



Government-Based Housing Funding Overview

Updated 5/12/2020

Below is an overview of several of state and federal grants that are either completely, or in large part, related to homelessness programming; either housing infrastructure or homelessness services. A wonderful source for additional information on these funding sources, and other housing information, is the state's weekly provider call. You can register for those calls, or find recordings/slides, at the following website. <https://headinghomealliance.com/covid-19-response/>. Also, if you have additional questions please feel free to contact Anne Applebaum at aapplebaum@vfmn.org. The coalition will provide updates as they become available.

I. State Emergency Services Program (ESP)

In March 2020, the Minnesota legislature allocated \$330 million of funding in an COVID emergency package, which included \$26.5 million in funding for homeless service programs through the Emergency Services Program (ESP). The fund is administered through the Office of Economic Opportunity (OEO) within the Department of Human Services (DHS). For updates and information on the program, including applications, see the Heading Home Alliance page <https://headinghomealliance.com/covid-19-response/>. The main contact for questions relating to ESP funding is Katelyn Warburton at katelyn.warburton@state.mn.us.

Funds can be used for the following purposes: 1) to maintain or expand shelter capacity that promotes health and safety and quarantine options; 2) to purchase hygiene and sanitation supplies so providers can comply with Centers for Disease Control and Prevention guidance; or 3) to support staffing needs for homeless programs to maintain and hire staff necessary to protect the health and wellness of participants and staff. To be eligible for funding providers MUST: 1) be a tribal government, local unit of government, or a non-profit organization; 1) target homeless persons as defined by the State of Minnesota: any individual, unaccompanied youth or family that is without a permanent place to live that is fit for human habitation. Doubling-up is considered homeless; *and* 3) be either a drop-in center, overnight shelter-rotating church, congregate overnight shelter-fixed site, overnight shelter-motel voucher, congregate transitional housing, and/or street/mobile outreach program. *Note that organizations that apply for funds under the "overnight shelter-motel voucher" category do NOT have to be an existing shelter provider.*

Funds must be expended by February 1, 2021, or by 60 days after expiration of the peacetime emergency declared by the Governor in an executive order that relates to COVID-19, whichever occurs first. The funding is intended to address immediate emergency needs. Those seeking funding can fill out a survey application explaining their imminent needs, and if awarded assistance, will receive funding within weeks. Funding is distributed on a rolling basis, meaning



programs can apply multiple times through subsequent surveys. In the first round of funding approximately 6.5 million dollars was distributed.

IMPORTANT NOTE: To prevent the spread of COVID among homeless individuals, the State is working to secure two types of space (mainly in non-congregate alternative sites such as hotels). The first type is “protection space,” and is meant for individuals experiencing homelessness who are asymptomatic but are in the high-risk categories outline by the CDC such as over 65 years of age or those with an underlying health condition. The type is “isolation space,” and is meant for individuals who are COVID positive. *To make clear how your programming aligns with those categories, and the State’s planning, we suggest using these specific terms in your funding requests and communications.*

II. Federal FEMA Reimbursement

FEMA recently gave pre-approval to Minnesota to have programs seek reimbursement for certain cost (such as hotel vouchers) that programs incur relating to sheltering individuals who meet the federal definition of homelessness AND

- Have test positive for COVID-19, do not require hospitalization, but need isolation (including those exiting from hospitals);
- Have been exposed to COVID-19 and do not require hospitalization; OR
- Are asymptomatic high-risk individuals needing social distancing as a precautionary measure, such as people over 65 or with certain underlying health conditions.

Under the reimbursement program FEMA will reimburse programs 75% of their costs. The program must cover the remaining 25%, although there is some possibility that the State may covers that portion (we are still gathering information regarding that possibility). For more information about this funding please see <https://headinghomealliance.com/covid-19-response/>. Also, since the FEMA funding has very specific guidelines it is extremely important, before relying on this funding source, to speak with your local emergency manager to discuss the programming that you hope to be reimbursed for and the best way to apply for reimbursement. Please Note: FEMA reimbursement will NOT cover costs that were originally paid for with state Emergency Services Program (ESP) funding.

III. Federal Emergency Solutions Grant (ESG)

Emergency Solutions Grants are not a new source of funding. However, increased amounts of funding and more flexibility related to the funding were provided through the CARES Act. The CARES Act allocated \$4 billion in ESG funding to address COVID issues; \$1B that is being distributed now in a first round of funding. The federal government awards ESG funds directly to participating jurisdictions, which are cities and counties, through a pre-set formula. Whatever



funds are left over after those cities and counties receive funding is allocated to the balance of state and in Minnesota it is distributed by DHS to areas that did not already receive funding. There are six localities in Minnesota that are participating jurisdictions; Hennepin County, Minneapolis, St. Paul, St. Louis County, Dakota County, and Duluth.

The funding allocated under the CARES Act is more flexible than traditional ESG funding. A cap on using funding for outreach and emergency shelter was lifted, among other limitations, the matching requirement that is traditionally required was lifted, adjustments to the income qualifications were made, and the amount that funding can be used for administrative activities was raised from 7.5% to 10%. The statute states that funding can be used for many services such as outreach, homelessness prevention, hazard pay, rapid-rehousing, training on infectious disease prevention, and emergency shelter (rehabilitation, conversion, renovation, operations, and essential services). It is important to note, however, that localities have the option of limiting the types of services they will fund. *ESG funds are available through September 2022, which is 15 months longer than state funding.*

Traditionally localities create a plan outlining the use of funds and the priorities that they will be focusing the funding on. They are also required to go through a public comment period and meet other process requirements. However, those requirements were mainly waived for these emergency funds. Each locality has broad discretion to decide funding priorities, what their process for deciding sub-grantees will be, and how they distribute the funds. Many localities will not be issuing seeking formal public feedback about their priority or funding distribution decisions, or will be doing so in an informal manner, and will not be issuing RFPs. Therefore, if you are interested in either seeking this funding, or tracking what county or city resources that could benefit survivors could come out of the funding, it is important to monitor where possible. One way to monitor for updates is to reach out to the grant contact in your area or sign up for notifications if any are available. For instance, Hennepin County has a website where you can sign up for notifications <https://www.hennepin.us/business/work-with-henn-co/supplier-portal>. A link to the full list of grant contacts is available at the end of this document.

For the balance of state funding, DHS initially announced that it would be seeking public input formally in late April and then issuing RFPs in mid-June. However, the process for gathering input has been delayed and we are not sure it will move forward. VFMN submitted input and recommendations for ESG funding distribution to DHS on May 7th. *A template letter with recommendations is included at the end of this document, and was distributed to programs for communication with their local participating jurisdiction. Also, included with that template at the end of this document is a list of local ESG contacts.*



IV. Federal Community Development Block Grant (CDBG)

Through the CARES Act the federal government allocated \$5 billion for additional COVID related CDBG grants. CDBG grants traditionally had a strong focus on capital investment with a 15% cap on funding for services. However, under the CARES Act the 15% services cap was lifted, among other changes that provide for more flexibility. Some services that the emergency funding can potentially cover (depending on the priorities decided by each jurisdiction) include, but are not limited to, housing assistance payments for costs such as rent or utilities, meal and medicine delivery, and acquisition of hotels and motels to expand capacity of hospitals for COVID-19 patient treatment and isolation. Like the ESG grants, funding is allocated for a longer period of time than state funding, although the funding must still be linked related to direct COVID emergency needs.

CDBG grants are awarded to certain participating localities, and the remainder of funding is distributed to non-entitlement localities through a process administered by DEED. In Minnesota the CDBG participating jurisdictions include all of the cities/counties listed above who are receiving ESG funds, plus Ramsey, Anoka, Washington, Rochester, Mankato, Bloomington, Eden Prairie, Woodbury, Plymouth, Moorhead, St. Cloud. Like the ESG grants discussed above, there are traditionally requirements for issuing in-depth plans related to the funding and set public notification and distribution processes. However, many of those requirements have been waived or drastically reduced. Our understanding is that most jurisdictions are still working with the local HUD office to determine next steps, and then will amend or resubmit their current plans. Many jurisdictions may move forward with very limited input gathering from the community and no RFP process. Therefore, as noted above, if you are interested in either seeking this funding, or tracking what county or city resources that could benefit survivors could come out of the funding, it is important to monitor where possible. DEED has noted that they will be issuing RFPs and to monitor their website/notifications for announcements.

Note: For information about how immigration status may or may not affect accessibility to these and other federal grant programs see: <https://www.nilc.org/faq-eligibility-for-assistance-based-on-immigration-status/>



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CDBG/ESG Contact List

Participating Jurisdiction	Applicable Grant	Name	Email
Balance of State: DHS	ESG	Isaac Wengard	isaac.wengerd@state.mn.us
Balance of State: DEED	CDBG	Michelle Vang	michelle.vang@state.mn.us
Hennepin	ESG/CDBG	Julia Welle Ayers	julia.welleayres@hennepin.us
Minneapolis	ESG/CDBG	Matt Bower	matthew.bower@minneapolismn.gov
St. Paul	ESG/CDBG	Beth Ulrich	beth.ulrich@ci.stpaul.mn.us
St. Louis County	ESG/CDBG	Steve Nelson	nelsonst@stlouiscountymn.gov
Ramsey County	CDBG	Mary Lou Egan	marylou.egan@co.ramsey.mn.us
Duluth	ESG/CDBG	Ben VanTassel	bvantassel@duluthmn.gov
Anoka County	CDBG	Renee Sande	renee.sande@co.anoka.mn.us
Dakota County	ESG/CDBG	Margaret Dykes	mdykes@dakotacda.state.mn.us
Washington County	CDBG	Angela Shuppert	ashuppert@wchra.com
Rochester County	CDBG	Theresa Fogarty	fogarty.theresa@co.olmsted.mn.us
Mankato	CDBG	Patti Ziegler	pziegler@mankatomn.gov
Bloomington	CDBG	Douglas Grout	dgrout@bloomingtonmn.gov
St. Cloud	CDBG	Carra Berry	carla.berry@ci.stcloud.mn.us
Moorhead	CDBG	Tia Braseth	tia.braseth@cityofmoorhead.com
Plymouth	CDBG	James Barnes	jbarnes@plymouthmn.gov
Woodbury	CDBG	Karl Batalden	kbatalden@ci.woodbury.mn.us
Eden Prairie	CDBG	Jeanne Karschnia	jkarschnia@edenprairie.org



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[ORGANIZATION LOGO]

[DATE]

[FUNDING LOCALITY NAME]

[[FUNDING LOCALITY EMAIL]

RE: ESG Cares Act (ESG-CV) Funding Distribution Input

[ORGANIZATION NAME] respectfully submits these comments to the [FUNDING JURISDICTION NAME] to provide recommendations for the allocation of Emergency Solutions Grants (ESG-CV) under Coronavirus Aid, Relief, and Economic Security (CARES) Act.

[ORGANIZATION OVERVIEW; MISSION STATEMENT, HOUSING-RELATED SERVICES]

We commend the [FUNDING JURISDICTION NAME] for working swiftly to convene stakeholders, including domestic violence service providers, as part of the COVID-19 crisis response.

[ORGANIZATION NAME] appreciates the opportunity to highlight the unique housing and safety needs of survivors, which have been dangerously exacerbated by the COVID-19 health emergency. With this letter we submit recommendations relating to the ESG-CV allocation process, which would help support the needs of underserved populations such as domestic violence survivors during the COVID-19 health crisis.

Survivors of domestic violence are one of the most highly affected, yet commonly unrecognized, groups of individuals facing homelessness. In 2018, the Minnesota Interagency Council on Homelessness identified domestic violence as being one of the top five key reasons why Minnesotans experience homelessness.¹ [INSERT DATA AND INFORMATION FROM YOUR ORGANIZATION ABOUT IMPACT OF HOMELESSNESS ON SURVIVORS]

Domestic violence and housing instability for survivors spans all demographics and communities. However, groups who face systemic inequities experience domestic violence at severely disproportionate rates. [INSERT DATA OR INFORMATION ABOUT THE DISPROPORTIONATE IMPACT EXPERIENCED BY THE HISTORICALLY MARGINALIZED COMMUNITIES THAT YOUR ORGANIZATION WORKS WITH]

The COVID-19 health emergency has drastically increased the dangers faced by survivors. [INSERT DATA OR INFORMATION THAT INDICATES NEED FOR SURVIVOR SERVICES AND SUPPORT HAVE INCREASED AS A RESULT OF COVID-19, OR WILL LIKELY INCREASE IN THE NEAR FUTURE.]

At the same time that the need for services and stable housing for survivors is surging, shelters space and affordable housing is more limited and less accessible. [INSERT DATA AND ISSUES WITH SHELTER SPACE THAT YOUR ORGANIZATION IS EXPERIENCING. INSERT DATA OR ISSUES

¹ See Heading Home Together: Minnesota's 2018-2020 Action Plan to Prevent and End Homelessness (2018), https://mn.gov/dhs/assets/minnesota-action-plan-18-20_tcm1053-328234.pdf, citing Wilder Research Center, Homelessness in Minnesota: Findings from the 2015 Homelessness Study (2016), <http://mnhomeless.org/minnesota-homeless-study/reports-and-fact-sheets/2015/2015-homelessness-in-minnesota-11-16.pdf>.



WITH TRANSITIONING SURVIVORS TO STABLE HOUSING OR MAINTAINING STABLE HOUSING FOR SURVIVORS AS A RESULT OF COVID-19.]

The circumstances outlined above highlight the need for ESG-CV funds to be allocated to serve survivors. The ESG-CV funds were created to address the exact types of COVID-related imminent housing needs that survivors are facing, and HUD has specifically indicated that ESG-CV funds should be directed to reach historically underserved and marginalized communities. [INSERT INFORMATION ABOUT HOW DOMESTIC VIOLENCE PROGRAMS, AND YOUR PROGRAM AS AN EXAMPLE, PROVIDE TRAUMA INFORMED AND CULTURALLY SPECIFIC SERVICES. EXPLAIN YOUR WORK WITH SURVIVORS AND COMMUNITIES THAT FACE SYSTEMIC INEQUITIES. EXPLAIN HOW DOMESTIC VIOLENCE PROGRAMS, WITH YOUR ORGANIZATION AS AN EXAMPLE, CAN MOST QUICKLY CONNECT WITH AND PROPERLY ASSIST SURVIVORS IN GENERAL AND THOSE FROM HISTORICALLY MARGINALIZED COMMUNITIES WITH HOMELESS PREVENTION, SHELTER DURING EPIDEMIC, AND TRANSITIONING TO STABLE HOUSING].

It is with these realities in mind that we request that [FUNDING JURISIDCTION NAME] implement the following recommendations in their ESG-CV allocation methodology:

1. Direct a dedicated portion of ESG-CV funding to organizations who provide domestic violence services. If DHS provides funding to an umbrella entity, such as a locality or Continuum of Care (COC) who will in turn be responsible for funding distribution to direct service provider sub-grantees, direct those entities to establish prioritization standards to fund domestic violence service providers.
2. Conduct affirmative outreach to, and set standards to prioritize funding for, organizations who have not been prior ESG grantees, including those in rural communities and those who serve historically marginalized communities. If DHS provides funding to an umbrella entity, such as a locality or Continuum of Care (COC) who will be in turn be responsible for funding distribution to direct service provider sub-grantees, direct those entities to conduct similar outreach and funding prioritization.
3. Reduce application burdens to make the process more accessible to programs; particularly new grantees, smaller agencies, those in rural areas, and those who serve historically marginalized communities.
4. Create policies, and direct other entities who distribute ESG-CV funding to create policies, that accommodate the confidentiality obligations that apply to domestic violence programs under federal statutes, such as the Violence Against Women Act (VAWA), which bar such programs from submitting certain data and participating in the Homeless Management Information System. One approach is processing reporting from domestic service providers through channels such as comparable databases.
5. Include transitional housing as an eligible activity under the ESG-CV funds in accordance with HUD guidance.²

² HUD Exchange FAQ ID 990, available at <https://www.hudexchange.info/faqs/990/can-a-transitional-facility-be-eligible-to-receive-esg-funds/>.



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6. Offer clear guidance that matching requirement is not required, and provide support for applicants to apply for both Emergency Shelter and Homelessness Prevention.
7. [INSERT ANY ADDITIONAL OR REPLACEMENT RECOMMENDATIONS THAT APPLY TO YOUR NEEDS/ORGANIZATION]

[ORGANIZATION NAME] greatly appreciate [FUNDING LOCALITY NAME] consideration, and hopeful adoption, of these measures as part of the ESG-CV allocation process. The dynamics of this crisis have drastically exacerbated the multitude of dangers faced by survivors. The policies and resource distribution outlined above can protect survivors during a time when protection is needed most.

Sincerely,

[Enter Name Here]

[NOTE: For those submitting an input letter to a participating jurisdiction relating exclusively to CDBG funding, a similar template can be used with slight variation. All references to ESG-CV funding would be replaced with reference to CDBG. For recommendations, items number 5 and 6 would be removed. In their place an additional recommendation could be inserted, if desired by your organization. For example, requesting the prioritization of homelessness and public services in CDBG funding allocation, including but not limited to outreach and rental/utility assistance.]