

### ESG Annual Action Plan Amendments

Per the CARES Act, an additional \$4 billion was authorized for the Emergency Solutions Grants (ESG) program. The first \$1 billion of that funding was allocated on April 2<sup>nd</sup>, 2020, and following the FFY19 ESG Formula Allocations, Maryland (non-entitlement) received \$4,031,542. This amendment covers changes in our Annual Action Plan related to the distribution and usage of these funds.

### Coordination and Consultation with Continuums of Care

In response to the COVID-19 crisis, Maryland DHCD has increased its efforts to coordinate directly with the Continuums of Care (CoCs) throughout the State, including entitlement jurisdictions within Maryland receiving ESG funding from HUD. There is a weekly call between DHCD, other state agencies responsible for coordinating homelessness response such as DHS and MDH, and leadership from all of the CoCs, including the 5 former Continuums that are part of the Balance of State in formation. These calls include disseminating information from HUD and other national homelessness partners; updates on relevant State efforts; and information-sharing from the local partners on successful efforts and current challenges. There is also a separate, bi-weekly call for all six recipients of ESG funding, including not only the State but Anne Arundel County, Baltimore City, Baltimore County, Montgomery County, and Prince George's County, to discuss strategies and best practices in deploying ESG and other funds as part of a coordinated statewide initiative.

The State continues to involve the local CoCs in the process of allocating ESG funds by awarding funds directly to CoC lead agencies (and former lead agencies, for Balance of State communities) through the Homelessness Solutions Program (HSP). CoCs are responsible for determining their community's local needs and the appropriate providers who have the capacity to respond to those needs, and making funding decisions accordingly. DHCD will continue to use the data quality standards and performance evaluation measures that were previously developed in consultation with the CoCs to determine the effectiveness of their strategies and direct the funding to programs that are having the greatest success in reducing and ending homelessness.

### Method of Distribution

FFY19 ESG funding was awarded to the 11 non-entitlement CoCs following the method of distribution outlined in the Annual Action Plan. CoC lead agencies submitted an application for their geographic area for the Homelessness Solutions Program (HSP), which was scored based on the data quality and performance measures determined in consultation with the CoCs.

For the additional award made as part of the CARES Act, Maryland DHCD intends to allocate the funding in the following way, noting the change in the administrative cap related to these funds, as well as that further guidance on local administration funds is still forthcoming:

<b>STATE OF MARYLAND ADDITIONAL ESG ALLOCATION – ESG-CV FFY19</b>	
State Administration (9.93%)	\$400,452
All Other – Emergency Shelter, Homelessness Prevention, Street Outreach, Rapid Rehousing, and HMIS Activities (90.07%)	\$3,631,000
<b>TOTAL</b>	<b>\$4,031,542</b>

Funds will be awarded to the six current CoC lead agencies in non-entitlement jurisdictions, as well as the five former CoC lead agencies that are now part of the Balance of State, based on the percentage of funding they received in the FFY19/SFY20 HSP funding round. Following that formula, the funds will be distributed as follows:

Allegany	\$179,000
Carroll	\$257,000
Cecil	\$173,000
Frederick	\$305,000
Garrett	\$167,000
Harford	\$291,000
Howard	\$201,000
Lower Shore	\$490,000
Mid-Shore	\$635,000
Southern MD	\$658,000
Washington	\$275,000
<b>TOTALS</b>	<b>\$3,631,000</b>

The eleven current and former CoC lead agencies will be responsible for consulting with their local committees to determine the distribution of funds amongst eligible activities and providers, and submitting budgets for DHCD to review their compliance with appropriate regulations and statutes. CoCs will be particularly encouraged to prioritize programs that are providing emergency services for vulnerable and symptomatic individuals, including non-congregate emergency housing; that have had their services impacted by COVID-19; and that have demonstrated the capacity to spend funds expediently and in compliance with HUD and DHCD regulations.

Based on consultation with CoCs, it is expected that a significant portion of these funds will be used to expand emergency sheltering capacity to accommodate the need for quarantine and isolation, including the use of hotel/motel stays where congregate sheltering is inappropriate; to offset the increased costs of shelter operations, particularly due to the need for additional cleaning and other precautions to

prevent disease transmission; and to accelerate moving people out of shelter into permanent housing, in order to de-compress shelters and meet CDC spacing guidelines.

Per the HUD notice, the ESG-CV funding does not require any additional match, and Maryland DHCD met previous match requirements with State funding. The State will also ensure that other changes in ESG-CV requirements, including the removal of the cap on emergency shelter funding and the change in income eligibility for homeless prevention to include households up to 50% of AMI, will be communicated to grantees, while all other ESG requirements remain in effect.

Reduce Homelessness	Affordable Housing Homeless	Tenant Based rental assistance /Rapid Re-housing	Persons Assisted	4,000	\$1,815,500
Reduce Homelessness	Affordable Housing Homeless	Homeless Person Overnight Shelter	Persons Assisted	4,400	\$1,815,500