

ESG-CV Updates Webinar

0:00:04.2 Cherita Claitt: Hello and welcome to the webinar. My name is Cherita Claitt, and I'm a TA provider with TDA Consulting. I'll be introducing today's webinar. This session is being recorded and will last 60 minutes including time to answer questions from the chat box. During this webinar, all participants will be muted by default. If you are having trouble with your audio or want to ask a question, please do so in the chat box on the right-hand side of your screen. We will answer as many questions as possible during the Q&A portion of the webinar. After the webinar, please submit any outstanding questions to the HUD AAQ. Presentation slides and recording will be available on the HUD exchange.

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0:01:00.7 CC: Today's presenters are Karen de Blasio, Jennifer Balance, Erin Cox, and Marlisa Grogan with the SNAPS office. We also have Marol Ali and Susan Starrett serving as the HUD technical assistance providers. I will now turn the presentation over to Marlisa.

0:01:21.4 Marlisa Grogan: Hi everybody. Great to be with you today, and I am really happy to announce that we have a new updated ESG-CV notice that we are going to preview for you all today. We actually are in the midst of getting it posted and it's likely to be posted on HUD.gov during the course of this webinar, and as soon as it's available, we will definitely share the link with you so that you can check it out. But we're gonna be going over the notice in detail, and we're gonna start with some grounding in equity. Rolling back to the beginning and what we've learned throughout the pandemic response, we know that this situation has amplified the historical and current discrimination that's been experienced by racial and ethnic minoritized and marginalized groups. And the underlying health and social inequities have resulted in Black, indigenous and people of color being disproportionately impacted by the disease is well known.

0:02:27.1 MG: The people most harmed by COVID ground housing instability and homelessness include historically marginalized communities, especially Black and indigenous people, those who are elderly and those who have health problems, especially respiratory problems. And not only have these health and other risks impacted people, but also the economic impact on our communities including job loss, housing instability and increased risk of homelessness, which are also more likely to impact historically marginalized communities, especially Black and indigenous people. The past public policies that have also created and fostered disparate housing outcomes for minoritized and marginalized groups have also played a large part. So we wanted to start, before even digging into the details of this updated notice, to affirm that ongoing COVID-19 response work targeted to people experiencing and at risk of homelessness needs to be grounded in racial equity.

0:03:40.0 MG: We're calling out President Biden's memorandum on regressing our nation's and the Federal government's history on discriminatory housing practices and policies to the forefront, and we'll include a link to that, which is also the groundwork from which we work. The CARES Act resources, in particular ESG-CV, are intended to prevent, prepare for and respond to Coronavirus. Having said that, the safest place and one of the most impactful ways to use this funding is to house people.

0:04:16.5 MG: COVID-19 has amplified the historic and current racial biases and discrimination embedded in our systems, processes and practices, which makes the president's memorandum all the more important in remembering as we carry out ESG-CV work. So this truly is an opportunity

to address the disparate impact that COVID has had on marginalized populations, and it's also a way, as an opportunity to celebrate what the communities have been doing in response to the pandemic, leveraging these funds to ensure equitable housing outcomes, many examples of which can be linked to in the PowerPoint slides and also on HUD.gov. So we wanna make sure that you all are aware as ESG recipients and sub-recipients, that HUD is committed to working with CoCs and ESG recipients, and supporting communities, supporting you all advancing these efforts, being more equitable and to close racial disparities. So we've also linked the racial equity page on the HUD exchange, and we invite you to go there to learn more about our racial equity work.

0:05:38.1 MG: The session goals for today are very narrow, as is the notice, ESG CPD 22-06, which hones in on changes to ESG-CV spending deadlines, the recapture and reallocation process, and it also includes a new waiver on housing stability case management limits. There are a few other waivers involved with the spending, recapture and reallocation obligation, which I will go over, and then we should have time for Q&A, as well as Q&A that you are invited to participate in in the chat. We've got a number of awesome SNAPS staff and TA providers helping us answer questions. Anything that we can't answer either through the chat or live, we will definitely work on answering through any AAQ that you submit after the webinar.

0:06:33.7 MG: So another... Some more grounding, unless the notice expressly states, it does not change any other currently applicable ESG-CV requirements or waivers. That means that notice CPD 21-05, which involves rapid re-housing funding when you switch from other funding to ESG-CV funded rapid re-housing, that's 21-05, CPD 21-08, which we typically refer to as the ESG-CV notice, that is still applicable and in effect. And CPD 22-06, the one that we're talking about today, is what will change certain aspects of CPD 21-08, and that's expressly where the the differences lie.

0:07:22.9 MG: Otherwise, CPD 21-08 is your go-to for ESG-CV requirements. Recipients that have received individual waivers or exceptions, you can continue to apply those and also use any further flexibility provided in this latest notice. So you have an individually approved waiver, you can use that, and if this notice provides you additional flexibility, you can use these notice waiver flexibilities as well. The waivers on alternative requirements apply to all ESG-CV funds no matter when HUD reviewed the substantial amendment and action plan. So these are in effect for all ESG-CV funds. I apologize for my dog. It's turning out to be a busy time in the neighborhood.

0:08:18.6 MG: So I'm gonna quickly go through the summary of notice contents before jumping into the specifics of each one. There's a housing stability case management waiver. We're replacing the progressive expenditure deadline of March 2022 with a June 16th, 2022 deadline to draw 50% of grant awards. We've extended the September 30th, 2022 overall expenditure deadline in three different ways based on the funding type. So we will get into more detail about that in just a bit. And we've also waived reallocation requirements to be able to follow the reallocation processes established in the notice. We've also waived obligation deadlines for state from 60 days to 180 days for that first tier sub award, and in all of the respects will keep to ESG obligation requirements at 576.203 in the ESG regs. We've also established the process for recapture and reallocating funds, so that will hopefully provide some direction and instruction for recipients on how to handle those two situations.

0:09:36.8 MG: We're also confirming that the ESG-CV flexibility is applied to annual ESG will expire on September 30th, 2022. So that only applies to annual ESG funds designated for COVID response, and we'll provide details on that and then go over a brief description of the reallocation

formula, which is included as an appendix to the notice. So starting with the waiver of limits on housing stability case management, you will remember that the ESG-CV notice 21-08 already waived services under the regs associated with or which can be carried out through rapid re-housing and homelessness prevention.

0:10:25.3 MG: That waiver was waived through a part of the regs that accept housing stability case management. So in effect, we ended up waiving the cap, the 24-month cap on housing search and placements, and we waived the part of the regs for housing stability case management that pertains only to the cap of 30 days while a program should send a seeking housing, we extended that to 60 days. What we didn't do was waive the 24-month cap on housing stability case management while a program participant is in permanent housing. So what we intended to do was waive the services cap across the board, and I believe a number of you have assumed that if you were using that waiver, that is what you were permitted to do already. However, we identified this glitch and we've covered everybody with this waiver, it's completely retroactive.

0:11:34.3 MG: So no worries, if you have used this waiver for housing stability case management, if you're serving clients beyond that 24 months for those who are already in housing, you're covered by this waiver. This waiver's also available for any annual ESG funds designated for COVID response, so for those 2020 and earlier grant funds that have been designated for COVID response, this waiver is also applicable. However, it does expire with the rest of the waiver flexibilities for annual ESG funds on September 30th, 2022. The waiver for case management itself of the monthly requirement is still in place, this does not impact that waiver at all. So if you do have clients that do not want to participate in any sort of supportive services including case management, that has to be honored and under ESG-CV, we still do have that prohibition on prerequisite activities, which does state that any services cannot be the pre-condition for providing ESG assistance, so that is still very much the case.

0:13:03.8 MG: One thing we did want to make sure that we reminded everyone about is how important it is for housing stability case management to be person-centered, grounded in cultural humility, acknowledging and being responsive to racial trauma, and how important it is for to have case managers on staff who have social identities, reflective of those who are most impacted. In other words, those who have lived experiences of homelessness, and in particular those who belong to historically minoritized and marginalized groups.

0:13:47.5 MG: Getting back to the changes, to the expenditure deadlines, we have a new requirement that all ESG-CV funds must be expended by September 30th, 2023. So that's a one-year extension from September 30th, 2022, now to one year later, 2023. Admin funds and HMIS funds that are necessary for close out, those can be extended through December 31st, 2023, so they're available for a longer period of time, for purposes of close-out step. And those recipients that receive any funds through reallocation, they have until June 30th, 2024 to spend those re-allocated funds. So I will leave that slide up there for just a moment, 'cause I know this is a lot of new news. Okay, so the progressive spending deadlines, it had been March 31st, 2022, and HUD sent out notification to all ESG recipients, that HUD was electing not to recapture any funds for those recipients that did not meet the 80% expenditure amount. In that message we also alerted recipients that HUD may implement a different productive expenditure deadline and we were also considering extending the overall expenditure deadlines. So the determination's been made that we will replace that March 31st, 2022 deadline, with a June 16th, 2022 deadline to draw down 50% of funds.

0:15:44.8 MG: So one key difference here is that we are measuring compliance, not with expenditures, not with costs incurred, but actual draws in IDIS. To calculate this, whether or not recipients have met this 50% target or not, we're going to take the total awards that includes round one and round two ESG-CV, we're gonna subtract any recapture funds. So if you are a recipient from whom HUD has recaptured funds, we will reduce that total award amount by the amount that we've recaptured, and we will calculate 50% of that amount for your target draw on June 16th, 2022. And we will look in IDIS, we will take a snapshot on June 16th of those who have met the draw, the job requirement and those who have not. There was a window for establishing the notice for recipients to contact HUD with any extenuating circumstances if IDIS happens to be down on the 16th, if you happen to have submitted a draw and it got rejected, if you are able to contend with any sort of good cause that you did meet the 50% deadline but for some reason was not reflected in IDIS, we'll give you a window to be able to contact us and let us know about that. But otherwise, we will be solely relying on IDIS draws.

0:17:28.1 MG: And another note about the recapture provisions from September 30th, 2021 that we clarified in the notice, the requirements for the 20% expenditure deadline still stand as they were implemented in through 21-08. If you have not already received a notice that your funds would be recaptured, then you are not having funds recaptured. In other words, all recipients who will have funds recaptured have been notified, and we have posted instructions on HUD Exchange, and we'll put a link in the chat to this IDIS fact sheet that explains what to do if you are having funds recaptured, the specific steps to take in IDIS, as well as for those recipients that will be receiving additional funds through reallocation. The steps are very similar, and those are also included in the fact sheet that you can access on the HUD Exchange. So taking steps in IDIS is number one, if you were having funds recaptured, also making sure that you amend your action plan. Going back to the plan that you initially amended for your round one and round two ESG-CV allocations and then describing how you're going to use the balance of your funds.

0:19:00.0 MG: So accounting for any different budgeting decisions that you need to make as a consequence of the grant reduction. And an important reminder that the consultation and citizen participation requirements, still do not apply in that, we waive them in the ESG-CV notice and that waiver is still in effect. So you do not need to go through any public comment period, or citizen participation, plan requirements, you simply need to post any changes on your government website.

0:19:39.3 MG: We're anticipating a number of you may have questions about how the admin cap will be calculated, in the event that you have funds recaptured, and that 10% is going to be calculated off of the original grant amount. So even if you do have funds recaptured, we're still going to calculate the 10% cap off of what you were originally awarded before any recapture. So there may be certain situations where a recipient will have funds recaptured but have exhausted the 10% cap, if that's the case, you would not need to repay any funds, we're going to go off of 10% of the original grant amount. So we are gonna be doing the recapture and reallocation in phases. So we're going to do two recapture processes, one, based off of the September 2021 recapture, and then one off of the June 16th, 2022 deadline. For recipients who were receiving reallocated funds, you are just going to receive one reallocation which will consist of funds from both that September 2021 and June 16th, 2022 recapture.

0:21:04.1 MG: So two separate recaptures that will take place and one reallocation of funds. We're going to provide additional technical assistance to take you through the steps, what you need to do

in IDIS and through action plan amendments or any other concerns that you may have at first. Half the issues are additional PA that you may want to request, so that's all going to be available to you in the future, the closer we get to the recaptures being processed and the reallocation being issued. So HUD is going to be recapturing the ESG funds and reallocating them by formula to ESG recipients, and in order to receive funds, recipients must have met both progressive expenditure deadlines. So we're gonna be looking at the September 2021 and the June 2022, and there's also a minimum threshold amount of \$100,000. So in the event that we run the formula, which I will go over in more detail in just a little bit, if the amount is below \$100,000 then that allocation would be re-run in the formula, so that no recipient receives less than \$100,000, and we're trying to balance both the administrative burden of receiving additional funds with the ability for recipients to spend the reallocated amount within the June 2024 timeframe.

0:22:47.9 MG: You can read the formula description in detail in appendix one. The other sort of nice to know is why we're waiving the current ESG program requirements for reallocation in 22-06, it's more of a technical reason than anything else. The current ESG regs require that HUD look at any recaptured funds in April and October of every fiscal year, and if that amount of recaptured funds is under 30% of the total fiscal year allocation for that year, then we handle it by reallocating those funds with the next year's grant. If the recaptured amount is over 30% of the total fiscal year appropriation for that year, then we would amend grant agreements and distribute those funds that fiscal year. To give us the most flexibility in the timing of when we reallocate these recaptured funds, and also to change the formula, we're gonna be using a different formula than what we typically use to allocate ESG funds. We waived those requirements in the regs to be able to do that, otherwise reallocated amounts are subject to the same requirements and waivers that apply to other ESG-CV funds. So you would treat those as the rest of your ESG-CV dollars and follow the requirements in 22-06 and 21-08.

0:24:37.3 MG: So I noted already that we're going to recapture both from the September... As a consequence of non-compliance with the September and the June deadlines, and then apply the formula in appendix one. The process we're gonna follow to notify recipients is by emailing recipients, authorized officials of the reallocation amounts, and we're also going to post those amounts on HUD.gov. So recipients should receive a personal email from your CARES Act desk officer, and you'll also be notified through the posting on HUD.gov. Then we're giving recipients seven days to confirm in writing that you do want to receive and will use the additional funds by emailing your CARES Act desk officer, your local head field office and the ESG-CV mailbox. And in the event that there are any recipients that decline the funding, we will re-run the formula taking into account any of those remaining funds, and once we have reconciled those amounts, we will immediately obligate the grant. We will immediately obligate those reallocated funds through grant agreement amendment.

0:26:02.3 MG: The obligation requirements are, now we are now going to follow the ESG regs for that at 576.203 with the exception of states. States have 180 days from the date of HUD signature on the ESG-CV grant agreement for the reallocated funds for them to either obligate the reallocated funds for activities they're going to carry out directly and to obligate those reallocated funds to sub-recipients. And then, for those sub-recipients that are units of general-purpose local government, local governments have the additional 120 days to sub-award to their subs. So that's the one exception to the obligation requirements for reallocated funds.

0:27:01.7 MG: This information is also included in the notice, and we refer to a lot of it in the IDIS

factsheet I mentioned before, whether the funds are recaptured or reallocated the steps that you need to take in IDIS and through your action plan amendment are very similar. You need to post the amendment on your government website. And the point that I'm making in the second bullet is that this is not really a substantial amendment, because we're not treating it as a substantial amendment. I think the one clarifying point to make is that you're not required to follow your citizen participation plan, which would include providing a 30-day public comment period, holding a public hearing, all of those requirements that are required to be part of the citizen participation plan are waived. So you are essentially treating these changes to your plan as an amendment. And if you're following... You just need to make sure that you're following 24 CFR 91.505 C, which is the submission requirements for a plan amendment. You don't need to submit new certifications. And you do need to make sure that you are making these action plan amendments prior to drawing down reallocated funds.

0:28:33.0 MG: And then the changes in IDIS are updates to the activity descriptions, whether you're adding funds or reducing them as well as the activity funding, which also must be done before drawing down funds. So I'm gonna go over quickly the formula description, and then we can go to Q&A. So this is a two-step calculation. The first centers around geographic distribution of the reallocated funds, and the second is a national formula that gives weight to recipients that have spent the most on rapid rehousing, and overall draws, or their ESG-CV grants. So the geographic roll up and roll down is intended to keep to the extent possible funds within the same geography as the recipient whose funds we've recaptured. So you have all of the different scenarios here in front of you. If HUD recaptures from a metro city, our first intent is to reallocate funds to an eligible urban county, and if not the urban county, then to the state for recaptured funds from an urban county will first try to reallocate funds to a metro city or metro cities within that county. And then if not that, then to the state and then for any recaptured funds from a state, reallocating those funds to urban counties and metro cities within the state.

0:30:08.3 MG: If there are multiple entities within the same county, so multiple metro cities within the same county or the state, we are going to divvy up those funds in direct proportion to the relative share amounts of ESG-CV1 and CV2. So keep with the proportionality of the funds that you've received in designating how much each eligible entity will receive within the same geographic area. And if there are no entities within the same county or state that are eligible for reallocated funds, then those amounts will be allocated as part of the national formula which is step two. So step two is pretty straightforward. We are going to take a look at each eligible recipient's share of how much of their ESG funding they've drawn down for rapid rehousing as of June 16, 2022. And then, the second part is a weight given to how much the ESG recipient... Eligible ESG recipient has drawn among all of their eligible component type as of June 16, 2022. So, those draw amounts are measured against all other eligible recipients. Eligible recipients being those recipients that met both the September 21 and June 16, 2022 deadlines.

0:31:47.8 MG: We're gonna be repeating this national formula to redistribute any amounts that exceed the maximum. So as soon as the recipient hits the maximum amount, which is 50% of their total ESG grant award, then that excess amount is going to be redistributed within the national formula. And then once that is all said and done, then we're gonna take a look at the minimum threshold of \$100,000. And for any award, any reallocated amount that is under \$100,000, it gets kicked back up to the national pool, the national pot, and then we're going to run the formula again with all of those, the grant amounts that are under \$100,000.

0:32:37.0 MG: So you can see very clearly, and I also strongly encourage you all to really read the notice, especially the justification sections, because we very deliberately pointed out the importance of rapid rehousing is part of recipients' COVID response, and we've identified recipients' need for additional funding based on how much they've already drawn for rapid rehousing. So we know that people are safest when they're in their own homes, completely acknowledging how important it is for ESG-CV funds to be used in the short term for non-congregate shelter, and also to take protective measures within congregate shelter settings. But the part of ESG-CV that takes longer, that is often more challenging to execute in the short term, is rapid rehousing, so we are both extending the amount of time that recipients have access to these ESG-CV funds for that purpose, and we're also trying to channel a lot of the reallocated funds for those recipients that are housing our program participants.

0:34:00.4 MG: So that's very intentional. And we also point out in the justification section how disparately impacted people experiencing homelessness are impacted, what a greater risk they are for negative health outcomes due to COVID, and why it's so important to get them out of these high-risk situations such as unsheltered locations, congregate shelter locations, and how rapid rehousing can accomplish that. So with that, I'm gonna quickly flag that we have additional resources coming associated with this new notice. We're making updates to the ESG-CV notice summary, which is currently available on the HUD Exchange, not yet updated, as well as the ESG-CV waiver matrix update, which is a really handy way of pinpointing which waivers are still in effect and whether they are applicable to ESG-CV or annual funds, either dedicated or not dedicated to COVID response. And we are gonna be updating that to include notice CPD 22-06, and we are also working on a red line version of ESG-CV CPD 21-08. So it's going to be the ESG-CV notice with markers of exactly where this new notice makes changes to the ESG-CV notice that's still in effect. So I'm gonna turn it over to Karen to take us through some questions, if we have any that have not already been answered.

0:35:45.3 Karen De Blasio: Oh, we have a lot. Let me turn on the camera. Okay. Hi, everybody. I'm Karen de Blasio. I'm from the SNAPS office. Thank you, Marlisa. That was a lot of information. We know that you all have a lot of questions, so we'll do our best to answer as many as we can. If we need to get back to you guys or provide further guidance after this webinar, we will do that as well. The first, Marlisa, I think the first set of questions... Oh, sorry, Susan. Susan, just let me know it's hard to hear me. I'm on my HUD cell and it is not a great cellphone, sorry. Hopefully, this is better. So we have a lot of questions about the September 2021 reallocation. So first, I saw a couple of questions saying, "If we haven't been notified, does that mean we're not getting, having funds recaptured? Would we already know?" Yes. If you have not received a letter, letters went out to folks who were on the list to have funds recaptured back in December. We asked for spend plans or for them to provide documentation that they did in fact meet the deadline, the September 2021 expenditure deadline. Those all came in. We reviewed those in the spring, and we then sent letters out, letting folks know the exact amount that would be recaptured.

0:37:22.0 KB: So if you or your authorized official has not received a letter, that means you did not have funds recaptured. We are still in the process, as Marlisa said, as actually recapturing those funds, so no money has been taken from your account yet, that has not happened yet. And as Marlisa explained the process, we'll be recapturing and then reallocating later this summer. Let me go back to the document and see what other questions there were. Appeals process, we did have a handful of people who appealed our decision to recapture. We are in receipt of all of those letters and emails, and we are working with our program council to determine what the appeals process

needs to look like, if any. So we did receive your letters. You probably emailed them to your ESG-CV desk officer. They should have gotten back to you to acknowledge receipt. Just know that we are working with legal to determine exactly how to proceed, and if there will be a formal appeals process. I'm looking to see if there are any other questions about the September 2021. I think I might have covered them all. Anything you wanna add to that, Marlisa? You probably haven't had a chance to look at the questions.

0:39:00.6 MG: No, I think that you covered that, Karen.

0:39:03.5 KB: Okay. Okay, okay, so somebody... Marlisa, you might be better to talk about this one. Folks are asking also about the June 2022 reallocation and recapture process, and they wanted to see and I don't know if you can flip back to that slide, where, if you can talk through the timeline again, for the June 2022 reallocation. I will say well, Marlisa, if I... Let me go back to the screen if you're flipping slides. I will say that the reallocation for as we described in the formula, somebody was asking can the funds go to states or cities and municipalities? It's basically the funds can go to whoever is eligible to receive funds, and we have a formula that's rolling up... That rolled up the funds or in some cases rolled down the funds depending on the status of the recipients in your community.

0:40:06.2 MG: Right. And so to get to the timeline, we are in the midst of reviewing and prepping for the recapture of the September 2021 funds, and then as of June 16th, 2022 we will identify as of that date which recipients met and did not meet the 50% draw requirement. The process for recapturing based on the June deadline is likely to be a lot quicker because we are not doing the same process of funding plans and back and forth it's a much more straightforward process to identify whether or not the draw requirements have been met because we can just see that very simply in IDIS and are not as opposed to expenditures which are incurred cost and cannot be captured in IDIS. So, we also have to take steps on our own side to process both recaptures, but we anticipate that it should take about two months potentially. Our own internal deadline for obligating funds is September 30th, 2022, the CARES Act states that HUD has to obligate all ESG-CV funds by September 30th, 2022 otherwise, those funds can no longer be used for ESG-CV. So the reallocations... We're trying to get those reallocations out way in advance of that September 30th deadline.

0:41:52.7 KB: Thanks Marlisa. So I think, again, I had a chance to go through, I think that I answered. One person asked if we posted where funds were being recaptured from and we have not. I don't know that we actually plan on posting a list of who had money recaptured, so that's... You're not gonna find that anywhere online at this point. You can... I think this was... Somebody asked this question, I answered it in the chat but then I think Marlisa got into more detail on her slide, there is a process if you are selected to receive re-allocated funds, there is a process we want you to let us know if you want them, there is a process to opt out and not receive those funds. So, I think Marlisa went into a little bit more detail. So I think we've covered everything on the reallocation and the recapture. One thing I did see that I did answer in the chat but I just wanna make sure that everybody is aware, that Sage quarterly reporting, this changes nothing for Sage, you still have to report quarterly, the dates remain the same, even though we changed that March 80% to June, 50% draw, that does not change anything with respect to what you're required to do in Sage and your quarterly reports in Sage, so that does stay the same.

0:43:20.6 KB: There were a couple of questions about waivers, we know that the regular ESG,

CoC and YHDT, you all know some waivers expired at the end of last month. One of the ones that folks were not happy that expired was the FMR waiver, then that's still in-place for ESG-CV funds but for regular ESG, CoC, YHDT, the FMR waiver did expire so what we're telling folks is we did have a process in place before the pandemic, that you could request a flexibility through requesting a waiver. So you would just talk to your field office, and if you've never done that before, they'll let you know, it's a little bit more of an involved process compared to what it was for COVID, when we had folks just tell us they wanted to use the waiver and wait two days, there's more to it than that but you have to work with your field office to document why you're requesting that waiver and then your field office reviews it, and then the field office sends it on to headquarters, and asking us to review the waiver.

0:44:25.5 MG: I saw one other question related to waivers and how they apply to annual funds. So the March waiver for ESG-CV funds does also apply to annual ESG funds, as does, so if just talking about annual funds that are 2020 and older, you treat those waivers... You treat the ESG-CV waivers, all of the ESG-CV waivers as applicable to annual ESG funds that are designated for COVID response. So the annual ESG funds designated for COVID response has to be from fiscal year 2020 and older and they have to meet section four of the ESG-CV notice. If they meet all of those conditions then all of the ESG-CV waivers apply. So that would be March, that would be FMR, that would be the case management waiver which is still in place, all of those apply to annual ESG-CV designated for COVID response. And then. As Karen mentioned, the 2021 and newer grants, those waivers... There are no FMR waivers and the ESG-CV waivers do not apply to those funds.

0:45:48.7 KB: Marlisa, there was a request that you go back to the slide that shows the dates. I don't know the slide number. I'm sorry. You probably do though. And somebody was asking how much money in total was recaptured? 16 million in total was recaptured. I can't remember what the percentage of the total national allocation but it's 16 million.

0:46:18.1 MG: Right. I think this is the slide that you're looking for, for the new expenditure and... The new expenditure and draw deadlines. Or actually these are all expenditure deadlines.

[pause]

0:46:42.5 MG: And then I just wanted to flag the waiver matrix documents. Again, if somebody could post that in the chat. I know that it's confusing, and we do get questions a lot of the time about which waivers are still in play. And now especially that we had the mega waiver that included waivers also for... This was the waiver that... The mega waiver that was released in December of 2021 that included the FMR waiver for 2021 ESG Funds, and also YHDT and CoC, and HOPWA Funding. Now that there are different waivers in the mix for different parts of ESG money, I know that it can get confusing. So if you do need a guide to help parse through what's still in effect and what's not, the ESG waiver matrix is a good resource to go to. And that's the one that we're gonna be updating with these new requirements. So that it's all in one place.

0:47:50.8 KB: There was a question. There was a question, I think that was asked at some point in the chat. Do states have to go by the new expenditure guidelines? Can we recapture funds that did not meet the original guidelines and reallocate them to agencies that are spending? Our grant agreements end June 7th and September 30th? So I think, and if I'm wrong, please write in the chat and tell me that I'm interpreting the... Misinterpreting the question. But I think what you're asking, it

sounds like your state, you might be a sub that's asking this is or maybe you're with a the state, but it sounds like your recipient, your state, they may be determine some additional state-level guidelines, or sorry, spending parameters that they were put into... That they put into effect with their sub-recipients, which states can do, as far as them, do they have to go by the new expenditure deadlines? I mean, as far as that's concerned, they can't go past, if they want to tell if they internally at a state-level wanna tell folks, "Look, we know HUD says you have to have draw X percent by such a day, but we would like for you to... We might wanna reallocate within our state."

0:49:06.0 KB: They have a right to do that if they have the discretion to do that. So, yes, they have to follow our expenditure deadlines guidelines as far as they can't go past they can't as a state make a decision and say, "Well, we're not gonna look at 50% on June 16th, we're gonna look at 40% on June 16th." They can't do that. But if they have their own state parameters that they have set forth so that they can manage and shift the money around where is needed, they can do that. I hope that answered the question. I'm not sure. I'm looking to see if I missed anything in the Google Doc. I think we hit on those. Susan or Nora, if you guys... Or Aaron or Jennifer, if anybody if I've missed questions. We have 10 minutes left. So I wanna make sure we have time to answer most of questions that we asked.

0:50:06.2 MG: I found a couple of additional ones. One question was about applying for a time extension for ESG-CV capital funds. And similar to the answer to this question in the past, we're not currently entertaining any extensions for the ESG-CV funds, whether for capital funds or for other activity types so, while we will always say a recipient has the discretion to apply for any waiver that they want to, we're not looking to approve any extensions to any of the draw or expenditure deadlines at this point, especially since we used this notice to extend the existing ones.

0:50:58.3 MG: And then another question about the justification section that I was referring to. Thanks for that question. So, for every waiver that we issue in a notice or a mega waiver, we have to provide a justification for issuing that waiver, a good cause justification for why it's necessary for HUD to waive certain reg requirements or statutes. And I was pointing out that while this webinar focuses mostly on the actual waivers themselves, the justifications are equally important and go into detail about why we... Sort of like the good cause and the reasons behind the waivers that we issued and the changes that we made to existing requirements. And you'll see that we extended the obligation period for states very much because we expect that states are not just going to carry out the same activities or just put more funding into existing activities, or funding activities that gets spent the quickest. We intended to build in a lot of extra time intentionally to give recipients the ability to reevaluate their current spending decisions and make the most impactful and strategic decisions with the ESG funds that they have. So that is very much a reason for the additional obligation period for states and why we're also extending the overall expenditure deadlines for both regular ESG-CV funds and the reallocated funds.

0:52:44.5 KB: And Marlisa there's a question about hazard pay and can they continue to use their ESG CARES allocation for hazard pay if the state is no longer in a state of emergency due to COVID?

0:53:01.4 MG: Yes, there are no waivers that are currently in place and contingent on an emergency order being in place. So all of the waivers and all of the activities that are currently available under the ESG-CV notice are still available and can also be paid for with reallocated funds when that time comes. So while you may not be able to say, and you're preventing preparing for and

responding to tie back or justification, that you have a state or a local emergency order in place. You still have staff that are at increased risk for COVID-19 infection. And so there still is that direct tie to COVID and preparing, preventing, responding to Coronavirus, so you would just... You would still be able to tie back your funding of hazard pay to that reason, even if there's not an emergency order in place.

0:54:14.6 KB: And there are a couple of questions. Susan has been one of our great TA providers as I'm posting links for you guys, the waiver matrix, several people asked for that. She's posted about a couple of times in the chat. So if you scroll through, you should see a link to the waiver matrix. The notice just posted literally as we were starting this call today. So there's been links for the notice, the updated notice. What else was there? Somebody else asked for... Oh somebody did just ask a question about reallocated funds and tracking them. The deadline is the deadline for all the funds. We don't expect you to... We're not holding your original CD1, CD2 allocation to the September 2022 deadline. And then if you get re-allocated money giving you extra time to spend that re-allocated money. That's too messy. We wouldn't do that to you. All of the funds are... The deadline's the deadline. So, we don't expect you to track that money separately. So I think that answers Amy's question. Let me see if there's anything else.

0:55:23.1 Speaker 4: There is a question about the reallocation, if the admin amount changes then you can use more admin based on reallocation?

0:55:39.1 MG: The admin cap is still 10% of the overall award, so if a recipient does receive additional funds, we would calculate the 10% cap on the adjusted grant amount. So it would be the 10% of the total ESG-CV1, CV2 reallocated funds. That total amount, 10% of that.

0:56:08.1 S4: Great thanks.

0:56:14.3 MG: There was another question about whether recipients can still use funds for acquisition of a temporary emergency shelter. And yes, all of the eligible activities, even if they're the new additional eligible activities under ESG-CV, under the ESG-CV notice that is still available, they're all still available. Nothing, none of that has been taken away. So unless you see something specific in notice 22-06 that changes the ESG-CV notice, everything else is still as it was in place. And the red line version of the ESG-CV notice 21-08, could help with that. Because you'll see exactly where that notice is impacted by this new notice.

0:57:14.8 KB: There is a question, and I'm gonna tie it to the last one I was asked as well, about why does the 50% need to be spent in June if the grant period is extended another year and there is a year and a half remaining. And I think it might just be helpful for folks to understand the whole obligation process and why it takes time to get everything under a new grant agreement. And then that goes to June 15th is the date. Does that mean that they have to have a draw that matches 50% in on June 15th, June 15th yeah just clean that detail a little bit more.

0:57:51.7 MG: Yeah that's a really good point. So we pushed out the draw deadline as far as we possibly could to give us enough time administratively, to get the funds reallocated again, because we do have that hard stuff on September 30th, 2022 to get all reallocated funds obligated without losing them all together. So with all of the steps that need to be taken including actually recapturing the funds, running the formula, re-allocating them, and then also giving recipients enough time to spend the funds through June 2024. We determined that June 16th, 2022 is the absolute latest that

we could go. So 50%, we recognize that that is a tough standard to meet, but it is also really important that recipients take time to get those draws in, those draw request in ahead of time so that they are reflected by June 16th. So to make a draw on June 16th knowing that it takes 24 hours for it to process, that's not necessarily gonna be a good cause we want to see that the draw is actually in the system reflected in IDIS on June 16th. And we will continue to do outreach and make sure that you all are aware and reminded of that deadline coming up, so more TA to come on that.

0:59:40.9 KB: Thanks Marlisa and I wanna... We're at time, but I wanna take a minute because I misstated something or I think I was probably not talking clearly, and I want everybody to pay attention to the slide that is up here about the whole... All of the deadlines and whether or not you need to track your allocation separately. Honestly this has changed so much, I couldn't remember if we had the June 2024 deadline in the notes or not, but just to make sure that you all understand these three bullets that are here, 'cause there will be some additional time given, if you do receive additional funds. That's that June 30th, 2024 deadline. So I'm sorry if I was confusing to folks, but if you have any questions, you can always ask your desk officer or write into the help desk and we can help clarify anything too.

1:00:33.3 MG: Alright everybody, thank you so much for joining, submit any questions that you didn't get answered to the AAQ and we will turn those around and we will also be in touch with the additional team materials that we mentioned, and additional technical assistance. So thank you so much for joining at last minute's notice and happy reading.

1:00:55.0 KB: Thanks everyone. Bye-bye.