



Questions and Answers for Webinar 4/8/2020 Assisting Homeless and Special Needs Households Through COVID-19

Q1: Note. The following question is regarding HUD's waiver for Emergency Solutions Grant (ESG) and Continuum of Care (CoC) programs to allow participants to lease a unit above Fair Market Rent (FMR) so long as it meets rent reasonableness standards.

Does that mean at month 7, post award, all other new leases must meet current FMRs?

A: Programs and participants executing leases following the expiration of the waiver must comply with regular ESG and CoC program requirements, including complying with Fair Market Rent limits for leasing and rental assistance payments. Additionally, there are not award dates with the 3/31 HUD Memorandum. Based on current waivers and guidance, leases executed after the waiver is granted but before 10/1/2020 are covered by the waiver. Leases executed 10/1/2020 and after are subject to the FMR requirement, unless additional waivers become available.

Q2: Can ESG funds be used to secure temporary housing, until rapid rehousing can be implemented, for domestic violence and human trafficking victims who haven't been tested for COVID-19? Our current shelters are at capacity due to social distancing.

A: Hotel/motel accommodations are an eligible cost under the ESG emergency shelter component. ESG funds can be used for several things, including shelter and rapid rehousing (RRH). You do not have to wait to implement RRH with ESG funds if you are a current ESG grantee under contract to provide RRH. A recipient or subrecipient may only utilize ESG funds for what they are under contract for. For example, a subrecipient receiving ESG funds for emergency shelter cannot use its funds for RRH. Though certain activities are eligible, it does not mean they are allowable under a given grant. Please check with your grantor.

Q3: How do I access the guide detailing the eligible Community Development Block Grant (CDBG) activities related to responding to COVID-19?

A: <https://files.hudexchange.info/resources/documents/Quick-Guide-CDBG-Infectious-Disease-Response.pdf>

Q4: In order to use the increase in the CDBG public service cap, does the project have to only address COVID-19?

A: If the grantee is using CDBG funds allocated through the CARES Act, it must be used to fund activities that prevent, prepare for, or respond to coronavirus. This can include a wide variety of activities, including shelter, health-related activities, and rent assistance for those who have been impacted by the economic downturn accompanying the COVID-19 pandemic.

Q5: Did the CARES Act waive the ESG 60% cap on emergency shelter and outreach?

A: Yes.



Q6: Regarding the ESG waiver for the Homeless Management Information System (HMIS), can HMIS Lead Agencies also use the dollars to increase the system capacity for COVID-19?

A: Yes, it just expands who is eligible for HMIS funds to include organizations that are not the designated HMIS Lead

Q7: What is meant by the CDBG public services cap?

A: Public services carried out by HUD grantees of CDBG funds are subject to a 15 percent public services cap. This means the eligible public service activities a grantee funds cannot exceed 15% of their total CDBG allocation in a program year.

Q8: Is the public services cap waived only on the extra funds allocated by the CARES Act, or does it also include the FY19 and FY20 allocation?

A: The language provided in the CARES Act states that the 15% cap waiver applies to CDBG grant funds for Program Year 2019 and 2020.

Q9: Where can I find information about the first distribution of ESG being able to serve people up to 50% Area Median Income (AMI)? I am not seeing this anywhere from HUD and this is a major difference from regular ESG.

The CARES Act states the following, at the bottom of page 866:

That individuals and families whose income does not exceed the Very Low-Income Limit of the area, as determined by the Secretary, shall be considered “at risk of homelessness” and shall be eligible for homeless prevention if they meet the criteria in section 401(1)(B) and (C) of such Act (42 U.S.C. 11360(1)(B)).