



December 20, 2021

Arthur Jemison
Principal Deputy Assistant Secretary
Office of Community Planning and Development
U.S. Department of Housing and Urban Development
451 7th Street, SW
Washington, DC 20410

Dear Mr. Jemison,

The National Community Development Association (NCDA) and Council of State Community Development Agencies (COSCOA) appreciate the Office of Community Planning and Development (HUD-CPD) for efforts to shelter and keep vulnerable populations in homes during the unprecedented COVID-19 pandemic. As emergency response resources continue to be used for relief and recovery, we ask for consideration on further flexibilities and waivers to accommodate further activities in homeless assistance specifically for CARES Act Emergency Solutions Grants (ESG-CV).

Following the special supplemental funds provided through the CARES Act, HUD extended waivers and flexibilities for ESG to facilitate additional support on homeless assistance. State and local ESG administrators benefitted from program flexibilities provided by HUD and welcome further ability to expedite and enhance program aid to beneficiaries. At this time we request consideration on the following issues related to expenditures.

Expenditure deadlines

HUD has issued expenditure deadlines in 2022 with 80% of grantee funds expended by March 2022 and all funds expended by September 2022. The deadlines posed considerable pressure on grantees, sub-recipients, and related stakeholders to use funds before these critical resources expire. Several reasons exist for unspent funds to date.

- 1) When Congress approved ESG-CV funds, it also delivered \$150 billion to states and localities to use for COVID-19 response. These funds under Treasury included a statutory deadline of December 2020 alongside fewer requirements to direct resources compared to ESG-CV. As a result, jurisdictions used the larger amounts provided by Treasury CARES Act first for pandemic response including homeless assistance. A renewed timeline was provided by Congress in December 2020 moving the Treasury resources out another year

to the following December. Many state and local homeless networks have been distributing the other set of CARES Act funds for homeless needs while ESG-CV has remained underused due to the longer deadlines in effect.

- 2) Capacity limitations have also prevented ESG-CV from being utilized in homelessness support. As the pandemic took effect in early 2020, ESG grantees and sub-recipients faced significant staffing deficiencies essentially operating with funds provided in previous annual appropriations. The compounding needs in pandemic response and recovery strained existing operations. Both at the start and moving forward, existing staff to distribute new funds proved challenging to implement activities. Although capacity has improved nearly two years since the CARES Act was enacted, homeless program managers continue to experience few available outlets and on-the-ground support in distributing CV aid.
- 3) Changing circumstances with the pandemic have also complicated efforts to expend ESG-CV. Homelessness providers activated resources at the start of the pandemic to protect vulnerable populations from exposure such as diversion strategies through hotel and motel stays. However, as health measures have improved and increased availability of vaccination, attention turns to recovery measures. Areas and levels of need have fluctuated in homeless aid since March 2020. The situation causes delay as homeless providers determine how best to serve clients for current needs.

NCDA and COSCDA encourage alteration of the current deadlines to accommodate continued deployment of ESG-CV resources. Specifically, we urge removal of the March 2022 deadline for grantees to expend 80% of funds, and extension of the total expenditure deadline from September 2022 to 2023.

Guidance on expenditures

As grantees identify gaps and respond accordingly through ESG-CV, uncertainty exists in determining when funds are considered expended. As HUD considers further assistance to grantees and related stakeholders, clarification is welcomed on defining expenditures. Documented guidance available to both HUD field staff and grantees would benefit program administrators in meeting existing or updated expenditure deadlines.

NCDA and COSCDA welcome further attention to waivers and flexibilities issued during the pandemic and extending these to the annual program. Details on the aforementioned requests as well as list of pandemic-related waivers were shared with Office of Special Needs Assistance Programs in recent months¹. With the exception of the expenditure deadline on ESG-CV, we recognize many of these waivers cannot be accommodated in the annual ESG program without legislative action. Considering the immense work ahead to facilitate housing opportunities for an

¹ COSCDA, ESG-CV Requests (October 2021): <https://coscda.org/wp-content/uploads/2021/12/COSCDA-ESG-Requests-Oct2021.pdf>.

increasing homeless population, it would be worthwhile to consider making permanent these changes in the annual program.

Thank you for your consideration of our requests, and your ongoing efforts on enhance and accelerate aid to homeless populations. We look forward to further partnership with HUD to address homelessness, housing, and community development.

Sincerely,



Vicki Watson
Executive Director
National Community Development Association



Dianne E. Taylor
Executive Director
Council of State Community Development Agencies