

<b>Category:</b>	Housing	<p style="text-align: center;"><b>INCA Community Services ESG Program Standards</b></p> 
<b>Sub Category:</b>	Emergency Solutions Grant (ESG) Addendum	
<b>Effective Date:</b>	7/20/20	
<b>Revised Date:</b>	9/20, 2/21, 3/21, 3/22	
<b>Forms:</b>	Agency/Landlord Rental Assistance Agreement, Landlord Signing Bonus - Statement of Intent, ESG-CV Client Files Documentation Requirements,	
<b>Responsible:</b>	ESG Staff, Directors, and Fiscal Department	

## COVID19 ESG-CR(CV) Addendum

### Purpose

Congress passed the Coronavirus Aid, Relief and Economic Security Act (CARES Act) on March 27, 2020. The Act provides Relief funding for the Emergency Solutions Grant Program in order to make available and distribute funds to prevent, prepare for and respond to the coronavirus by supporting additional homeless assistance and homelessness prevention activities.

These special ESG-CV funds are to be used to prevent, prepare for, and respond to the coronavirus pandemic (COVID-19) 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 of COVID-19.

This addendum covers the differences and waivers in the usage of ESG and ESG-CR funding uses. ESG-CR funds may provide assistance for rent and utilities that have not been paid due to COVID-19.

### Contractual Requirements

The U.S. Department of Housing and Urban Development (HUD) released Notice [CPD-20-08](#), also known as the ESG-CV Notice, on September 1, 2020 prompting the Oklahoma Department of Commerce (ODOC) to create and release the first ESG-CV Addendum to ODOC's ESG Implementation Manual on February 17, 2021. HUD released Notice [CPD-21-08](#), also known as the second ESG-CV Notice, on July 19, 2021, which supersedes Notice CPD-20-08. All policies contained in this manual have been updated to include the information from Notice CPD-21-08 and are effective as of July 1, 2020.

### Applicability of the ESG-CV Notices to Annual ESG Funds

While Section II.A of the [CPD-21-08](#) Notice allows the same flexibilities (including statutory exemptions, waivers, and additional eligible activities) established for ESG-CV funds in the CARES Act and the CPD-21-08 Notice applies to FY2020 and prior fiscal year ESG funds ("annual ESG funds") used to prevent, prepare for, and respond to coronavirus until September 30, 2022, ODOC will not allow any ESG-CV flexibilities outlined in this addendum to apply to

annual ESG funds used to prevent, prepare for, and respond to the coronavirus unless HUD supplies waivers specific to annual ESG. For HUD waivers specific to annual ESG funds, refer to 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 December 30, 2021

**ODOC ESG-CV Contract Dates, Spending Requirements and Reallocation:**

- ESG-CV1 Contract Dates: July 1, 2020 – August 31, 2021
- ESG-CV2 Contract Dates: September 1, 2021 – August 31, 2022
- ESG-CV1 and ESG-CV2 Spending Requirements: To meet the spending deadlines outlined in CPD-21-08 III.B.2.c, ESG-CV1 and ESG-CV2 sub-recipients are required to expend fifty percent (50%) of their total contract amount by month six (6), seventy-five percent (75%) by month nine (9) and one hundred percent (100%) by the end of the contract as outlined in the ESG-CV2 sub-recipient Contract Part II with ODOC.
- The HUD ESG-CV Expenditure Deadline Message released on February 4, 2022 stated that HUD would not recapture funds from States that do not meet the eighty percent (80%) expenditure deadline by March 31, 2022. However, ODOC's ESG-CV sub-recipients will still be held to the contractual spending requirements in order to meet HUD's overall spending deadline of one hundred percent (100%) by September 30, 2022.
- Recapture and Redistribution after Award: ESG-CV funds are provided 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. It is important that resources be targeted to communities that need and can use additional funding to support these efforts. ODOC reserves the right to recapture ESG-CV funds under the following circumstances:
  - Sub-recipient fails to obligate and spend within the time periods as specified in part (c) of this section, or
  - Sub-recipient fails, without approved modification, to implement the project as set forth in the approved ESG-CV grant application, or
  - Sub-recipient fails to meet threshold responsibilities during the contract period.

ODOC will first try to redistribute recaptured funds within the same CoC. However, CoC allocated funding may be redistributed to remaining Continuum of Care entities when:

- The CoC does not comply with the responsibilities listed in the ESG-CV grant application;
- A CoC is not considered an eligible Continuum of Care;
- Funds are not allocated due to there being any eligible CoC in a region;
- Dollars are returned due to lack of eligible applicants in a CoC region;
- Funds cannot be expended within the CoC and agencies within another CoC are in need of more funding.

These funds will be re-distributed to other eligible Continuum of Care organizations through a procedure set by ODOC/Community Development (CD).

ODOC reserves the right to recapture any administrative funds not budgeted by the awarded sub-recipients equal to the maximum spending requirement allowed by HUD regulations. In the event a sub-recipient fails to fully expend all contract funds or returns unspent funds at any point during the contract period, ODOC reserves the right to also reclaim and recoup any administrative funds that have been spent in excess of the prorated proportion of the admin awarded.

### **Prevent, Prepare for, and Respond to Coronavirus**

Allowable activities for ESG-CV funds:

- **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 staff, or other shelter or housing residents. This includes providing Personal Protective Equipment (PPE) 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.
- **Prepare for...coronavirus** means an activity carried out prior to or during a coronavirus outbreak 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.
- **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.

### **Provision of Supportive Services**

While INCA is required to offer treatment and supportive services when necessary to assist vulnerable homeless populations, individuals and families experiencing homelessness are not required to receive treatment or perform any other prerequisite activities as a condition for receiving shelter, housing, or other services for which these funds are used, notwithstanding [24CFU576.401\(e\)](#). Housing Stability Case Management is considered a prerequisite activity.

**Waivers** the CPD-21-08 Notice, the requirements at [24CFU576.401\(e\)](#) and in ODOC's ESG Implementation Manual Requirement 708 apply Except as otherwise established below.

### **Re-evaluations for Homelessness Prevention Assistance**

**The Current Requirement:** The ESG regulations at 24 CFR 576.401(b) requires recipients or subrecipients providing homelessness prevention assistance to re-evaluate the program participant's eligibility, and the types and amounts of assistance the program participant needs, not less than once every 3 months.

**Waiver:** The 3-month re-evaluation requirement has been waived for homelessness prevention assistance as specified in 24 CFR 576.401(b) is necessary to help program participants remain stable in housing during the economic uncertainty caused by COVID-19.

### **Housing Stability Case Management**

As required by [24 CFR 576.401\(a\)](#) and (c), the recipient and its sub-recipient must determine the available services and assistance that each ESG-CV program participant will need to achieve independent living and avoid further housing instability or homelessness, and the recipient and its sub-recipient must assist each ESG-CV program participant, as needed, to obtain those services and assistance.

However, **HUD has made an across-the-board waiver of the ESG requirement in 24 CFR 576.401(e)(1) that housing stability case managers must meet not less than once per month with each program participant receiving homelessness prevention or rapid re-housing assistance.** HUD has waived this requirement for all program participants receiving this assistance after qualifying as homeless, in order to be consistent with the CARES Act prohibition stated in section III.F.12 of the [CPD-21-08](#) Notice and found in section II.3 of this document.

Additionally, HUD has waived the requirement for all program participants receiving assistance after qualifying as at risk of homelessness, in order to prevent the spread of coronavirus and reduce the barriers to providing the homelessness prevention that is necessary to respond to coronavirus. **However, recipients must continue to make housing stability case management and other appropriate services available and accessible.**

This waiver provides additional regulatory relief beyond the waiver HUD made available on March 31, 2020 for annual ESG funds and extended on May 22, 2020 for annual ESG funds and ESG-CV funds, by lifting the three-month limitation established May 22, 2020, and making the waiver of 24 CFR 576.401(e)(1) apply throughout the period the recipient or subrecipient uses funds to prevent, prepare for, and respond to coronavirus.

Providing housing stability case management is necessary to help program participants maintain housing; however, recipients are reporting that the limitation of 30 days for providing housing stability case management while the program participant is seeking housing does not often provide enough time to help a program participant obtain new housing, particularly in tight rental markets and where landlords are reluctant to rent to households with limited income. **Therefore, per the [CPD-21-08](#) Notice, HUD is waiving the 30-day limit established in [24 CFR 576.105\(b\)\(2\)](#) to the extent necessary to allow sub-recipients to provide up to 60 days of housing stability case management while the program participant is seeking housing.** This waiver and alternative requirement is necessary to help

sub-recipients continue to assist program participants in obtaining new housing, which is crucial to preventing the spread of coronavirus, and will continue to be necessary after social distancing measures are no longer in effect but rental markets remain tight due to the economic downturn caused by coronavirus.

**Guidelines:**

- ESG caseworkers will adhere to INCA's COVID-19 guidelines concerning contact with program recipients. ([COVID-19 Exposure Policy](#) )
- Front line staff will refer possible program participants to caseworkers who will make contact by technology including internet, phone, email, text, or other safe manners to complete the application, Housing Stability Plan and other documentation needed.
- Virtual case management and services will be utilized. Casenotes and Housing Stability Plan will be kept on a secure on-line document so caseworkers and other pertinent staff can assist with ensuring services are given as quickly as possible to address the immediate needs during this crisis.
- If in-person contact is required, agency COVID-19 safety protocol will be followed (**See INCA's Assistance with Clients On-Site Policy**).

**Restrictions of Rental Assistance to Units with Rent at or Below Fair Market Rent (FMR)**

The requirement at [24 CFR 576.106\(d\)](#) -that prohibits rental assistance where the rent for the unit exceeds the Fair Market Rent established by HUD, as provided under [24 CFR Part 888](#), is waived so long as the rent complies with HUD's standards of rent reasonableness, as established under [24 CFR 982.507](#). Waiving this requirement will allow INCA to help program participants move quickly into housing or retain their existing housing, which is especially critical at reducing the spread of coronavirus and responding to coronavirus. This waiver provides additional flexibility beyond the waiver made available to the ESG Program on March 31, 2020 and extended to ESG-CV funds on May 22, 2020 by permitting ESG recipients to provide rental assistance for program participants, whose current rent exceeds FMR and by allowing recipients to use this waiver as needed throughout the period they are providing rental assistance to prevent, prepare for, and respond to coronavirus.

**Coordination With Other Targeted Homeless Services**

**The Current Requirement: Under 24 CFR 576.400(b)** The recipient and its subrecipients must coordinate and integrate, to the maximum extent practicable, ESG-funded activities with other programs targeted to homeless people in the area covered by the Continuum of Care or area over which the services are coordinated to provide a strategic, community-wide system to prevent and end homelessness to that area.

**Waiver:** To ensure funds are deployed quickly to address the immediate public health crisis and prevent the spread of coronavirus, the coordination requirements at 24 CFR 576.400(b) are waived.

**System and Program Coordination and Mainstream Resources**

**The Current Requirement: Under 24 CFR 576.400(c)** - The recipient and its subrecipients must coordinate and integrate, to the maximum extent practicable, ESG-funded activities with mainstreaming housing, health, social services, employment, education, and youth programs for which families and individuals at risk of homelessness and homeless individuals and families may be eligible.

**Waiver:** To ensure funds are deployed quickly to address the immediate public health crisis and prevent the spread of coronavirus, the coordination requirements at 24 CFR 576.400(c) are waived.

## Shelter and Housing Standards

**The Current Requirement: Under 24 CFR 576.403** The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations in 24 CFR part 35, subparts A,B,H,J, K, M, and R apply to all shelters assisted under ESG program and all housing occupied by program participants.

**Waiver:** The requirements at 24 CFR 576.403 apply to all emergency shelter and housing supported with ESG funds except as provided below:

- **Lead-Based Paint Remediation and Disclosure Requirements.** The lead-based paint remediation requirements of 24 CFR 576.403(a) apply to all shelters for which ESG-CV funds are used and all housing occupied by program participants.
- **Temporary Emergency Shelter.** The habitability requirements at 24 CFR 576.403(b) do not apply to temporary emergency shelters that have been determined by State or local health officials to be necessary to prevent, prepare for, and respond to coronavirus. However, recipients and subrecipients must still comply with nondiscrimination and applicable accessibility requirements, including requirements under Section 504 of the Rehabilitation Act, the Fair Housing Act, the Americans with Disabilities Act, and their implementing regulations. See also 24 CFR 576.407(a). All other shelters and housing for which ESG-CV funds must meet the applicable standards in 24 CFR 576.403(b) and 576.403(c).
- **Habitability Inspections when Providing Housing Relocation and Stabilization Services.** Homelessness Prevention. The requirement at 24 CFR 576.403(c) sub-recipients may not use ESG funds to help a program participant remain in housing that does not meet minimum habitability standards outlined in that section is waived to the extent necessary to allow the recipient or subrecipient to provide housing relocation and stabilization services under 24 CFR 576.105(b) to help individuals and families remain in their existing housing or move into new housing.
  - During the coronavirus pandemic the best way to help prevent the spread of coronavirus is to help individuals and families at risk of homelessness maintain their current housing or remain in their existing housing until a different housing unit can be identified. Additionally, the coronavirus pandemic created an economic downturn that put many at risk of losing their housing, including housing they rent or share with others. Providing housing relocation and stabilization services can help these households maintain their current housing by avoiding eviction records or additional economic insecurity caused by having to pay security deposits and other costs related to renting a new unit. Therefore, allowing sub-recipients to provide housing relocation and stabilization services under the homelessness prevention component is necessary to prevent, prepare for, and respond to coronavirus. This alternative requirement does not waive the requirements at 24 CFR 576.403(c) with respect to other activities under the homelessness prevention component or with respect to any activity under the rapid re-housing component.
- **Environmental Review Requirements.** Except as otherwise provided in this document for temporary emergency shelters that have been determined by State or local health officials to be necessary to prevent, prepare for, and respond to coronavirus, “responsible entities” (as defined in 24 CFR 58.2) must assume all of the responsibilities with respect to environmental review,

decision making, and action required under 24 CFR Part 58. Also, as required by 24 CFR 58.4(a), when a State distributes funds to a responsible entity, the State must provide for appropriate procedures by which these responsible entities will evidence their assumption of environmental responsibilities. In accordance with these requirements and section 100261(3) of the MAP-21 Act, 24 CFR 576.407(d) does not apply.

Environmental regulations at 24 CFR 58.22 prohibit ESG recipients and any other participant in the development process from committing HUD or non-HUD funds to a project until the environmental compliance review process has been successfully completed or until receipt of the Authority to Use Grant Funds, if applicable. In addition, until the environmental compliance review process has been successfully completed or until receipt of the Authority to Use Grant Funds, neither a recipient nor any participant in the development process may commit non-HUD funds on or undertake an activity or project if the activity or project would have an adverse environmental impact or limit the choice of reasonable alternatives.

Emergency Environmental Review Procedures: HUD's environmental review regulations in 24 CFR Part 58 include two provisions that may be relevant to environmental review procedures for activities to prevent, prepare for, or respond to coronavirus. The first is 24 CFR § 58.34(a)(10), which provides an exemption for certain activities undertaken in response to a national or locally declared public health emergency. The second is a streamlined public notice and comment period in the regulation at 24 CFR 58.33, which may apply in some cases for emergency activities undertaken to prevent, prepare for, or respond to coronavirus. The application of these two provisions following a presidentially-declared or locally-declared public health emergency are discussed in [Notice CPD-20-07](#).

- **Re-evaluations.**

- As required by [24 CFR 576.401\(b\)](#), the sub-recipient must re-evaluate a program participant's eligibility and the types and amounts of assistance the program participant needs in accordance with the requirements of that section. However, HUD is waiving 24 CFR 576.401(b)(i), which requires that the re-evaluation must verify the program participant does not have an annual income that exceeds 30 percent of median family income for the area, as determined by HUD, and establishing the alternative requirement that the re-evaluation must verify the program participant does not have an annual income that exceeds the Very Low-Income limit for the area (50 percent AMI), as established for HUD's Section 8 and Public Housing programs. HUD has determined that increasing the annual income allowance for program participants receiving rapid re-housing and homelessness prevention assistance will help program participants maintain housing, thus preventing the spread of coronavirus.
- **[24 CFR 576.401\(b\)](#)**, which requires sub-recipients providing homelessness prevention assistance to re-evaluate a program participant's eligibility, and the types and amounts of assistance the program participant needs not less than once every three months is waived so long as sub-recipients providing homelessness prevention assistance re-evaluate a program participant's eligibility, and the types and amounts of assistance the program participant needs, not less than once every six months. HUD has determined this waiver and alternative requirement is necessary to help program participants remain stable in housing during the economic uncertainty caused by coronavirus. This waiver and alternative requirement provide additional flexibility beyond the waiver made available to

the ESG Program on March 31, 2020 and extended to ESG-CV funds on May 22, 2020 by lifting the two-year limit on the waiver so that this flexibility applies throughout the period the sub-recipient uses funds to prevent, prepare for, and respond to coronavirus.

- As required by **24 CFR 576.403(c)**, the sub-recipient cannot use ESG-CV funds to help a program participant remain or move into housing that does not meet the minimum habitability standards provided in that section. However, HUD is waiving this requirement for recipients or sub-recipients who apply the applicable Housing Quality Standards (HQS) under 24 CFR 982.401, except 24 CFR 982.401(j) need only be applied to housing occupied by program participants receiving tenant-based rental assistance. HUD has determined waiving the requirement at 24 CFR 576.403(c) is necessary to allow sub-recipients to use the housing inspection process with which they are most familiar, easing administrative burden, while continuing to ensure housing meets minimum quality standards and quickly housing or helping program participants maintain housing thus preventing the spread of coronavirus.

### **Homeless Definition - Temporary Stays in Institutions of 90 Days Less**

**The Current Requirement:** Under 24 CFR 576.2 under paragraph (1) (iii) an individual or family who lacks a fixed, regular, and adequate nighttime residence includes exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.

**Homeless Definition – Temporary Stays in Institutions of 90 Days Less.** Under 24 CFR 576.2 under paragraph (1) (iii) an individual or family who lacks a fixed, regular, and adequate nighttime residence includes exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution. The '90 days or less' timeframe has been waived and an individual may qualify as homeless under paragraph (1) (iii) the homeless definition in 24 CFR 576.2 so long as he or she is exiting in 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** and alternative requirement is necessary because recipients are reporting that program participants are residing in institutions for longer periods of time as a result of coronavirus (e.g., longer time in jail due to postponed court dates due to court closings or courts operating at reduced capacity and longer hospital stays when infected with coronavirus). Allowing someone who was residing in an emergency shelter or place not meant for human habitation prior to entering the institution to maintain their homeless status while residing in an institution for longer than 90 days is necessary to prevent the spread of coronavirus by expanding housing options for people who were experiencing homelessness and institutionalized longer than traditionally required due to coronavirus.

### **Statutory Flexibilities for Existing Eligible Activities (ESG-CV Adden II.7)**

#### **No Cap for Emergency Shelter and Street Activities**

**The current requirement: Section 415(b) of the McKinney-Vento Act and 24 CFR Part 576.100(b)** meaning there has to be at least 40 percent of a sub-grantee's total ESG-CV allocation budgeted towards housing (Rapid Re-Housing and Prevention together).

**Waiver:** INCA ESG program does not participate in Street Outreach Activities. The agency will use Emergency Shelter activities under ESG-CR(CV) utilizing the no cap waiver for Emergency Shelter and Street Outreach Activities. ESG-CV funds may be used for emergency shelter and street outreach activities without regard to the spending cap. The same flexibility applies to using ESG-CV funds to establish and operate temporary emergency shelters.

### **Prevention Assistance and Area Median Income (AMI) Limits**

The funds will be used to provide homelessness prevention assistance (as authorized under 24 CFR 576.103 or subsequent HUD notices) to any individual or family who does not have income higher than HUD's Very Low-Income Limit, or 50 percent AMI, for the area and meets the criteria in paragraphs (2), (3), or (4) of the "homeless" definition in 24CFR576.103.

### **Hotel/Motel Costs**

**Waiver and alternative requirements:** As permitted under 24 CFR 576.102(a)(3) and ODOC's ESG Implementation Manual Requirement 703, Part II – 2.0(o), eligible costs include a hotel or motel voucher for homeless individuals and families where no appropriate emergency shelter is available. Additionally, the limitations on eligible activities provided in section 415(a) of the McKinney-Vento Act and 24 CFR part 576, subpart B are waived and alternative requirements are established to the extent necessary to authorize ESG-CV funds to be used for the following hotel or motel costs for 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.

#### **INCA will utilize the waiver and alternative requirements:**

The following flexibilities will be used to allow recipients to secure hotel and motel rooms more quickly to be available when needed to prevent the spread of coronavirus (for example, when a program participant needs to isolate to keep from spreading the virus to other shelter occupants or household members)

INCA may:

- pay for a hotel or motel room directly or through a hotel or motel voucher. If Hotel/motel vouchers are used it will be paid for out of the ESG-CV Shelter line item even if the program participant is receiving rapid re-housing or prevention assistance.
- Used to pay for cleaning of hotel and motel rooms used by program participants as well as to repair damages caused by program participants above normal wear and tear of the room.
- Funds will be used to provide essential services as established at 24CFR576.102(a)(1) to program participants residing in these hotels.

### **Helping current ESG program participants maintain housing**

**Waiver and alternative requirements:** In order to ensure current program participants receiving homelessness prevention and rapid re-housing assistance do not lose their housing during the coronavirus public health crisis and the subsequent economic downturn caused by the crisis, the requirements in 24 CFR 576.105(c) and 576.106(a) are waived and alternative requirements are established as follows:

- The requirement at 24 CFR 576.105(c) limiting the total period of time for which any program participant may receive the services under paragraph (b) to 24 months during any three-year period is waived and
- The requirement at 24CFR 576.106.(a) limiting the total number of months a program participant can receive rental assistance to 24 months in a three-year period is waived.

**INCA will utilize waiver, where applicable.**

## HMIS Lead Activities

**Waiver and alternative requirements:** The limitations on eligible activities provided in section 415(a) of the McKinney-Vento Act and 24 CFR part 576, subpart B are waived to the extent necessary to authorize ESG funds to be used under 24 CFR 576.107 to pay for HMIS costs 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. Additionally, 24 CFR 576.107 that limits recipients to paying for the costs at 24 CFR 576.107(b) is waived to allow recipients that are not the HMIS Lead, as designated by the Continuum of Care, to pay for costs at 24 CFR 576.107(b), either directly or by sub-granting to the HMIS Lead if the HMIS Lead is an eligible subrecipient to the extent that the HMIS costs are necessary to help the geographic area prevent, prepare for, and respond to coronavirus. Additionally, 24 CFR 576.107 that limits recipients to paying for the costs at 24 CFR 576.107(b) is waived to allow recipients that are not the HMIS Lead, as designated by the Continuum of Care, to pay for costs at 24 CFR 576.107(b), either directly or by sub-granting to the HMIS Lead if the HMIS Lead is an eligible subrecipient to the extent that the HMIS costs are necessary to help the geographic area prevent, prepare for, and respond to coronavirus. This waiver and these alternative requirements provide additional flexibility beyond the waiver made available to the ESG Program on March 31, 2020 and extended to ESG-CV funds on May 22, 2020 by permitting ESG recipients who are not also HMIS Leads to pay for the costs eligible at 24 CFR 576.107(b) and lifting the six-month limit on the waiver so that this flexibility applies throughout the period the recipient or subrecipient uses funds to prevent, prepare for, and respond to coronavirus. Additionally, this waiver provides additional flexibility for ESG funds to be used on HMIS costs even when they are not related to ESG program participants or ESG activities when necessary to collect and report better data about the impact of coronavirus across the community.

**INCA will utilize the waiver on HMIS Services.**

## Legal Services

Legal services established in 24 CFR 576.102(a)(1)(vi) and 24 CFR 576.105(b)(4) are limited to those services necessary to help program participants obtain housing or keep a program participant from losing housing where they currently reside.

**INCA partners with Legal Aid Services to furnish legal services to program participants.**

## Assisting Program Participants with Subleases

To the extent that the references to “owner” and “lease” in [24 CFR 576.105](#) and [576.106](#) restrict program participants from receiving assistance in units they sublease from the primary leaseholder, that restriction is waived and the following alternative requirement is established:

- When a program participant chooses to rent a unit through a legally valid sublease with the primary leaseholder for the unit, the terms “owner” and “housing owner” are waived and replaced with “primary leaseholder,” and the term “lease” will be understood to refer to the sublease, when those terms appear in [24 CFR 576.105](#), [576.106](#), [576.409](#), and [576.500\(h\)](#).
- This additional flexibility will expand the permanent housing options for individuals and families experiencing and at risk of homelessness, which is critical to preventing the spread of coronavirus and helping individuals and families experiencing and at risk of homelessness obtain housing in tight rental markets during the economic downturn caused by coronavirus.

**INCA will utilize this waiver on a case-by-case need basis. Must be approved by the Executive Director.**

## Short-Term and Medium-Term Rental Assistance

The limitations in section [415\(a\)\(4\)](#) of the McKinney-Vento Act and [24 CFR 576.106\(i\)\(3\)](#) are waived to the extent necessary to establish the following alternative requirement for project-based rental assistance provided under [24 CFR 576.106\(i\)](#):

- The recipient or sub-recipient may make monthly rental assistance payments only for each whole or partial month an assisted unit is leased to a program participant, except that if a program participant moves out of an assisted unit before expiration of the agreement, the recipient or sub-recipient may use ESG-CV funds to cover up to 100 percent of the rent for the unit for up to 30 days from the end of the month in which the unit was vacated, while the recipient or sub-recipient attempts to house another eligible program participant in that unit.
  - This payment will not count toward the total rental assistance provided to the next program participant housed in the unit, unless the program participant moves in during the first half of the month that is paid using this flexibility.
  - This payment will not prevent paying up to 100 percent of the first month's rent for the new program participant as provided under [24 CFR 576.106\(i\)\(2\)](#), as long as the payments are made for different months.
  - This flexibility is necessary to assure recipients and sub-recipients can maintain the availability of assisted units in which individuals and families experiencing or at risk of homelessness can be quickly re-housed, which is critical to preventing the spread of coronavirus and helping individuals and families experiencing and at risk of homelessness obtain housing in tight rental markets during the economic downturn caused by coronavirus.

**INCA will utilize this waiver on a case-by-case need basis. Must be approved by the Executive Director.**

## Temporary Emergency Shelters

As permitted by the CARES Act, ESG-CV funds may be used to pay for temporary emergency shelters for individuals and families experiencing homelessness in order to prevent, prepare for, and respond to coronavirus. Agency's policy must outline eligible costs permitted in II.8.i. of the ESG-CV Addendum and the requirements outlined in II.8.ii.

Eligible costs include:

- Leasing existing real property or temporary structures to be used as temporary emergency shelters;
- Acquisition of real property (e.g., hotels, ancillary structures, parking lots). The total amount of ESG-CV funds used for acquisition must not exceed \$2.5 million per real property;
- Renovation (including major rehabilitation and conversion) of real property (e.g., hotels) into temporary emergency shelters. Eligible costs include labor, tools, and other costs for renovation;
- Shelter operations costs including the costs of maintenance (including minor or routine repairs), rent, security, fuel, equipment, insurance, utilities, food, furnishings, supplies necessary for the operation of the temporary emergency shelter;
- Services, including essential services under [24 CFR 576.102\(a\)\(1\)](#), housing search and placement services under [24 CFR 576.105\(b\)\(1\)](#), and housing search and counseling services as provided under [24 CFR 578.53\(e\)\(8\)](#); except as otherwise stated in the [CPD-21-08 Notice](#) or [24 CFR part 576.408](#); and,

Other shelter costs ODOC pre-approves in writing. Requirements:

- As permitted by the CARES Act, the use of funds for these shelters will not be subject to the habitability standards under section 417(c) of the McKinney-Vento Act, shelter standards at 24 CFR 576.403(b), or the environmental review requirements that otherwise apply to the use of ESG funds if the shelters have been determined by State or local health officials to be necessary to prevent, prepare for, and respond to coronavirus. The CARES Act exemption of ESG habitability standards and environmental review requirements do not exempt recipients and sub-recipients from complying with state and local laws (such as safety or sanitation codes) that apply on their own terms to the recipient or sub-recipient's activities and do not conflict with Federal law. Recipients and sub-recipients must still comply with nondiscrimination and applicable accessibility requirements, including requirements under Section 504 of the Rehabilitation Act, the Fair Housing Act, the Americans with Disabilities Act, and their implementing regulations. See also 24 CFR 576.407(a);
- These temporary emergency shelters shall not be subject to the minimum periods of use required by section 416(c)(1) of the McKinney-Vento Act and 24 CFR 576.102(c) and shall be considered as excluded by law from any certifications recipients submit pursuant to 24 CFR 91.225(c)(1) through (c)(4) or 91.325(c)(4)(i) through (c)(4)(iv); however, if funds were used for acquisition or renovation (including conversion or major rehabilitation), the property's use and disposition will be subject to the real property requirements in 2 CFR 200.311;
- In addition to the records required at 24 CFR 576.500, the recipient must retain documentation that the property or structure or portion of a structure used as temporary emergency shelter met the definition of temporary emergency shelter during the time it was so used. For example, a recipient could document that the property is typically a hotel and is only being used as an emergency shelter for the period of time that the property is typically a hotel and is only being used as an emergency shelter for the period of time that public health officials determine special measures are needed to prevent the spread of coronavirus;
- Whether or not services are provided as part of temporary emergency shelter, the recipient or sub-recipient must assure that for each program participant receiving shelter, the individual or family's service needs are evaluated as required by 24 CFR 576.401(a) and appropriate services are made available as needed in accordance with 24 CFR 576.401(d), and a program participant in temporary emergency shelter shall be eligible to receive essential services from the recipient or sub-recipients other than the program participant's shelter provider;
- A temporary emergency shelter may provide space for program participants to receive services consistent with 24 CFR 576.401(d) even if the services are not ESG-funded or not funded as part of the shelter project;
- Program participants cannot be required to sign leases or occupancy agreements, receive treatment, or perform any other prerequisite activities as a condition for staying in any shelter or receiving services; and
- In all other respects, the funding and operation of temporary emergency shelters must comply with the ESG-CV requirements for emergency shelters under this addendum and 24 CFR part 576.

**INCA will not participate in the Temporary Emergency Shelter services as outlined.**

#### **Additional requirements for property acquired or improved with ESG-CV funds**

When the property is determined no longer necessary or appropriate for use as a temporary emergency shelter, as defined in the CPD-21-08 Notice, the property may be converted for use as an emergency shelter as described below without triggering the disposition requirements in 2 CFR 200.311(c). However, when it becomes unnecessary or impracticable to use the property either as temporary emergency shelter or emergency shelter, as described in the CPD-21-08 Notice, the owner of the property must

obtain disposition instructions from ODOC as provided by 2 CFR 200.311(c).

- Before conversion to use as a normal emergency shelter under 24 CFR part 576, the property must undergo a satisfactory environmental review pursuant to 24 CFR part 58 and must be inspected and determined to meet the minimum shelter standards in 24 CFR 576.403.
- The recipient (ODOC) must notify HUD when it begins using the property as an emergency shelter as defined in 24 CFR 576.2 and must report the status of the property to HUD either on an annual basis or at a lesser frequency that HUD may specify as provided by 2 CFR 200.330.
- The recipient must maintain up-to-date documentation showing the property is being used as an emergency shelter as defined in 24 CFR 576.2 and operated in accordance with all requirements that apply to emergency shelters under 24 CFR part 576, subpart E;
- If the property was renovated with ESG-CV funds (including major rehabilitation or conversion), the property must be used as an emergency shelter under these requirements for at least the period specified in 24 CFR 576.102(c)(1), beginning on the date the building is first occupied by a homeless individual or family after the renovate.
- On or before the conversion of the property to an emergency shelter as defined in 24 CFR 576.2, the recipient must record a lien or other appropriate notice of record to indicate that the property has been acquired or improved with a Federal award and that the use and disposition conditions above apply to the property.

**INCA will not participate in property used as temporary emergency shelter as outlined.**

### **Training**

**Waiver and alternative requirements:** As permitted by the CARES Act, ESG-CV funds may be used for training on infectious disease prevention and mitigation for staff working directly to prevent, prepare for, and respond to coronavirus among persons who are homeless or at risk of homelessness and the use of funding shall not be considered administrative costs for purposes of the five percent cap. In addition, the limitations on eligible activities provided in section 415(a) of the McKinney-Vento Homeless Assistance Act and 24 CFR part 576, subpart B are waived and alternative requirements are established to the extent necessary to authorize ESG-CV funds to be used for training on infectious disease prevention and mitigation for homeless assistance providers, including those who do not receive funding through the CARES Act, to help them best prevent, prepare for, and respond to coronavirus among persons who are homeless or at risk of homelessness.

**INCA will utilize the waiver to provide infectious disease prevention and mitigation for ESG Caseworkers to help them prevent, prepare for, and respond to coronavirus among persons who are homeless and at the risk of homelessness.**

### **Hazard Pay**

As permitted by the CARES Act, funds may be used to pay hazard pay for sub-recipient staff working directly to prevent, prepare for, and respond to coronavirus among persons who are homeless or at risk of homelessness. Examples of sub-recipient staff working directly in support of coronavirus response include emergency shelter intake staff, street outreach teams, emergency shelter maintenance staff, emergency shelter security staff, staff providing essential services (e.g., outpatient health or mental health, housing navigators), and staff in proximity to persons with coronavirus or working in locations with a high likelihood of contracting coronavirus.

- In general, hazard pay must be permitted in an organization's written policies, needs to be consistent with similar work paid for with non-grant funds, and must follow the requirements at 2 CFR 200.400.
- These costs can and should be charged to the ESG activity for which the employee is working

(Prevention, Rapid Re-Housing, Shelter, Street Outreach).

- Recordkeeping documentation for this activity should include job descriptions, policies and procedures or other program records that detail positions receiving hazard pay.
- Total hazard differential pay for any day may not exceed 25 percent of the employee's rate of basic pay for that day ([5 U.S.C. 5545\(d\)\(2\)](#)).
- Hazard differential pay is computed on the basis of hours in a pay status. Any amount of actual exposure during a calendar day entitles the employee to hazard pay for all compensable hours that day. If a tour spans a two-day period, all hours of work will be considered to have been performed on the day the work began ([5 CFR 550.905](#)).
- Hazard differential pay may be paid during hours of paid leave if hazardous duty is performed on a day which paid leave is taken. For example, if an employee performs a hazardous duty for 1 hour and then takes annual leave for the 7 hours remaining in their workday, the employee is paid hazard differential pay for the entire 8-hour workday (5 CFR 550.905).
- Hazard differential pay may not be paid for periods of leave without pay. Hazard differential pay may only be paid while an employee is in a pay status.

**INCA Community Services does operate an emergency shelter or have staff in proximity to persons with coronavirus or working in locations with a high likelihood of contracting coronavirus. All contact is done through tele-communication and if on-site meeting or consultation is needed proper safety precautions are taken per agency's COVID-19 Exposure Policy.**

#### **Handwashing Stations and Portable Bathrooms**

**Handwashing Stations and Portable Bathrooms:** The limitations on eligible activities provided in section 415(a) of the McKinney-Vento Homeless Assistance Act and 24 CFR part 576, subpart B are waived and alternative requirements are established to the extent necessary to authorize ESG-CV funds to be used under 24 CFR 576.101(a) for installing and maintaining handwashing stations and bathrooms (e.g., porta potties) in outdoor locations for people experiencing unsheltered homelessness. Allowing ESG-CV funds to pay for the costs of handwashing stations and bathroom facilities will help prevent the spread of coronavirus by providing people living in unsheltered locations regular access to bathrooms and the ability to wash their hands.

- These costs should be charged to Street Outreach but are also already eligible under the Emergency Shelter component for annual ESG.
- Recordkeeping documentation for this activity should include proof that ODOC's ESG procurement, SAMs, and inventory requirements (*ESG Implementation Manual* Requirements 706-and 705, Part II - D) were followed.

**INCA does not operate street outreach and will not utilize the handwashing stations and portable bathrooms.**

#### **Landlord Incentives**

The limitations on eligible activities under section 415(a) of the McKinney-Vento Act and [24 CFR 576.105](#) are waived and alternative requirements are established to the extent necessary to authorize ESG-CV funds to be used under [24 CFR 576.105](#) to add the eligible cost of paying for landlord incentives as reasonable and necessary to obtain housing for individuals and families experiencing homelessness and at risk of homelessness.

However, a recipient may not use ESG-CV funds to pay the landlord incentives set forth below in an amount that exceeds three times the rent charged for the unit. Waiving the limitation on eligible costs under housing relocation and stabilization services to pay for the costs of landlord incentives will increase

the number of housing units available to people experiencing homelessness or at risk of homelessness, especially in tight rental markets and obtaining and maintaining housing is critical to preventing the spread of coronavirus and helping mitigate the economic impact of the crisis. The limitation to three times the rent charged for each unit ensures enough ESG-CV funds remain available to provide other eligible activities necessary to prevent the spread of coronavirus. Eligible landlord incentive costs include:

- Signing bonus equal to up to two months of rent;
  - Note: Since the Landlord Signing Bonus has a cap (no more than two months of rent), it is technically not a bonus but an *incentive*. However, so as not to cause confusion by naming it differently than what is found in the ESG-CV Notice and the CPD-21-08 Notice, it will still be named Signing Bonus.
- Security deposits equal to up to three 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.
- Minimum guidelines:
  - All landlord incentives should only be used when absolutely necessary to prevent a person from being evicted or to get somebody housed. Proof must be provided in the client file and attached to the expense supporting documentation that the client would have otherwise been evicted or not allowed to become a tenant if it were not for the landlord incentive.
  - ESG-CV sub-recipients that use Landlord Incentives must include a clause in all rental assistance agreements where the landlord is required to notify the agency before they evict a person. In this manner, ESG-CV sub-recipients will be able to understand if evictions are occurring even after landlords receive incentive payments so that those issues can be addressed by changes in policy and procedures if necessary.
  - Furthermore, the rental assistance agreement must contain the terms and conditions of the landlord incentives (i.e. The landlord will allow the tenant to stay in the residence for at least three months – as long as the tenant does not break the conditions of the lease – and the agency will pay the landlord up to \$XXX amount of any damages the tenant incurs that are not paid by the security deposit).
  - ESG-CV sub-recipients are encouraged – not required – to implement a policy where landlords must rent to a household equal to the number of incentive payments they receive (i.e., three months of incentive payments means they rent to the household for three months). Rental Assistance Agreement with Landlord Incentives
  - For landlords or corporations that own more than 25 rental properties/household units within the same county, those landlords/corporations may not receive landlord incentive payments for more than 25 rental properties/household units within the same county. An ESG-CV sub-recipient that would like to give a landlord/corporation landlord incentives payments after the maximum threshold has been met must contact ODOC for written approval to do so.
  - When an ESG-CV sub-recipient provides a signing bonus to a landlord, the landlord is required to sign the *Landlord Signing Bonus – Statement of Intent* Word document before the signing bonus can be given to the landlord. The purpose of the statement is for the landlord to certify that they would not have rented/allowed the client to continue to rent the property if it were not for the signing bonus. If the landlord will not sign the document, they cannot receive the signing bonus. The signed document must be kept in the client file and with the Landlord Signing Bonus fiscal paperwork.
- To support these costs, the sub-recipient must determine and document that each of these

costs is reasonable under the program participant's particular circumstances, and not more than is necessary to house the program participant.

**INCA Community will only utilize this policy with hard to place individuals or families and no other option is available. INCA (noted as sub-recipient) will follow the guidelines as stated above, reviewed by the ESG homeless team and approved by the Executive Director.**

### **Use of Hotels/Motels to Prevent the spread of the Coronavirus**

Funds may be used to isolate current Shelter, Rapid Re-Housing, and Prevention program participants from other shelter occupants or household members when needed to prevent the spread of the coronavirus. These flexibilities are provided to allow recipients to secure hotel and motel rooms more quickly to be available when needed to prevent the spread of coronavirus (for example, when a program participant needs to isolate to keep from spreading the virus to other shelter occupants or household members). Additionally, funds can be used to pay for cleaning of hotel and motel rooms used by program participants as well as to repair damages caused by program participants above normal wear and tear of the room.

- These costs must be charged to Shelter, even if program participants are being served with ESG Rapid Re-Housing or Prevention funds.
- Providing permanent housing in hotels and motels is an ineligible use of ESG funds (including ESG-CV funds) under section 415(a) of the [McKinney-Vento Act and 24 CFR part 576, subpart B](#).

**INCA will utilize the use of Hotel/Motel to prevent the spread of the coronavirus as outlined above.**

### **COVID-19 Vaccine Distribution**

Emergency Solutions Grants (ESG) annual or ESG-CV funds can be used for a wide range of activities that support vaccine planning and distribution. Eligible vaccine related costs under the street outreach and/or emergency shelter components include but are not limited to:

- Emergency Shelter: Renting spaces for vaccine events;
- hiring vaccine ambassadors to engage/educate peers about the vaccine;
- transporting people to/from vaccine events;
- staff training on vaccine and rollout strategies;
- and PPE and supplies at vaccine events. ii)

**Street Outreach:** Renting spaces for vaccine events; hiring vaccine ambassadors to engage/educate peers about the vaccine; transporting people to/from vaccine events; mobile outreach vans and staff to support vaccine distributions; staff training on vaccine and rollout strategies; and PPE and supplies at vaccine events.

**COVID Tests.** ESG-CV funds can purchase COVID tests for program participants only.

- The purchase of COVID tests is eligible under the Outreach and Shelter – Essential Services – Outpatient Service component. Since it is eligible under outpatient services, the test must be administered by a licensed health professional. If, for example, a nurse on staff administered the tests, that would be allowable, but it would not be allowable for non-medical staff to simply purchase and hand out antigen home COVID tests.
- [Notice CPD-21-08](#) includes a waiver and alternative requirement allowing ESG-CV funds to be used for the costs of providing those essential services allowable under the Emergency Shelter component ([24 CFR 576.102\(a\)\(1\)](#)) to program participants receiving rapid rehousing and homelessness prevention assistance. Therefore, ESG-CV may be used for health-related services, including COVID-19 testing at a private lab, but only to the extent that other appropriate health services are unavailable within the community.

- ESG Admin funds cannot be used to purchase/provide COVID testing to sub-recipient staff/family.

**INCA does not provide Street Outreach and will not hold vaccine events, hire vaccine ambassadors to engage/educate peers about the vaccine, mobile outreach vans and staff to support vaccine distribution; staff training on vaccine and rollout strategies; and PPE and supplies at vaccine events as outlined above.**

**INCA will transport people to/from vaccine events upon request.**

### **Volunteer Incentives**

The limitations on eligible activities provided in section 415(a) of the McKinney-Vento Homeless Assistance Act and 24 CFR part 576, subpart B are waived and alternative requirements are established to the extent necessary to authorize ESG-CV funds to be used under 24 CFR 576.101(a), 24 CFR 576.102(a)(1), and 24 CFR 576.105(b) for cost of providing reasonable incentives to volunteers (e.g., cash or gift cards) 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.

INCA will not provide volunteer incentives.

### **Gift Cards**

The expense incurred for purchase of a gift card can only be reimbursed by ESG-CV funds when receipts are provided that verify the gift card was used to pay ESG-CV eligible costs.

**INCA will utilize the use of gift cards to pay for ESG-CV eligible costs only upon the approval of the Executive Director. The gift card will only be approved when unable to be invoiced and pay the vendor directly.**

### **Cell Phones and Internet**

The limitations on eligible activities provided in section 415(a) of the McKinney-Vento Homeless Assistance Act and [24 CFR part 576, subpart B](#) are waived and alternative requirements are established to the extent necessary to authorize ESG-CV funds to be used under [24 CFR 576.101\(a\)](#), [24 CFR 576.102\(a\)\(1\)](#), and [24 CFR 576.105\(b\)](#) for the costs of providing temporary cell phones for individuals and families experiencing homelessness, receiving rapid re-housing assistance under the Continuum of Care (CoC) Program, Youth Homelessness Demonstration Program (YHDP), and ESG Program, receiving homelessness prevention assistance under the ESG Program, or residing in permanent supportive housing funded under the CoC and YHDP Programs.

To qualify as an eligible cost, the cell phone must be owned by the sub-recipient, and the wireless service plan must be the sub-recipient's, but the phone may be loaned to program participants and the wireless service cost may be paid as needed to enable program participants to participate in activities necessary to obtain or maintain housing (e.g., to interview for jobs, to receive health and mental health services, or to continue education).

The phone and phone service may be loaned to the participant while stay-at-home or social distancing orders are in effect in the community in which the program participant resides, or while they continue to need it to participate in activities necessary to obtain and maintain housing that remain virtual even after

social distancing measures are relaxed and must be returned to the recipient/sub-recipient when no longer necessary for these purposes

Waiving the limitations on eligible costs under street outreach, emergency shelter, and housing relocation and stabilization services and allowing ESG-CV funds to pay for these costs will allow individuals and families experiencing homelessness, or receiving rapid re-housing or homelessness prevention assistance, or residing in permanent supportive housing to participate in important activities. Such activities include interviewing for jobs and receiving services necessary to obtain and maintain housing during the period that stay-at-home and social distancing measures are in effect to avoid exposure to and prevent the spread of coronavirus, as well as to continue participating in these activities to the extent that they remain virtual even after social distancing measures are relaxed (e.g., continued virtual employment and education) in order to obtain and maintain housing during the economic downturn caused by coronavirus.

Expenses must be charged to ESG-CV Rapid Re-Housing or Prevention – Relocation and Stabilization Services – Services.

**INCA Community will only utilize this policy on a case-by-case situation and when other free wireless service resources are exhausted. INCA (noted as sub-recipient) will follow the guidelines as stated above, reviewed by the ESG homeless team and approved by the Executive Director.**

#### **Personal Protective Equipment (PPE) for Program Participants**

While ESG-CV funds can currently be used to purchase PPE for program participants as an essential service under emergency shelter and street outreach and as necessary to participate in eligible activities under rapid re-housing and homelessness prevention assistance, the limitations on eligible activities provided in [section 415\(a\)](#) and [24 CFR 576.105\(b\)](#) are waived and alternative requirements are established to the extent necessary to authorize ESG-CV funds to be used to buy PPE (such as masks, disposable gloves, and hand sanitizer) for program participants receiving homelessness prevention and rapid re-housing assistance to the extent the program participant needs the PPE to avoid exposure to and prevent the spread of coronavirus (e.g., to go out in public or enter common areas of housing).

Expenses must be charged to ESG-CV Rapid Re-Housing or Prevention – Relocation and Stabilization Services – Services.

**INCA will provide Personal Protective Equipment (PPE) to prevent the spread of the coronavirus as outlined above.**

#### **Furniture and Household Furnishings**

The limitations on eligible activities provided in [24 CFR 576.105\(b\)](#) are waived and alternative requirements are established to the extent necessary to authorize ESG-CV funds to be used to buy furniture and household furnishings for use by program participants while they are receiving homelessness prevention and rapid re-housing assistance.

Furniture and other household furnishings can help establish program participants in housing, which can contribute to housing stability. Therefore, this waiver and alternative requirement are necessary to help

program participants obtain and maintain housing, which is critical to preventing the spread of coronavirus during the period that stay-at-home and social distancing measures are required or recommended.

This waiver and alternative requirement are also needed in order to respond to coronavirus by assuring program participants can still obtain and maintain housing during the economic downturn caused by coronavirus when their incomes and resources are not enough to obtain the furniture necessary to contribute to housing stability.

Additionally, sub-recipients are reminded that if ESG-CV funds are used to purchase household furnishings, they will be subject to the requirements for equipment at [2 CFR 200.313](#), including the disposition requirements included in paragraph (e) of that section.

ESG-CV Rapid Re-Housing and Prevention funds can be used to purchase furniture to loan to ESG-CV Rapid Re-Housing and Prevention program participants. Furniture must be returned to the sub-recipient once program participant is no longer receiving ESG-CV Rapid Re-Housing/Prevention funds.

- Overhead costs, such as the costs of storing and delivering furniture, would be eligible costs under this component, including the cost of storing furniture to be used by future program participants.
- For furniture purchases funded with ESG-CV dollars, sub-recipients must follow the procurement procedures outlined in ODOC's *ESG Implementation Manual* Requirement 706, Part II – B, the inventory procedures outlined in ODOC's *ESG Implementation Manual* Requirement 705, Part II – D, and the SAMS requirements outlined in ODOC's *ESG Implementation Manual* Requirement 706, Part II – A.
- Expenses must be charged to ESG-CV Rapid Re-Housing or Prevention – Relocation and Stabilization Services – Services.
- When household furnishings reach the end of their useful life or are not returned to the sub-recipient, disposition follows the rules for equipment as outlined in II.13.i. of this document.
- If the sub-recipient determines that the equipment is no longer needed for the purpose of the original project, the sub-recipient may use the equipment in the following ways (in priority order), and disposition requirements would not be triggered:
  - For activities funded under another HUD award,
  - or for activities funded under awards from another federal agency.
  -

**INCA will not utilize the furniture and household furnishings policy. INCA will utilize community resources to assist individuals and families to obtain furnishings.**

### **Essential Services for Individuals and Families Receiving Rapid Re-housing and Homelessness Prevention Assistance.**

The limitation on eligible activities provided in section 415(a) of the McKinney-Vento Act and [24 CFR 576.102\(a\)\(1\)](#), [24 CFR 576.103](#), and [24 CFR 576.104](#) are waived to the extent necessary to allow ESG-CV funds to be used for the costs of providing essential services established at [24 CFR 576.102\(a\)\(1\)](#) to program participants receiving rapid re-housing and homelessness prevention assistance as necessary to assist them to obtain and maintain housing.

Recipients are reporting that program participants receiving rapid re-housing and homelessness

prevention assistance require services beyond those allowed at [24 CFR 576.105\(b\)](#) – such as mental health services, outpatient health services, transportation, substance abuse services – to help them obtain and maintain housing.

Therefore, this waiver and alternative requirement are necessary to help program participants obtain and maintain housing, which is critical to preventing the spread of coronavirus and mitigating its impact on program participants during the economic downturn caused by coronavirus.

- ESG-CV Rapid Re-Housing and Prevention funds can be used to provide the Essential Services of **24 CFR 576.102(a)(1)** typically only allowed under the shelter line item:
  - Case management, childcare, education services, employment assistance and job training, outpatient health services, legal services, life skills training, mental health services, substance abuse treatment services, transportation, and services for special populations.
  - These expenses should be charged under Rapid Re-Housing or Prevention – Relocation and Stabilization Services – Services (not Financial Assistance).
    3. Notice [CPD-21-08](#) does not permit supplies allowed under [24 CFR 576.102\(a\)\(3\)](#) for shelter operations as an eligible ESG-CV Rapid Re-Housing/Prevention expense.

### **Centralized or Coordinated Assessment**

The limitations on eligible activities provided in Section 415(a) of the McKinney-Vento Homeless Assistance Act and [24 CFR Part 576, subpart B](#) are waived to the extent necessary to authorize ESG-CV funds to be used to pay for the additional costs needed to update, enhance, and operate the applicable centralized or coordinated assessment system under [24 CFR 576.400\(d\)](#) to prevent, prepare for, and respond to coronavirus, subject to the following alternative requirements:

The cost documentation must show that the use of ESG-CV funds is limited to the increase in system costs due to coronavirus; and

- The recipient's use of funds for this activity must be coordinated with the applicable Continuum of Care to ensure ESG-CV funding is used for the most critical centralized or coordinated assessment needs to allow the CoC to quickly prioritize and refer to assistance individuals and families experiencing homelessness and at risk of homelessness.
- Assuring the centralized or coordinated assessment system remains capable of quickly prioritizing and connecting individuals and families to appropriate housing and services is necessary to prevent the spread of coronavirus and to mitigate the economic impact by providing stability in housing to eligible individuals and families.

**INCA will adhere to the CoC's Centralized or Coordinated Assessment and use ESG funds to the extent necessary to be used to pay for additional costs needed to update, enhance, and operate.**

### **Renter Insurance**

The limitations on eligible activities provided in [24 CFR 576.105\(a\)](#) are waived to the extent necessary to authorize ESG-CV funds to pay for renters insurance for program participants receiving rapid re-housing or homelessness prevention assistance. In order to pay for renters' insurance for program participants,

the sub-recipient must:

- demonstrate that the payment of renters insurance is necessary to obtain or maintain housing (e.g., the landlord requires renters to have renter's insurance to reside in the unit); and
- pay the renters insurance directly to the insurance company on behalf of the program participant.

Sub-recipients report that some landlords require their renters to carry renter's insurance and many program participants do not have the funds available to pay for renters' insurance. Therefore, in these cases when renter's insurance is required by a landlord, this waiver and alternative requirement is necessary to help program participants obtain and maintain housing, which is necessary to both prevent the spread of coronavirus and help program participants obtain and maintain housing in tight rental markets during the economic downturn caused by coronavirus.

Expenses must be charged to ESG-CV Rapid Re-Housing or Prevention – Relocation and Stabilization Services – Services.

**INCA as a sub-recipient will follow the renters insurance guidance as provided about. It will be considered on a case-by-case situation and reviewed by the ESG homeless team and must be approved by the Executive Director.**

## Vaccine Incentives

The limitations on eligible activities provided in Section 415(a) of the McKinney-Vento Homeless Assistance Act and [24 CFR Part 576, Subpart B](#) are waived to the extent necessary to authorize sub-recipients to make direct, cash payments of up to \$50 per dose (including boosters) to people experiencing homelessness as an incentive for receiving a coronavirus vaccine.

ESG-CV funds may only be used for vaccine incentives to the extent that other vaccine incentives are inaccessible or unavailable to people experiencing homelessness within the community.

- Eligible program participants who have only received one shot would be eligible for vaccine incentive payments upon receipt of their second or third shots. Those participants who are already fully vaccinated would not be eligible to receive incentive payments because they did not require incentivizing in order to schedule and receive their vaccinations.
  - Vaccine incentives for staff are not currently an eligible ESG Program cost.
  - Only households meeting the homeless definition are eligible for vaccine incentives. Once a household receives ESG rental assistance, they do not maintain their homeless status and would therefore no longer be eligible.
    - Households that meet the Category 2 – Imminent Risk of Homeless definition could receive a vaccine incentive in the fourteen-day period before they receive Prevention assistance. Once the household receives Homeless Prevention assistance, they are no longer homeless and therefore not eligible to receive vaccine incentives.
  - Direct cash payments could include the use of pre-paid credit/debit cards or gift cards that are unrestricted (i.e., not limited to a specific use or a particular retailer). Sub-recipients

should be sure they provide cash payment in a way that is accessible to the people receiving it (e.g., direct deposit, PayPal, cash, unrestricted gift card).

- Activation fee for unrestricted gift cards can be charged to ESG-CV.
  - If an activation fee is charged, a program participant must still receive a cash payment of \$50 since the activation fee would be considered an overhead cost and not part of the vaccine incentive cash payment. For monitoring purposes, sub-recipients should document in their case files that the \$55 gift card included a \$5 activation fee/overhead cost.

**INCA as a sub-recipient will not participate in the Vaccine Incentive. INCA will utilize resources in the community for those who want to be vaccinated. INCA does not operate a shelter facility.**

## **Laundry**

The limitations on eligible activities provided in Section 415(a) of the McKinney-Vento Homeless Assistance Act and [24 CFR 576, subpart B](#) are waived and alternative requirements are established to the extent necessary to authorize ESG-CV funds to be used under [24 CFR.576.101\(a\)](#) for the costs of providing laundry services to prevent the spread of coronavirus among individuals and families experiencing unsheltered homelessness, including by paying for laundry trucks to outdoor locations where people are residing. Allowing ESG-CV funds to pay for the costs of laundry services will help prevent the spread of coronavirus by providing people living in unsheltered locations regular access to laundry which cleans and disinfects clothing.

**INCA will offer laundry service as outlined in the guideline above on a case-by-case basis.**

## **Sponsor-based Rental Assistance**

As an alternative to tenant-based rental assistance and project-based rental assistance, sponsor-based rental assistance may be funded as provided below when necessary to use rapid re-housing and homelessness prevention assistance to re-house program participants quickly in permanent housing where landlords might not otherwise be willing to rent to them. Adding this flexibility is critical to limiting the spread of coronavirus among individuals and families experienced or at risk of homelessness and helping them obtain housing in tight rental markets during the economic downturn caused by coronavirus.

Accordingly, the following waivers and alternative requirements are established for the provision of sponsor-based rental assistance with ESG-CV funds:

- The limitation of rental assistance to tenant-based rental assistance and project-based rental assistance in [24 CFR 576.106\(a\)\(4\)](#) is waived, and [24 CFR 576.106\(h\)](#) and [\(i\)](#) will not apply.
- The recipient or subrecipient must execute a sponsor-based rental assistance agreement with a separate government agency, instrumentality, or nonprofit organization (“sponsor”) to subsidize the rent of program participants who are referred to be housed in units owned or leased by the sponsor.
  - The rental assistance agreement may cover one or more permanent housing units owned or leased by the sponsor.
  - Each unit covered by the rental assistance agreement (“sponsored unit”) may only be occupied by program participants, except as provided under paragraph below.

- Under no circumstances may the rental assistance agreement commit ESG funding to be expended or provide assistance beyond the applicable period of performance for the funding.
- The recipient or sub-recipient may pay up to 100 percent of the rent for the first month that the sponsored unit becomes available for rent to a new program participant, provided that a program participant signs a lease and moves into the unit before the end of the month for which that first month's rent is paid.
  - This payment must not exceed the rent to be charged under the new program participant's lease, and unless the program participant moves in during the last half of the month that is paid, this payment must be included when determining that program participant's total rental assistance.
  - This payment may be at the beginning of the agreement or after the payment permitted under paragraph (iv) below, as long as payments are made for different months.
- The sub-recipient may make monthly rental assistance payments only for each whole or partial month a sponsored unit is leased to a program participant, except that if a program participant moves out of a sponsored unit before expiration of the rental assistance agreement, the or sub-recipient may use ESG-CV funds to cover up to 100 percent of the rent for the unit for up to 30 days from the end of the month in which the unit was vacated, while the sub-recipient works together with the sponsor to house another eligible program participant in that unit. This payment will not count toward the total rental assistance provided to the next program participant housed in the unit, unless the program participant moves in during the first half of the month that is paid using this flexibility. The limitations on eligible activities in section 415(a) of the McKinney-Vento Act are waived to the extent they would prohibit these payments.
- The initial requirement in [24 CFR 576.404\(a\)](#), which prohibits conditioning any type or amount of ESG assistance on an individual's or family's acceptance or occupancy of emergency shelter or housing owned by the recipient, the sub-recipient, or a parent or subsidiary of the sub-recipient, is waived to the extent necessary to require that the program participant rent a unit owned by the sponsor to benefit from this form of rental assistance. However, in no case may a recipient or sub-recipient execute a sponsor-based rental assistance agreement with itself or its parent or subsidiary organization.
- In all other respects, sponsor-based rental assistance must be administered in accordance with the same requirements that apply to tenant-based and project-based rental assistance under [24 CFR part 576](#), the waivers and alternative requirements in this addendum, and other applicable ESG waivers; except that the references to "owner" and "housing owner" will be understood to refer to the "sponsor," when those terms appear in [24 CFR 576.105](#), [576.106](#), [576.409](#), and [576.500\(h\)](#); the references to "lease" in [24 CFR 576.105](#), [576.106](#), [576.409](#), and [576.500\(h\)](#) will be understood to refer to the lease or sublease (as applicable) between the program participant and the sponsor for the "sponsored unit" in which the program participant will reside; and the references to "project-based rental assistance" in [24 CFR 576.409](#) will be understood to refer to "sponsor-based rental assistance."
- Expenses must be charged to ESG-CV Rapid Re-Housing or Prevention – Rental Housing.

**INCA (subrecipient) will offer sponsor-based rental assistance, following the guidance as outlined above.**

**Alternative Requirements/Limitations**

According to [CPD-21-08](#) Notice effective July 1, 2021, the limitations from the [ESG-CV Notice CPD-20-08](#) have been lifted because HUD has removed the alternative requirements in CPD-20-08 that were more limiting on medium-term rental assistance and emergency shelter costs.

- **Emergency Shelter Activities.** The limitation in Notice CPD-20-08 that ESG-CV funds may only be used for the costs of providing emergency shelter until January 31, 2022 has been lifted. ESG-CV funds may be used to pay for emergency shelter costs, as needed, consistent with this addendum to prevent, prepare for, and respond to coronavirus.
- **Temporary Emergency Shelter Activities.** The limitation in Notice CPD-20-08 that ESG-CV funds may only be used for the costs of providing temporary emergency shelter until January 31, 2022 has been lifted. ESG-CV funds may be used to pay for temporary emergency shelter costs, as needed, consistent with this addendum to prevent, prepare for, and respond to coronavirus. Additionally, as needed, recipients may convert temporary emergency shelter acquired or improved with ESG-CV funds into emergency shelter as defined at [24 CFR 576.2](#) without triggering the disposition requirements in [2 CFR 200.311\(c\)](#). See Section [II.10.a.iii.](#) of this document for additional information.
- **Medium-Term Rental Assistance.** The limitation of medium-term rental assistance to 12 months has been lifted.

**INCA (subrecipient) does operate an Emergency Shelter or a Temporary Emergency Shelter.**

#### **Client File Documentation**

In addition to the recordkeeping documentation required in ODOC's *ESG Implementation Manual* Requirement 711, ESG-CV Street Outreach, Emergency Shelter, Rapid Re-Housing, and Prevention client files must include all additional recordkeeping documents required in this addendum when necessary Rental Assistance Agreement with Landlord Incentives, Landlord Signing Bonus Statement of Intent. See ESG-CV Client File Documentation Requirements

#### **Financial Management**

The requirements at [2 CFR 200](#) and in ODOC's *ESG Implementation Manual* Requirement 705 apply, except as otherwise established below.

- **Administrative Costs.** The ESG-CV sub-recipient may use up to five percent of ESG-CV funds for administrative costs specified in [24 CFR 576.108](#) and ODOC's *ESG Implementation Manual* Requirement 703, Part II - 7.0, as opposed to 3.75 percent allowed for annual ESG allowed in ODOC's *ESG Implementation Manual* Requirement 703, Part II - 7.0;
- **Match.** ESG-CV funds are exempt from the ESG match requirements, including [24 CFR 576.201](#) and ODOC's *ESG Implementation Manual* Requirement 705, Part II - C;
- **Pre-Award Costs.** No expenses incurred before July 1, 2020 may be reimbursed by ESG-CV1 funds. No expenses incurred before September 1, 2021 may be reimbursed by ESG-CV2 funds. ESG-CV1 and ESG-CV2 contract dates are outlined in Part II.6 of this document.
- **Contract Closeout.** ESG-CV contract closeouts are due in OKGrants 60 days after the contract end date.
- **Program Income.** Because ESG-CV program income cannot be used as match without the ESG matching requirement, HUD is waiving the ESG provisions for program income under [24 CFR 576.2](#) and [576.407\(c\)\(1\)](#) and establishing alternative requirements, as follows:
  - Program income is defined as provided by [2 CFR 200.80](#) and [2 CFR 200.1](#) except that:
    - Program income includes any amount of a security or utility deposit returned to the

sub-recipient, as provided by 24 CFR 576.2; and

- Costs that are incidental to generating program income and not charged to the ESG-CV grant or sub-grant may be deducted from gross income to determine program income, as allowed under 2 CFR 200.307(b).
- As allowed under 2 CFR 200.307(e), program income may be treated as an addition to the sub-recipient's sub-grant, if the income is generated by the sub-recipient's activities, provided that the program income is used in accordance with the purposes and conditions of that grant or sub-grant. Program income otherwise must be deducted from allowable costs as provided by 2 CFR 200.307(e)(1).

**INCA (subrecipient) will follow the financial waivers as outlined in the guidance above.**

### **Vehicle Purchase**

a) For vehicle purchases funded with ESG-CV dollars, sub-recipients must follow the procurement procedures outlined in ODOC's *ESG Implementation Manual* Requirement 706, Part II – B, inventory procedures outlined in ODOC's *ESG Implementation Manual* Requirement 705, Part II – D, and the SAMs requirements outlined in ODOC's *ESG Implementation Manual* Requirement 706, Part II – A.

- All factors relevant to the procurement of vehicles must avoid acquisition of unnecessary or duplicative items and/or purchasing a higher-cost vehicle than is necessary.
- Costs for vehicles must be reasonable. This does not mean that the sub-recipient is required to accept the lowest bid/cost, but that the decision should be prudent. This would apply to leases and purchases.
- For vehicles purchased and/or used for any other program, you must adhere to the vehicle purchase and usage requirements of those programs.

INCA (sub-recipient) will follow guidance as outlined above.

### **Procurement**

In addition to the Procurement – Advertise Bid Procedures (for purchases over \$10,000) in ODOC's *ESG Implementation Manual* Requirement 706, Part II – B(iii-2), ESG-CV INCA can also permitted the option to publicly post a solicitation for the purchase and send it to a list of preferred vendors (entities they already know have the needed product) in addition to or instead of solicitation for bids in the newspaper of a major circulation for the area.

### **Use of ESG equipment or assets Per 2 CFR 200.313(c)**

INCA as a subrecipients will use equipment purchased with ESG funds in the program or project for which it was acquired as long as needed, whether or not the sub-recipients continue to receive ODOC's ESG funds. When no longer needed for the original program or project, the equipment may be used in other activities supported by the ODOC, in the following order of priority:

- ESG. If the equipment was purchased using a mixture of Federal funds along with ESG, the equipment must be used for those projects or programs for which it was acquired, then
- Activities under Federal awards from other Federal awarding agencies.

During the time that equipment is used on the project or program for which it was acquired, the ESG sub-recipient must also make equipment available for use on other projects or programs currently or previously supported by the Federal Government, provided that such use will not interfere with the work on the ESG projects or programs for which it was originally acquired. First preference for other use must be given to other programs or projects supported by Federal awarding agency that financed the equipment (ODOC) and second preference must be given to programs or projects under Federal awards from other Federal awarding agencies

### **Disposition of ESG equipment or assets**

Per [2 CFR 200.313\(e\)](#): For equipment or assets with a current per unit fair market value under \$5,000 that are not vehicles and computer equipment, the agency may dispose of the equipment as they see fit with no further obligation to ODOC/HUD. INCA has policies and procedures in place for determining when items have reached the end of their useful life (e.g., vehicle reached the end of useful life, sofa returned with bed bugs and must be disposed of, program participant did not return table so will be disposed, etc.). Inventory should be updated accordingly.

For equipment or assets with a current per unit fair market value in excess of \$5,000 or vehicles and computer equipment, the sub-recipient should request disposition instructions from ODOC and further review the rules for disposition of equipment ([2 CFR 200.313\(e\)](#)).

ESG-CV sub-recipients are not required to submit the reports for ESG-CV outlined in ODOC's *ESG Implementation Manual* Requirement 705, Part II – E(3(b)–3(c)).

### **Reporting Requirements**

In addition to the reporting requirements outlined in ODOC's *ESG Implementation Manual* Requirement 710, Part I, INCA as a ESG-CV sub-recipient is required to do the following:

- **SAGE Upload.** Upload a quarterly report to the HUD SAGE system upon invitation from the recipient (ODOC). All sub-recipients must be able to upload a CSV file created from their HMIS or comparable data collection database. INCA will upload reports by due dates.
- **ESG-CV Financial Report** This report in Excel format must be filled out and will be used by ODOC to report final expenditures per Activity type to HUD through SAGE. This report must be submitted to ODOC via email no later than the due dates
- INCA as a ESG-CV sub-recipient is not required to submit the reports for ESG-CV outlined in ODOC's *ESG Implementation Manual* Requirement 710, Part II – A(2(b)–2(c)).

### **MOU's and Subcontracts Agreements ([See Financial Manual](#))**

INCA has a policy in place that defines when MOUs and Subcontract Agreements are used.

- A memorandum of understanding (MOU) is a type of agreement between two or more parties that expresses a convergence of will between the parties, indicating an intended common line of action. It is often used either in cases where parties do not imply a legal commitment or in situations where the parties cannot create a legally enforceable agreement. An MOU is not a legally enforceable document.
- A subcontract agreement is a legally binding and enforceable agreement between two or more competent parties to perform (do) or not to perform (do) a particular thing. A subcontractor is a company or person whom an ESG-CV sub-recipient hires to perform a specific task as part of an overall project and pays for services provided to the project.
- Work and services covered by the ESG-CV contract may be subcontracted but must receive prior written approval of ODOC.

- Subcontract Agreements must include the following information:
  - Date(s) that agreement is in place
  - Name of both companies/agencies
  - Contact information for both companies/agencies
  - Contract or agreement description
  - Detailed narrative of each party's responsibilities
  - Detailed description of services to be rendered
  - Fees for services; if no fees are charged, the agreement should state that
  - List compliance requirements
  - List recordkeeping requirements
  - List timelines/due dates for services being rendered
  - Printed names of both company's/agency's Executive Director/CEO, signatures and dates agreement was signed.

**Prohibition Against Duplication of Benefits** (See [CARES Duplication of Benefits Policy](#))

### **Definitions**

**AMI** - Average Median Family Income

**Coronavirus** - SARS-CoV-2 or another coronavirus with pandemic potential, as defined by section 23005 of the CARES Act.

**ESG** - unless otherwise specified, the **Emergency Solutions Grants Program** whether funded through annual fiscal year (FY) appropriations or CARES Act funding. For example, a program participant assisted using only FY2020 ESG funding and a program participant assisted using only ESGCV funding are both ESG program participants.

**ESG-CV or ESG-CR** - Emergency Solutions Grants Program as funded by the CARES Act and governed by requirements HUD established in accordance with that Act. ESG-CV funds do not include annual ESG funds (e.g., ESG20 grant funds). ODOC also refers to ESG-CV as ESG-CR.

**PJ** - participating jurisdictions