

Summary of the Emergency Solutions Grant Funding within the Coronavirus Aid, Relief, and Economic Security (CARES) Act

On Friday, March 27, 2020, President Trump signed H.R. 748, the Coronavirus Aid, Relief, and Economic Security (CARES) Act into law. A downloadable and searchable PDF copy of the legislation can be found [here](#). Information about Homelessness Assistance Grants can be found beginning on page 328.

On Thursday, April 2, 2020, the US Department of Housing and Urban Development ([HUD](#)) [provided guidance](#) on the FFY2020 Emergency Solutions Grant (ESG) funding levels and initial CARES Act formula allocations. These determinations are guiding the distribution of an initial \$1 billion of the \$4 billion ESG resources in the CARES Act. These resources must be allocated by HUD within 30 days of the CARES Act becoming law, with the remaining funds allocated within 90 days. Initial indications are that HUD intends to allocate the remaining \$3 billion through a yet-to-be determined formula that is required to take into account areas that are seeing the greatest impact of COVID-19.

The Maryland Department of Housing and Community Development (the Department) is receiving an initial allocation of \$4,031,452. These funds are for non-entitlement ESG jurisdictions; entitlement jurisdictions are receiving their own allocations directly from HUD. Authorized uses of these resources can begin immediately. Amounts for entitlement jurisdictions include:

- City of Baltimore, \$6,571,738
- Anne Arundel County, \$611,269
- Baltimore County, \$1,230,869
- Montgomery County, \$1,438,797
- Prince George's County, \$1,523,903

As a reminder, the Department's HSP guidelines are aligned with HUD's ESG regulations. For a reference of approved activities, providers should refer to the [ESG Quick Reference Guide](#).

Notable elements regarding the use of CARES Act ESG resources include:

1. Allowing households to be considered "at risk of homelessness" if their income is at the area's Very-Low Income Limit of 50 percent of Area Median Income (AMI).
2. Resources may only be used to cover allowable costs that are associated with preventing, preparing for, and responding to COVID-19.
3. Standard procurement standards may be waived if in regard to the purchase of goods and services to prevent, prepare for, and respond to COVID-19.
4. Grant recipients may use up to 10 percent of funds to cover administrative costs. This only applies to the administrative costs incurred by direct grantees of HUD. Additional guidance on subgrantee administrative caps will be forthcoming.

5. Matching and public input requirements are waived provided grantees make public how they have or will use CARES Act resources.
6. Spending caps related to costs associated with providing emergency shelter are lifted.
7. Temporary locations used as emergency shelter are not subject to habitability and environmental review standards.
8. Resources can be used to provide hazard pay (including for work done prior to the date of the law's enactment) to prevent, prepare for, and respond to COVID-19 among people experiencing homelessness. These funds are not considered part of a grantee's 10 percent administrative costs.
9. Grantees may use up to one percent of a grant to make new awards or increase existing awards for technical assistance with providers experienced in offering health care services to people experiencing homelessness, without competition. These expenditures are not part of the 10 percent administrative costs.
10. No funds may be used to require people experiencing homelessness to receive treatment or any other prerequisite activity as a condition for receiving shelter, housing, or other services.