

ESG CARES Funding: Amendment 3

Funding Allocation

- **ESG-CV 1 Amendment Funding Amount:** \$13,566,621
- **ESG-CV 2 Amendment Funding Amount:** \$18,411,073
- **ESG CV Reallocation Funding Amount:** \$457,933.94
- **TOTAL ESG-CV AMOUNT:** \$32,435,627,*

This notice concerns the allocation and administration of ESG-CV funds:

- 1) IHCDCA will utilize up to \$2,500,000 for any activities outlined for RRH/Homeless Prevention.
- 2) In cases where subrecipient capacity is strained, IHCDCA will assume the role of direct services provider. This option will apply statewide and not specific to any one region, to allow flexibility for adding capacity to respond to increased demand, as needed.

Funding Start/End Date

- **Start date:** 01/21/2020
- **End Date:** 06/30/2024

How activities, prevent, prepare for, and respond to COVID-19

The Indiana Housing Authority will use ESG-CV allocation 1, ESG-CV allocation 2, and ESG-CV allocation 3 of \$32,435,627 to fund the following ESG activities as needed by IN-ALL (Balance of State) to prevent, prepare, and respond to COVID-19:

1. Rapid re-housing
2. Street outreach
3. Emergency shelter
4. Homelessness prevention
5. Homeless Management Information System (HMIS)
6. Administrative expenses
7. Additional activities allowed by HUD policy, guidance and approved waivers.

Reprogramming ESG-CV activities

In order to be responsive to the needs of Indiana in preparing, preventing, and responding to coronavirus and its impact on people at risk of and experiencing homelessness, IHCDCA will routinely reevaluate our funding decisions and capacity needs and support for subrecipients throughout the period of performance. Consistent with the terms of all subrecipient grant agreements or contracts, IHCDCA intends to reprogram ESG-CV funding between selected activities or to include additional ESG-CV activities if/when necessary, based on infection control needs and response efforts related to preventing, preparing and responding to COVID-19.

Funding Conditions Given the immediate needs faced by our communities, HUD has announced the allocation of ESG-CV funds, which are subject to the following flexibilities and conditions provided by the CARES Act:

- The funds may be used to cover or reimburse allowable costs incurred by a State or locality before the award of funding (including prior to the signing of the CARES Act) to prevent, prepare for, and respond to COVID-19;
- The funds are not subject to the spending cap on emergency shelter and outreach under 24 CFR 576.100(b)(1);
- Up to 10 percent of funds may be used for administrative costs, as opposed to 7.5 percent as provided by 24 CFR 576.108(a);
- The funds are exempt from the ESG match requirements, including 24 CFR 576.201;
- The funds are not subject to the consultation and citizen participation requirements that otherwise apply to the Emergency Solutions Grants, however each recipient must publish how its allocation has and will be used, at a minimum, on the Internet at the appropriate Government web site or through other electronic media;
- The funds may 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 for the area and meets the criteria in paragraphs (1)(ii) and (1)(iii) of the "at risk of homelessness" definition in 24 CFR 576.3;
- That recipients may deviate from applicable procurement standards when using these funds to procure goods and services to prevent, prepare for, and respond to coronavirus, notwithstanding 24 CFR 576.407(f) and 2 CFR 200.317-200.326;
- While HUD encourages grantees to offer treatment and supportive services when necessary to assist vulnerable homeless populations, individuals and families experiencing homelessness must not be 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 24 CFR 576.401(e).

COVID Response and Re-Housing Strategies: Summary¹

1. Rapid Rehousing to encourage efforts to ensure those in NCS settings exit to stable rapid rehousing or permanent housing options
2. Homelessness prevention measures for longer-term housing solutions to help families recover after the pandemic subsides through short-term diversion efforts or long-term housing solutions.
3. Strategic infrastructure investments to increase alignment of IHCD and Continuum of Care efforts to end chronic homelessness in the Indiana Balance of State and expand efforts

COVID Response and Re-Housing Strategy: Immediate Priority Areas²

1. Rapid-Rehousing³
 - a. Encourage subrecipients to maintain a progressive engagement model⁴

¹ Benefits of the IHCD ESG grant program are: 1) It is the Collaborative Applicant for the Indiana Balance of State (BoS) Continuum of Care (CoC); 2) It is the HMIS Lead for the BoS CoC; 3) It is the lead Coordinated Entry agency; and 4) It is one of the key state level partners coordinating Indiana's response to COVID-19. These benefits allow for a more integrated effort to deploy the Indiana BoS CoC ESG-CV funding.

² Priority suggestions based on what IN-502 might need; other eligible investments may be available

³ Per HUD, rapid rehousing is first priority investment because it has greatest capacity of all ESG activities to end homelessness

⁴ More information on progressive engagement can be found at:

https://safehousingpartnerships.org/sites/default/files/2017-01/2015_WhatIsProgressiveEngagement.pdf.

- b. Encourage varied data-driven program models to meet need
 - i. Short-term diversion
 - ii. High-intensity service models for those who will need significant support to maintain housing
- c. Support efforts to
 - i. Scale up landlord engagement activities
 - ii. Monitor data to ensure exits to housing are equitable and that returns to homelessness are not racially disproportionate
 - iii. Ensure people in housing are linked to appropriate services, including health care and employment services
 - iv. Ensure people are provided with adequate assistance, based on individualized needs
- 2. Non-Congregate Shelter⁵ - Undertake planning efforts to ensure those in NCS settings exit to stable rapid rehousing or permanent housing options
- 3. Street Outreach - Engage unsheltered individuals to connect them to Coordinated Entry, NCS, and rapid rehousing
- 4. Shelter - Expand essential services funding for housing navigation to decrease length of stay in shelter

COVID Response and Re-Housing Strategy: Short- and Medium-Term Priority Areas

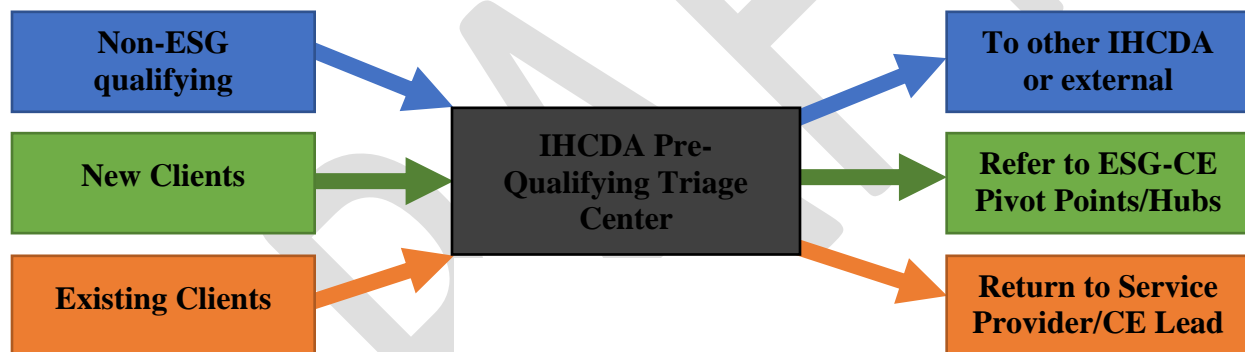
1. Homelessness Prevention⁶ - Homelessness Prevention Measures and Rapid Rehousing for longer-term housing solutions to help families recover after the pandemic subsides
 - a. Coordinate with other CARES Act resources
 - b. Encourage prevention efforts are focused on most vulnerable households who would be homeless “but for” assistance
 - c. Require use of evidence-based prevention screening criteria
 - d. Educate subrecipients on CARES Act eviction moratorium info
 - e. Encourage subrecipient connections to local legal aid services for people at risk of homelessness due to eviction
 - f. Support at-risk diversion efforts
 - g. Build thoughtful data collection plan to improve prevention targeting and understand system disparities
2. Coordinated Entry
 - a. Evaluate written standards and modify prioritization criteria and process consistent with COVID response and rehousing efforts
 - b. Articulate a clear coordination and referral process with homelessness services
 - c. If needed invest in HMIS upgrades/improvements to accommodate participation in coordinated entry

⁵ Non-congregate Sheltering (NCS) refers to sheltering individuals in locations meant for other types of activities, e.g. hotels/motels, dorms, etc.

⁶ Families at Risk of Becoming Homeless (must have a lease); Up to 50% of AMI (documentation requirements and also COVID-19 impact); Tenant Based rental assistance (no project based with CARES Act); May provide up to 6 months of rental assistance; May provide up to 6 months of rental arrears; May re-certify and be eligible for up to 24 months of total assistance or may award fewer than 3 months based on funding available; No late fees or pet fees can be included (HUD); No utility allowance (IHCD for CARES Act); Families are eligible for case management.

Proposed Process ESG-CV 1 Amendment

The Community Services division of IHCDA will continue to oversee the ESG-CV funds as they do annual with their ESG allocation. As these funds are more than the annual allocation and there will be a high demand, the division proposes a new intake process for the funds. All referrals will begin with IHCDA in a new triage center. This will allow staff to determine for which program the individual is eligible. Once qualified, the applicant will be sent to the next proper contact. For ESG-CV, that will be the pivot point contacts or HUBS. These will be organizations in a given CoC region that have experience with ESG RRH. More than likely this will be the CE leads already established by the CoC as all but 4 have this background. In areas where there is no experience, IHCDA will either partner that region with another ESG funded lead or another organization within that region. The goal is to ensure every county is covered and the most vulnerable are served first. If an organization is not available to assist in this project, other new organizations may be brought in as sub-recipients of the funds. Those may include Community Action Agencies or other similar community organizations with rental assistance experience. Once the client is sent to the CoC pivot point, they will be assessed on the Coordinated Entry vulnerability assessment tool and connected to the correct funding. As such, the Coordinated Entry process for the CoC may be updated to include additional flexibility and speed in place individuals affected by COVID-19 into the proper housing option.



Additional ESG-CV Process (Amendment 2):

IHCDA plans to allocate funding for ESG-CV 2 in a similar manner as planned in the original ESG-CV 1 amendment. There will be two allocation processes, one through the IHCDA intake process and one through a typical sub-recipient process. Using ESG-CV 1 funds, IHCDA launched an intake process that focused on ESG-CV Homeless Prevention dollars, assisting with individuals on the verge of homelessness with short term rental assistance. In addition, IHCDA allocated funds to several sub-recipients for ESG-CV RRH, Shelter, and Outreach. This process will continue with a possible expansion of sub-recipients and HUBs. The definition of who is affected by COVID-19 will also be expanded. A major focus of the funds, as noted in the updated ESG-CV 2 budget, will be rental assistance with most funds going towards ESG Homeless Prevention and ESG Rapid Rehousing.

An update from the previous amendment is the use of Coordinated Entry. IHCDA along with the Balance of State updated the Coordinated Entry policies and procedures in response to COVID-19. There is now more flexibility in this policy as approved by both the BoS CoC CE

Committee and full BoS CoC board. This disaster policy will remain in place until the end of the pandemic. In addition, only referrals for ESG-CV Homeless Prevention dollars go through the IHCDA intake process. All other referrals are sent directly to the appropriate CE leads.

In cases where subrecipient capacity is strained, IHCDA will assume the role of direct services provider. This option will apply statewide and not specific to any one region, to allow flexibility for adding capacity to respond to increased demand, as needed.

In addition to this allocation process, IHCDA plans to expand the type of funds available. First, IHCDA will open all line items in ESG-CV Homeless Prevention to HUBs and sub-recipients as appropriate. Second, the HMIS and Training line items have been added to the budget to allow IHCDA and sub-recipients to request and draw on those activities. Lastly, IHCDA will allow HUBs and sub-recipients to utilize landlord incentive and hazard pay dollars in their budgets. IHCDA will create a clear approach to this funding with well-defined guidelines.

Proposed Additional ESG-CV Process (Amendment 3):

IHCDA plans to allocate funding for ESG-CV 3 in a way consistent with the goals of the existing ESG-CV funding strategy and continuing to address the crisis needs of individuals as communities respond to COVID-19. A major focus of the funds, as noted in the ESG-CV 3 budget, will be operating and essential services costs of emergency shelter and street outreach. IHCDA has consistently and successfully administered funding, and continued to evaluate and aggressively reallocate dollars to rapid rehousing and homeless prevention programs whenever necessary. As a result, we have met all funding requests for existing recipients of rapid rehousing and homeless prevention dollars, but have continued gaps in shelter and outreach funding. As we ramp-down the ESG-CV program funding, we also recognized the ongoing need for HMIS and administrative funding to support reporting and grant close-out procedures. Expenditures in these areas have been carefully projected to accurately reflect anticipated costs so that maximum fundig can be distributed to shelters and street outreach.

New Eligible Activity Type

IHCDA plans to request a waiver to permit landlord engagement and hazard pay, as an eligible activity under the Homeless Prevention and Rapid ReHousing component. Currently, IHCDA plans on funding the activities identified above. However, if the waiver is granted, or if the ESG-CV notice should establish landlord engagement and hazard pay as an eligible activity, IHCDA intends to fund landlord engagement and hazard pay.

Proposed Distribution of Funds ESG-CV 1

ESG CV 1	Emergency Shelters	RRH / Homelessness Prevention	Street Outreach	HMIS/Data Collection	Training	TOTAL
ES: Essential Services	\$1,125,000					1,125,000.00
ES: Shelter Operations	\$1,125,000					1,125,000.00
HP: Financial Assistance		\$285,299				285,299.00

HP: Relocation & Stabilization		\$95,100				95,100.00
HP: Rental Assistance		\$7,607,967				7,607,967.00
RRH: Housing Relocation & Stabilization Services		\$47,550				47,550.00
RRH: Relocation & Stabilization		\$47,550				47,550.00
RRH: Rental Assistance		\$1,426,494				1,426,494.00
Street Outreach			450,000.00			450,000.00
HMIS: Sub- recipient data collection						0.00
HMIS: IHEDA staff contractor						0.00
Training						
Eligible Expenses:	\$2,250,000	\$9,509,960	\$450,000	\$0	\$0	12,209,960.00
Admin				-	-	1,356,662.00
TOTAL EXPENSES + ADMIN						13,566,622.00

Proposed Distribution of Funds ESG-CV 2

ESG CV 2	Emergency Shelters	RRH / Homelessness Prevention	Street Outreach	HMIS/Data Collection	Training	TOTAL
ES: Essential Services	1,125,000.00					1,125,000.00
ES: Shelter Operations	1,125,000.00					1,125,000.00

HP: Financial Assistance		300,000.00				<i>300,000.00</i>
HP: Relocation & Stabilization		100,000.00				<i>100,000.00</i>
HP: Rental Assistance		7,500,000.00				<i>7,500,000.00</i>
RRH: Housing Relocation & Stabilization Services		50,000.00				<i>50,000.00</i>
RRH: Relocation & Stabilization		50,000.00				<i>50,000.00</i>
RRH: Rental Assistance		5,250,000.00				<i>5,250,000.00</i>
Street Outreach			250,000.00			<i>250,000.00</i>
HMIS: Sub-recipient data collection				469,965.00		<i>469,965.00</i>
HMIS: IHEDA staff contractor				100,000.00		<i>100,000.00</i>
Training					250,000.00	<i>250,000.00</i>
Eligible Expenses:	2,250,000.00	13,250,000.00	250,000.00	569,965.00	250,000.00	\$16,569,965.00
Admin						1,841,107.00
TOTAL EXPENSE + ADMIN						18,411,072.00

Proposed Distribution of Funds ESG-CV 3

ESG CV 3	Emergency Shelters	RRH / Homelessness Prevention	Street Outreach	HMIS/Data Collection	Training	TOTAL
ES: Essential Services	\$164,373.58					
ES: Shelter Operations	\$246,560.36					
HP: Financial Assistance						
HP: Reallocation & Stabilization						
HP: Rental Assistance						
RRH:						
RRH: Relocation & Stabilization						
RRH: Rental Assistance						
Street Outreach						
HMIS: Sub-recipient data collection						
HMIS: IHEDA staff contractor				\$20,000		
Training						

Eligible Expenses:	\$410,933.94			\$20,000		
Admin						\$27,000
TOTAL EXPENSE + ADMIN						\$457,933.94

Proposed Distribution of Funds ESG-CV Total (1, 2 & 3):

*IHCD will utilize up to \$2,500,000 for any activities outlined for RRH/Homeless Prevention outlined in the budget table below. IHCD's funds are included as part of the amounts listed on the budget table.

ESG CV 1 + 2	Emergency Shelters	RRH / Homelessness Prevention*	Street Outreach	HMIS/Data Collection	Training	TOTAL
ES: Essential Services	2,496,560.36	-	-	-	-	2,250,000.00
ES: Shelter Operations	2,414,373.58	-	-	-	-	2,250,000.00
HP: Financial Assistance	-	585,299.00	-	-	-	585,299.00
HP: Relocation & Stabilization	-	195,100.00	-	-	-	195,100.00
HP: Rental Assistance	-	15,107,967.00	-	-	-	15,107,967.00
RRH: Housing Relocation & Stabilization Services	-	97,550.00	-	-	-	97,550.00
RRH: Relocation	-	97,550.00	-	-	-	97,550.00

& Stabilization						
RRH: Rental Assistance	-	6,676,494.00	-	-	-	6,676,494.00
Street Outreach	-	-	700,000.00	-	-	700,000.00
HMIS: Sub-recipient data collection	-	-	-	469,965.00	-	469,965.00
HMIS: IHEDA staff contractor	-	-	-	120,000.00	-	100,000.00
Training	-	-	-	-	250,000.00	250,000.00
Eligible Expenses:	4,910,933.94	22,759,960.00*	700,000.00	569,965.00	250,000.00	28,779,925.00
Admin	-	-	-	-	-	3,224,769
TOTAL EXPENSE + ADMIN						31,977,694.00