

COVID-19

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

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

ESG Program Funding Description		Additional Information
ESG CV		All funds must be used for the purpose of preventing, preparing for, or responding to coronavirus.
Annual ESG	COVID Response	FY2020 and prior annual ESG funds that are used for the purpose of preventing, preparing for, or responding to coronavirus.
	Non-COVID Response	Annual ESG funds that are not specifically designated to prevent, prepare for, or respond to coronavirus.

Requirements at 24 CFR Part 576 and all applicable federal requirements apply to the use of ESG-CV, unless alternative requirements or flexibilities have been established in [Notice CPD-21-08: Waivers and Alternative Requirements for the Emergency Solutions Grant Program Under the CARES Act \(ESG-CV Notice, July 19, 2021\)](#). When a waiver or alternative requirement not included in ESG-CV Notice is referenced, a hyperlink is provided for the relevant memorandum or notice in the following table.

As shown below, the alternative requirements and flexibilities provided in the ESG-CV Notice are applicable to annual ESG funding when those funds are used to prevent, prepare for, and respond to coronavirus and requirements in Section IV of the ESG-CV Notice are met.

Except as otherwise stated in the Notice, the waivers and alternative requirements are effective as of the date a State or local government began preparing for coronavirus, which HUD presumes to be January 21, 2020. However, recipients must maintain documentation demonstrating that these waivers and alternative requirements are used only with respect to ESG or ESG-CV eligible activities the recipient or its subrecipients implemented to prevent, prepare for, or respond to coronavirus, including documentation demonstrating when their particular state or local government began preparing for coronavirus.

Unless otherwise indicated, the waivers and alternative requirements are in effect until all funds are expended or recaptured for ESG-CV and until September 30, 2022, for annual ESG funds used to prevent, prepare for, and respond to coronavirus.

APPLICABILITY		
ESG-CV	Annual ESG	
	COVID Response	Non-COVID Response

Accessing ESG Funds to Prevent, Prepare for, and Respond to Coronavirus

<p>Amendments to Use Annual ESG for COVID Response or to Make Changes to ESG-CV Use of Funds</p>	<p>ESG-CV: Amend Con Plan associated with the plan amended to receive ESG-CV funding.</p> <p>Annual ESG: Amend the Con Plan for each annual grant used for COVID response. See Section IV.A. of Notice CPD-21-08 for a full list of conditions that must be met for the same flexibilities (including statutory exemptions, waivers, and additional eligible activities) established for ESG-CV funds in the ESG-CV Notice to apply to annual ESG funds used to prevent, prepare for, and respond to coronavirus.</p>	<p>✓</p>	<p>✓</p>	
<p>Consolidated Plan Certifications</p>	<p>Appendix I Certifications (required for any State or non-State who did not previously submit Interim Certifications prior to the 9/1/20 ESG-CV Notice and for any State exercising the flexibility to carry out activities directly)</p>	<p>✓</p>		
	<p>Appendix II Certifications (required for each annual ESG grant under which the State will carry out activities directly)</p>		<p>✓</p>	
	<p>Appendix III Certifications (optional for non-States if annual certifications have already been submitted as required)</p>		<p>✓</p>	
<p>Waiver for Consultation and Citizen Participation</p>	<p>Waiver for consultation and citizen participation requirements.</p>	<p>✓</p>	<p>✓</p>	
<p>Public Notice</p>	<p>Each recipient must publish how it has used and will use its funds on the Internet at the appropriate government website or electronic media.</p>	<p>✓</p>	<p>✓</p>	
<p>Documenting Preventing, Preparing for, and Responding to Coronavirus</p>	<p>Before drawing down funds, the recipient must identify the total funding and describe in IDIS how the activity prevents, prepares for, or responds to coronavirus.</p>	<p>✓</p>	<p>✓</p>	
<p>Planning/Consultation Requirements</p>				
<p>Waiver for Consultation with the Continuum of Care</p>	<p>CoC consultation requirements are waived.</p>	<p>✓</p>	<p>✓</p>	

Waiver for Coordination with Other Targeted Homeless Services	Requirements to coordinate with other targeted homeless services are waived.	✓	✓	
Waiver for System and Program Coordination with Mainstream Resources	Requirements to coordinate with mainstream resources are waived.	✓	✓	
Means of Carrying Out Grant Activities				
Alternative Requirement for Ability for States to Carry Out Activities Directly	<p>States may use up to 100% of grant funds to carry out activities directly, provided that:</p> <ul style="list-style-type: none"> • State’s consolidated plan/action plan specifies the activities the State will carry out and the amount allocated for those activities; and • State submits the new certifications provided in Appendix I or II, as applicable. 	✓	✓	
Alternative Requirement Permitting States and Local Governments to Subaward Funds to Tribes & Tribally-Designated Housing Entities	<ul style="list-style-type: none"> • Limitation on subawarding funds to Indian tribes and tribally designated housing entities is waived. • Indian tribes and tribally designated housing entities are included in “subrecipient” definition. 	✓	✓	
Alternative Requirement for Ability for States and Local Governments to Subaward Funds to PHAs and LRAs	<ul style="list-style-type: none"> • States may subaward funds to a public housing agency or to a local redevelopment authority, as defined under state law. Local governments already have this authority. 	✓	✓	
Flexibilities for the Commonwealth of Puerto Rico and Territories	<ul style="list-style-type: none"> • Definition of “state” is waived to include an instrumentality of the Commonwealth of Puerto Rico. • Definition of “Territory” is waived to include an instrumentality of a Territory. 	✓	✓	
Alternative Requirement Permitting the Commonwealth of Puerto Rico and Territories to Subaward Funds to An Instrumentality	<ul style="list-style-type: none"> • Commonwealth of Puerto Rico may subaward funds to an instrumentality of the Commonwealth • Territories (i.e., the Virgin Islands, Guam, American Samoa, or the Northern Mariana Islands) may subaward funds to an instrumentality or municipality 	✓	✓	
Grant Administration				

<p>Alternative Requirement for Obligation Deadlines for States</p>	<p>States have:</p> <ul style="list-style-type: none"> • 180 days from date of HUD’s signature on the grant agreement to obligate funds it will carry out directly. • Up to 240 days from the date of HUD’s signature on the grant agreement to obligate funds to subrecipients. • The applicable period for obligating all ESG-CV funds (both first and second allocations) begins on the date HUD signed the recipient’s grant agreement for the first allocation of ESG-CV funds. 			
<p>Alternative Requirement for Obligation Deadlines for Metropolitan Cities, Urban Counties, Territories</p>	<ul style="list-style-type: none"> • Local governments and territories have up to 240 days from the date of HUD’s signature on the grant agreement to obligate funds to subrecipients. 			
<p>Alternative Requirement for Expenditure Deadlines and Recapture Provisions</p>	<ul style="list-style-type: none"> • Recipient must expend at least 20 percent of its total ESG-CV award by September 30, 2021 (or HUD may recapture up to 20 percent of that award). • Recipient must expend at least 80 percent of its total ESG-CV award by March 31, 2022 (or HUD may recapture up to 80 percent of that award). 			
<p>Alternative Requirement for Expenditure Deadline</p>	<p>All ESG-CV funds (both first and second allocations) must be expended for eligible activity costs by September 30, 2022.</p>			
<p>Alternative Requirement for Pre-Award Costs</p>	<p>Can cover or reimburse eligible costs incurred by a recipient or subrecipient prior to the period of performance provided that:</p> <ul style="list-style-type: none"> • costs are otherwise eligible; and • costs were incurred by a recipient or subrecipient on or after January 21, 2020, to prevent, prepare for, and respond to coronavirus. 			
<p>Alternative Requirement for Administrative Costs</p>	<p>Recipient may use up to 10 percent of its total grant for administrative costs.</p>			

Alternative Requirement for Quarterly Reporting	Recipients of \$150,000 or more of ESG-CV funding must submit, not later than 10 days after the end of each calendar quarter, a report containing information regarding: amount of funds received; amount of funds obligated or expended for each project or activity; detailed list of all such projects or activities, including a description of the project or activity; and detailed information on any subcontracts or subgrants awarded by the recipient.	✓		
	The ESG-CV Notice provides HUD the discretion to issue further guidance if additional reporting is necessary. HUD has released ESG-CV quarterly reporting guidance, which is posted and continually updated on the HUD Exchange. All recipients are required to submit quarterly reports in the Sage HMIS Reporting Repository within 30 days from the end of each quarter.	✓		
Alternative Requirement for Match	Match requirement is waived.	✓	✓	
Alternative Requirement for Program Income	<p>Program income (PI) is defined as provided by 2 CFR 200.1, except that:</p> <ul style="list-style-type: none"> PI includes any amount of a security or utility deposit returned to the recipient or subrecipient, as provided by 24 CFR 576.2; and Costs that are incidental to generating PI and not charged to the grant or subgrant may be deducted from gross income to determine PI, as allowed under 2 CFR 200.307(b). PI may be treated as an addition to the recipient's or subrecipient's grant; otherwise, it must be deducted from allowable costs as provided by 2 CFR 200.307(e)(1). 	✓	✓	
Waiver for Procurement	Recipient may deviate from applicable federal procurement standards when using funds to procure goods and services to prevent, prepare for, and respond to coronavirus. If these flexibilities are used, recipient must establish alternative procurement standards to safeguard against fraud, waste, and abuse. This flexibility is not extended to subrecipients.	✓	✓	
Program Requirements				

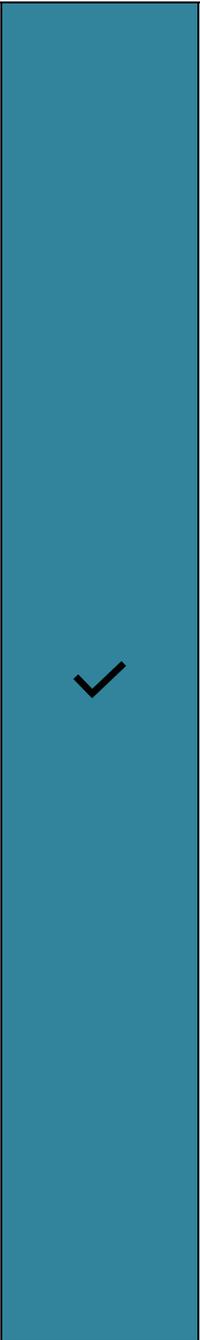
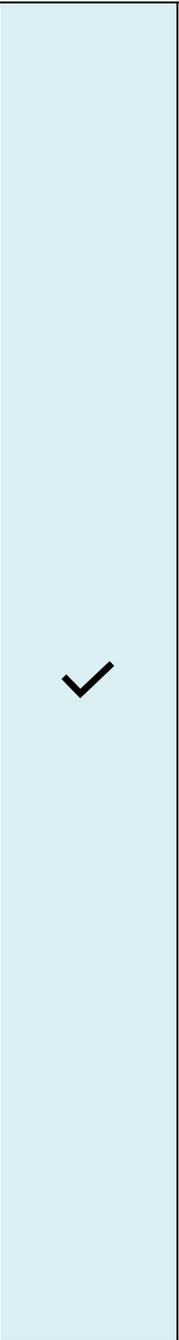
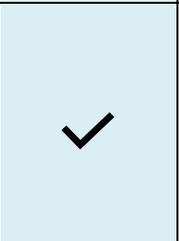
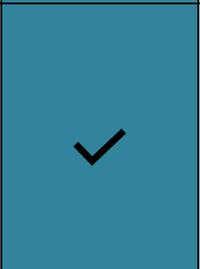
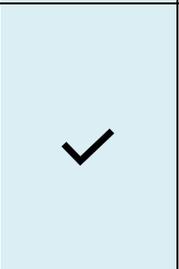
Low-Barrier Assistance	Individuals and families experiencing homelessness may not be required to receive treatment or perform any other prerequisite activities as a condition for receiving shelter, rental assistance, or other services.	✓	✓	
Waiver for Emergency Shelter and Street Outreach Expenditure Cap	Emergency shelter and street outreach expenditure cap is waived.	✓	✓	
Alternative Requirement for Project-Based Rental Assistance	<ul style="list-style-type: none"> • If a program participant moves out of an assisted unit before expiration of the agreement, the recipient or subrecipient 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 subrecipient attempts to house another eligible program participant in that unit. • If a program participant moves into a unit in the middle of the month, the initial payment of a half month's rent does not count towards the program participant's total rental assistance. 	✓	✓	
Alternative Requirement for Subleases	When a program participant chooses to rent a unit through a legally valid sublease with the primary leaseholder for the unit, recipients and subrecipients may allow program participants to enter into subleases when receiving rapid re-housing or homelessness prevention assistance.	✓	✓	
Alternative Requirement for Housing Standards	<ul style="list-style-type: none"> • Recipients and subrecipients must ensure that housing meets minimum habitability standards or Housing Quality Standards (HQS) before helping a participant remain or move into permanent housing. • Recipients and subrecipients may provide housing relocation and stabilization services for individuals and families receiving homelessness prevention assistance without conducting habitability or HQS inspections. 	✓	✓	
Waiver for Fair Market Rent Requirement for Rental Assistance	<p>The requirement that rent not exceed the Fair Market Rent is waived so long as the rent complies with HUD's standards of rent reasonableness.</p> <p>Per HUD memo dated 3/31/2020, FMR requirement was waived for annual ESG funds not used for COVID response until 9/30/2020.</p>	✓	✓	Expired 9/30/2020

<p>Waiver for 24 CFR 576.2, Definition of "Homeless," (1)(iii)</p>	<p>An individual may qualify as homeless under paragraph (1)(iii) of the homeless definition in 24 CFR 576.2 so long as he or she is exiting an institution where they resided for 120 days or less and resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.</p> <p>Per HUD memo dated 3/31/2021, this waiver was in effect for annual ESG funds not used for COVID response until 6/30/2021. The waiver continues to be in effect for ESG-CV and annual ESG funds used to prevent, prepare for, and respond to coronavirus under Notice CPD-21-08.</p>			<p>Expired 6/30/2021</p>
<p>Alternative Requirement for Homelessness Prevention Eligibility</p>	<p>Individuals and families who meet the criteria in paragraph (2), (3), or (4) of the "homeless" definition and have an annual income that does not exceed the Very Low-Income Limit for the area as established by HUD are eligible for homelessness prevention assistance.</p>			
<p>Alternative Requirement for Re-Evaluation Income Limits for Homelessness Prevention and Rapid Re-Housing</p>	<p>The re-evaluation for rapid re-housing and homelessness prevention assistance must verify the program participant does not have an annual income that exceeds the Very Low-Income limit for the areas established by HUD to continue receiving homelessness prevention and rapid re-housing assistance.</p>			
<p>Waiver of the Limit on the Total Period of Time Program Participants May Receive Rental Assistance and Services</p>	<ul style="list-style-type: none"> • The requirement at 24 CFR 576.105(c) limiting the total period of time for which any program participant may receive the services under 24 CFR 576.105(b) to 24 months during any 3-year period is waived; and • The requirement at 24 CFR 576.106(a) limiting the total number of months a program participant can receive rental assistance to 24 months in a 3-year period is waived. 			
<p>Waiver for Housing Stability Case Management (RRH and HP)</p>	<p>Waives the requirement that participants in rapid re-housing or homelessness prevention meet monthly with case manager. However, recipients must continue to make housing stability case management and other appropriate services available and accessible.</p>			<p>Expired 8/22/2020</p>
<p>Alternative Requirement for Housing Stability Case Management</p>	<p>Recipients and subrecipients may pay for housing stability case management for up to 60 days while program participant is seeking housing, instead of 30 days as currently permitted by 24 CFR 576.105(b)(2).</p>			

<p>Waiver of 3-Month Re-Evaluation for Homelessness Prevention</p>	<p>Homelessness prevention assistance is subject to re-evaluation of each participant's eligibility and need for assistance not less than once every 3 months. The required 3-month frequency of reevaluations for homelessness prevention assistance is waived so long as the recipient or subrecipient conducts the required reevaluations not less than once every 6 months.</p>			<p>Expires 3/31/2022</p>
<p>Alternative Requirements for Hotel/Motel Costs</p>	<p>Eligible households are those:</p> <ul style="list-style-type: none"> • Experiencing homelessness (<u>note</u>: people experiencing homelessness were previously eligible for hotel/motel vouchers under the emergency shelter component), • Receiving Rapid Re-Housing assistance under the Continuum of Care (CoC) or ESG programs, • Receiving Homelessness Prevention assistance under the ESG program, or • Residing in Permanent Supportive Housing. <p>Eligible costs:</p> <ul style="list-style-type: none"> • A hotel or motel room directly or through a hotel or motel voucher, • Cleaning of hotel or motel rooms used by program participants, • Repairs for damage caused by program participants above normal wear and tear of the room. 			

<p>Waiver for Rapid Re-Housing Eligibility</p> <p>For more information see CPD Memo</p> <p>"Waiver and Alternative Requirements for the Emergency Solutions Grant (ESG) Program Under the CARES Act" (issued April 4, 2021)</p>	<p>Recipients may expand the scope of eligible RRH beneficiaries to include individuals and families who meet ALL of the following criteria:</p> <ol style="list-style-type: none"> i. Qualified as "homeless" as defined in 24 CFR 576.2 immediately before moving into their current housing, ii. Have been residing in housing with time-limited rental assistance provided under a homeless assistance program (which means assistance limited to or reserved, either federally or locally, for people who are "homeless" as defined in 24 CFR 576.2) other than the ESG program (e.g., time-limited rental assistance that was funded under the Supportive Services for Veteran Families Program or the Coronavirus Relief Fund and provided only to people who qualified as "homeless" as defined in 24 CFR 576.2), iii. Would not have any overlap in rental assistance between the non-ESG program and the ESG program, due to exhaustion or expiration of the non-ESG assistance or program funds, iv. Would not have a gap of more than one month (or equivalent amount of days) between the end of the non-ESG rental assistance and the beginning of their ESG RRH rental assistance, and v. Do not have the resources or support networks (beyond an eviction moratorium) (e.g., family, friends, or other social networks) needed to retain their existing housing without ESG assistance. <p>Recipients must amend their Consolidated Plan to use this expanded scope.</p> <p>4/14/21 CPD Waiver Memo also includes an associated waiver of habitability standards when this flexibility is utilized, so long as:</p> <ul style="list-style-type: none"> • The recipient/subrecipient has documentation that the prior rental assistance provider determined the housing meets habitability standards or HQS, or • The recipient/subrecipient provides no more than 90 days of RRH assistance to the participant, or • The recipient/subrecipient conducts an inspection within the first 90 days and determines the housing meets habitability standards or HQS. 			
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Additional Eligible Activities				
Volunteer Incentives	Street Outreach, Emergency Shelter, Rapid Re-Housing, and Homelessness Prevention funds may be used to provide reasonable incentives to volunteers (e.g., cash or gift cards) who have been and are currently helping to provide necessary services during the coronavirus outbreak.	✓	✓	
Hazard Pay	Provide hazard pay for recipient or subrecipient staff working <u>directly</u> to prevent, prepare for, and respond to coronavirus among persons who are homeless or at risk of homelessness.	✓	✓	
Training	<p>Conduct or provide training on infectious disease prevention and mitigation for staff working directly to prevent, prepare for, and respond to coronavirus.</p> <ul style="list-style-type: none"> • Eligible as a standalone activity; not an administrative cost for purposes of the 10% cap. • Can be used to train homeless assistance providers, including those who do not receive funding through the CARES Act. 	✓	✓	
HMIS Costs	<ul style="list-style-type: none"> • HMIS costs may be used beyond where they are related to collecting data on ESG program participants and ESG program activities to the extent they are necessary to help the geographic area prevent, prepare for, and respond to coronavirus. • Recipients that are not the HMIS Lead may pay for eligible HMIS costs either directly or by sub-granting to the HMIS Lead if the HMIS Lead is an eligible subrecipient to the extent that costs are necessary to help address coronavirus. 	✓	✓	Expired 9/30/2020
Centralized or Coordinated Assessment	<p>Can pay for the additional costs to update, enhance, and operate centralized or coordinated assessment system under 24 CFR 576.400(d).</p> <ul style="list-style-type: none"> • Documentation of cost must show the use of funds was limited to increase in system costs due to coronavirus. • Recipient use of funds must be coordinated with Continuum of Care. 	✓	✓	

<p>Cell Phones & Internet</p>	<p>Provide temporary cell phones for individuals and families:</p> <ul style="list-style-type: none"> • Experiencing homelessness, or • Receiving rapid re-housing assistance (CoC; YHDP; or ESG), or • Residing in permanent supportive housing funded under the CoC and YHDP Programs, or • Receiving homelessness prevention assistance (ESG) <p>Requirements:</p> <ul style="list-style-type: none"> • Must be owned by the recipient/subrecipient, and the wireless plan must be the recipient/subrecipient's • Phone and phone service may be loaned to participant and wireless cost paid as need to enable program participant to take part in activities necessary to obtain/maintain housing (e.g., job interviews; receive health and mental health services; continue education) <p>Duration:</p> <ul style="list-style-type: none"> • While stay at home orders or social distancing orders are in effect in the community where participant resides, or • While the participant continues to need it to participate in activities necessary to obtain and maintain housing that remain virtual even after social distancing measures relaxed (e.g., continued virtual employment and education) • Cell phones must be returned to the recipient/subrecipient when no longer necessary for those purposes. 			
<p>Personal Protective Equipment (PPE)</p>	<p>Purchase PPE such as masks, disposable gloves, and hand sanitizer for program participants as an essential service under emergency shelter and street outreach and for program participants receiving homelessness prevention and rapid re-housing assistance.</p>			
<p>Vaccine Incentives</p>	<p>Cash payments of up to \$50 per dose per person can be provided to people experiencing homelessness as an incentive to receive a coronavirus vaccine. Eligible to the extent that other vaccine incentives are inaccessible or unavailable to people experiencing homelessness within the community.</p>			

Laundry	Providing laundry services (e.g., paying for laundry trucks to outdoor locations where people are residing) is an eligible street outreach cost for people experiencing unsheltered homelessness.	✓	✓	
Handwashing Stations & Portable Bathrooms	Install and maintain handwashing stations and bathrooms (e.g., porta potties) at outdoor locations for people experiencing unsheltered homelessness.	✓	✓	
Essential Services for RRH and HP Participants	Services available to those receiving rapid re-housing or homelessness prevention assistance are expanded to include all listed at 24 CFR 576.102(a)(1) as necessary to assist them to obtain and maintain housing.	✓	✓	
Landlord Incentives	<p>Rapid Re-Housing and Homelessness Prevention funds may be used to pay landlord incentives as reasonable and necessary to obtain housing for eligible households that may not exceed three times the rent charged for the unit (all incentives combined). Incentives include:</p> <ul style="list-style-type: none"> • Signing bonuses up to 2 months of rent, • Security deposits up to 3 months of rent, • Cost to repair damages incurred by program participant not covered by security deposit or incurred while program participant is staying in the unit, and • Costs of extra cleaning or maintenance of a program participant's unit or appliances. 	✓	✓	
Sponsor-Based Rental Assistance	As an alternative to tenant-based rental assistance and project-based rental assistance, sponsor-based rental assistance may be provided in rapid re-housing and homelessness prevention. See p. 22-23 of the ESG-CV Notice for more information.	✓	✓	
Renters Insurance	<p>Pay for renters' insurance for rapid re-housing and homelessness prevention program participants.</p> <p>Requirements:</p> <ul style="list-style-type: none"> • Must demonstrate that payment of renters insurance is necessary to obtain/maintain housing (e.g., landlord requirement). • Payment must be made directly to insurance company on behalf of program participant. 	✓	✓	

<p>Furniture & Household Furnishings</p>	<p>Purchase furniture and other household furnishings for use by program participants while they are receiving homelessness prevention and rapid re-housing assistance.</p> <p>Subject to the requirements for equipment at 2 CFR 200.313, including disposition requirements in paragraph (e):</p> <ul style="list-style-type: none"> • If the furniture or household furnishings still have useful life at the end of stay, they must be returned to the recipient/subrecipient for continued use in the project. • When the furniture or household furnishings are no longer needed for the original project, the recipient may use the equipment in other federally funded projects, and disposition requirements would not be triggered. • When the furniture or household furnishings are no longer needed for the original project or for other federally funded projects, disposition requirements are determined based on their value: <ul style="list-style-type: none"> - For equipment or assets with a current per unit fair market value under \$5,000, the agency may dispose of the equipment as they see fit with no further obligation to HUD. - For equipment or assets with a current per unit fair market value in excess of \$5,000, the recipient should request disposition instructions from your local HUD Field Office CPD Representative and further review the rules for disposition of equipment. (2 CFR 200.313(e)). 			
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<p>Temporary Emergency Shelter (TES)</p>	<p>Used for a limited time to provide shelter for crisis response. Eligible costs include:</p> <ul style="list-style-type: none"> • Leasing • Acquisition (not to exceed \$2.5 million per real property) • Renovation of real property (e.g., hotels) into TES • Operating Costs • Essential Services • Housing Search and Placement • Housing Search and Counseling • Other costs HUD pre-approves in writing <p>Exempt from:</p> <ul style="list-style-type: none"> • Minimum standards for emergency shelters at 24 CFR 403(b) (although lead-based paint requirements at 24 CFR 576.403(a) still apply). • Environmental review • Minimum periods of use (use & disposition requirements at 2 CFR 200.311 apply when there is acquisition/major rehab)* <p>*Conversion: may convert TES acquired or improved with ESG-CV into emergency shelter (24 CFR 576.2) without triggering disposition requirements. See description of the alternative requirement directly below.</p>	✓	✓	
<p>Alternative Requirement for Converting Temporary Emergency Shelter Acquired or Renovated with ESG-CV or ESG funds into Emergency Shelter</p>	<p>Recipients and subrecipients may convert a temporary emergency shelter acquired or improved with ESG-CV funds into emergency shelter (defined at 24 CFR 576.2) without triggering disposition requirements in 2 CFR 200.311(c). However, when it becomes unnecessary or impracticable to use the property as either temporary emergency shelter or emergency shelter (as described in the ESG-CV notice) the owner of the property must obtain disposition instructions from HUD as provided by 2 CFR 200.311(c).</p>	✓	✓	