**STATE OF ALABAMA**

**PY2020 ACTION PLAN FOR CARES ACT**

**ESG-CV GRANT PROGRAM FUNDS**

**History**

The Emergency Shelter Grant Program was first enacted under Title V of the U.S. Department of Housing and Urban Development’s (HUD) appropriation act for the fiscal year 1987, and was fully established by the Stewart B. McKinney Homeless Assistance Act in 1988. The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009 amended the McKinney-Vento Homeless Assistance Act. The HEARTH Act included major revisions to the Emergency Shelter Grant Program, essentially changing it to the Emergency Solutions Grants (ESG) Program. This is a program that may provide assistance to all areas of the state. ESG funds are used to upgrade existing homeless facilities and domestic abuse shelters; to help meet the operating costs of such facilities; to provide essential services to both sheltered and unsheltered homeless persons; to help prevent homelessness; to re-house homeless persons; and to assist in the costs of administering Homeless Management Information System activities.

The Coronavirus Aid, Relief, and Economic Securities (CARES) Act, Public Law 116-136, was signed into law on March 27, 2020. The CARES Act provides financial assistance to families and businesses affected by the COVID-19 (coronavirus) pandemic. The CARES Act authorizes a supplemental allocation of ESG funds referred to as ESG-CV funds. ESG-CV funds are to be used to prevent, prepare for, and respond to the COVID-19 pandemic among persons or families who are homeless or receiving homeless assistance. ESG-CV funds will also support additional homelessness prevention and homeless assistance activities to mitigate the impacts of the coronavirus.

**Distribution of Funds**

The ESG-CV Program is administered by the Alabama Department of Economic and Community Affairs (ADECA) and will be utilized to provide assistance to homeless persons including victims of domestic abuse as defined under the Stewart B. McKinney Homeless Assistance Act, as amended, and the Waivers and Alternative Requirements for the Emergency Solutions Grants Program Under the CARES Act. The State will receive $9,376,200 in Round 1 and $13,860,804 in Round 2 of ESG-CV funding, for a total award amount of $23,237,004. The State will determine the distribution of these funds via a one-time statewide competition. The State will allocate funds based on the quality of applications received. No portion of these funds will be set aside for specific purposes.

The stated allocation amounts are the amounts that ADECA anticipates receiving from HUD under Rounds 1 and 2 of the CARES Act funding. However, these amounts are subject to change, as and when determined by HUD. If lesser amounts are received, ADECA will update this ESG-CV Action Plan to reflect the actual fiscal year allocation.

**Thresholds**

No applications will be accepted under any of the following circumstances:

* The applicant owes the state or federal government money and no repayment arrangement is in place.
* Disallowed costs have resulted from an ADECA review or audit and no resolution is finalized.
* The private nonprofit organization (acting as the applicant or the second-tier subrecipient) does not meet the following criteria:
  + is a secular or religious organization described in section 501 (c) of the Internal Revenue Code of 1986;
  + is exempt from taxation under subtitle A of the Code;
  + has an accounting system and a voluntary board; and
  + practices nondiscrimination in the provision of assistance.

**Grant Ceilings**

In order to address needs throughout the State, the ESG-CV Program will use a grant ceiling of $1,000,000. However, the State will permit applicants to present needs exceeding $1,000,000 should funds be available to consider those eligible activities. Demonstrated need, prior performance, capacity, and other factors may be used to determine the actual award amount. An applicant may not be listed as a second-tier subrecipient in another application. However, a second-tier subrecipient may be listed as a second-tier subrecipient in more than one application. In the event that all funds are not awarded through the one-time competitive application process, the State may negotiate with applicants to utilize the supplemental funds. Initiation of negotiations will be done by the State based on (1) demonstrated need; (2) prior performance; and (3) other available resources. Grant ceilings may be waived in efforts to utilize all funds. ADECA will monitor the COVID-19 related needs and may revise its budgets or adjust its priorities as needed.

**Recaptured Funds**

Recaptured funds consist of any funds returned to the State during the ESG-CV Program year, except Program Income as defined by applicable regulations. Should the State not receive a sufficient number of eligible requests to account for the full allocable amount, any remaining balance will be treated as recaptured funds. The ADECA Director, at his or her discretion, will use an appropriate amount of recaptured funds to assist eligible and fundable projects. Grant ceilings may be waived in efforts to award all recaptured funds. The State may negotiate with subrecipients to reallocate all recaptured funds.

Factors to be considered when reallocating funds include: (1) estimated number of program participants to be served; (2) impact on the community if the persons are not served; (3) other extenuating or unusual circumstances which may have necessitated the additional funding, (4) prior performance of the subrecipients’ grant administration, and (5) the subrecipients’ demonstrated ability to expend funds in a timely manner.

**Eligible Activities**

ESG-CV Program funds may be used for the following activities allowed under the CARES Act:

**Street Outreach:** Assistance provided must serve unsheltered homeless persons who are neither willing nor able to access housing, emergency shelter, or an appropriate health facility. Eligible costs include providing essential services; connecting persons with housing, critical services, or emergency shelters; hazard pay; volunteer incentives; handwashing stations and portable bathrooms; and urgent, nonfacility-based care.

**Emergency Shelter:** Eligible costs include providing essential services to homeless individuals or families in emergency shelters; operating costs for emergency shelters; hazard pay; volunteer incentives; and costs associated with renovating buildings to be used as emergency shelter for homeless individuals and families.

**Temporary Shelter:** Funds may be used for costs associated with paying for temporary emergency shelters for persons experiencing homelessness to prevent, prepare for, and respond to the coronavirus. Eligible costs include essential services; operations; leasing existing real property or temporary structures; acquisition of real property; and other costs pre-approved by HUD.

**Training:** Funds may be used for training on infectious disease prevention and mitigation for staff working directly to prevent, prepare for, and respond to the coronavirus among those who are homeless or at risk of homelessness.

**Homelessness Prevention:** Assistance may be provided to individuals and

families who meet HUD’s definition of at risk of homelessness. Individuals and families must have an annual income below 50% of the area median income. Eligible costs include rental assistance; housing relocation and stabilization services; hazard pay; landlord incentives; and volunteer incentives.

**Rapid Re-Housing:** Assistance may be provided to individuals and families who meet HUD’s definition of being literally homeless. Eligible costs include rental assistance; housing relocation and stabilization services; hazard pay; landlord incentives; and volunteer incentives.

**Homeless Management Information System (HMIS):** HMIS is a reporting system used to collect client-level data on the provision of housing and services to persons and their families who are homeless or at risk of homelessness. Funds may be used to pay the cost of contributing data to the HMIS designated by the local continuum of care or to a comparable database.

**Administration:** Administration includes the activities necessary to plan and administer the grant in compliance with program objectives and regulations. No more than 10 percent of the State’s grant may be spent for administrative costs.

**Application Process**

The application submission date for ESG-CV Program funds will be announced through a widely distributed notification process. Applicants are limited to local units of government, private nonprofit organizations, public housing agencies, and redevelopment authorities. The State may exercise discretion to fund requests fully or partially, if so warranted, to maximize impact on the State’s homeless and other ESG-CV eligible clientele.

**Process for Making Sub-awards**

Applications should describe the applicants’ strategies to provide street outreach, emergency shelter, temporary shelter, training, homelessness prevention, and rapid re-housing assistance. Project reviews will include the following criteria:

* demonstrated need for assistance in the service area;
* plan to provide services to the target population;
* capacity to carry out program requirements; and
* activities to be performed.

If necessary, the State may request additional information to assist with reviews.

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