and number of persons to be served.

## **AP-65 Homeless and Other Special Needs Activities – 91.320(h)**

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.**

As part of the CARES Act, HUD has temporarily waived FMR limits for the ESG-CV funding. This waiver impacts both the existing ESG allocations as well as the ESG-CV funding. The waiver is intended to help address the wide variances in housing costs, not just between urban and rural areas, but nation-wide. This waiver will be critical in ensuring that the funding can be used as intended to help people in the timeframe required to make a timely response to community needs.

HUD has proposed additional regulatory relief as part of the CARES Act, by providing increased administration percentages, reduced match requirements, and reduced use restrictions on the ESG-CV funds. These reduced restrictions, along with the urgency required to get the ESG-CV funds utilized, necessitated a waiver of the state's ESG regulations, which included the proscribed method of distribution as well as use requirements that had frustrated CoCs and homelessness responders. The Department will be exploring the opportunity to transition from ESG regulations to more flexible guidelines to support adaptability and responsiveness to the ongoing impacts of the COVID-19 virus and evolving needs to effectively reduce homelessness in the state.