



Recommendation for Action

File #: 20-2572, **Agenda Item #:** 52.

7/20/2020

Posting Language

Approve an ordinance amending the Fiscal Year 2019-2020 Austin Public Health Department Operating Budget Special Revenue Fund (Ordinance No. 20190910-001) to accept and appropriate an additional \$10,859,249 in grant funds from the U.S. Department of Housing and Urban Development through the Emergency Solutions Grant to serve homeless individuals and those at risk of homelessness who have been economically impacted by COVID-19.

Lead Department

Austin Public Health.

Fiscal Note

Funding in the amount of \$ 10,859,249 is available from the U.S. Department of Housing and Urban Development through the Emergency Solutions Grant.

Prior Council Action:

April 23, 2020 - Council approved an ordinance amending the Fiscal Year 2019-2020 Austin Public Health Department Operating Budget Special Revenue Fund to accept and appropriate \$2,354,866 from the U.S. Department of Housing and Urban Development through the Emergency Solutions Grant to serve homeless individuals and those at risk of homelessness who have been economically impacted by COVID-19 on an 11-0 vote.

For More Information:

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Additional Backup Information:

On June 9, 2020 the U.S. Department of Housing and Urban Development (HUD) announced an additional CARES Act award for the City of Austin in the amount of \$10,859,249 in grant funds to be used to prevent, prepare for, and respond to the coronavirus disease 2019 (COVID-19) pandemic among individuals and families who are homeless or receiving homeless assistance; and to support additional homeless assistance and homelessness prevention activities to mitigate the impacts of COVID-19.

Current Emergency Solutions Grant (ESG) funding is allocated to three agencies to provide shelter and rapid rehousing services to persons who are homeless. These agencies also use funds to purchase Homeless Management Information Services (also known as HMIS) licenses, and Austin Public Health uses a percentage of the funds for administration of the grant. It is anticipated that these grant funds will be used to support these organizations to expand current services, as well as assist in the community's COVID-19 response to assist homeless persons. Austin Public Health is working with the Ending Community Homeless Coalition and other community partners to determine the most urgent needs of the community.

President Trump signed the CARES Act on March 27, 2020 to help the Nation respond to the COVID-19 outbreak. The CARES Act made available an additional \$4 billion in ESG-CV funds to supplement the Fiscal

Year 2020 ESG funding provided under the Further Consolidated Appropriations Act, 2020 (Public Law 116-94). Of this amount, HUD is immediately allocating \$1 billion for ESG-CV grants based on the Fiscal Year 2020 ESG formula. The rest of the funding for ESG-CV grants will be allocated directly to states or units of local government by a separate formula developed by the Secretary of the U.S. Treasury (Secretary). Up to \$40 million of the additional funds will be set aside for technical assistance.

These funds are subject to the following flexibilities and conditions provided by the CARES Act.

- These 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;
 - 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 ESG, 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 COVID-19, notwithstanding 24 CFR 576.407(f) and 2 CFR 200.317-200.326;
- While HUD encourages us 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).
- In addition, the CARES Act authorizes the Secretary to grant waivers of and specify alternative requirements for statutes and regulations the Secretary administers in connection with the use of ESG funds (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment). These waivers and alternative requirements can be issued when necessary to expedite and facilitate the use of funds to prevent, prepare for, and respond to coronavirus.

The General Fund will not be required to contribute additional funds beyond those currently budgeted to this grant. When the grant funds expire, Austin Public Health Department's need for continuing funding will be evaluated and may be denied.

Strategic Outcome(s):

Economic Opportunity and Affordability.