

This addendum is released in support of and addition to the previously established [Notice of Funding Availability \(NOFA\) for the CARES Act ESG-CV Funding](#). Specific updates for the second round of MSHDA's ESG-CV funding are detailed in this addendum. Please reference the NOFA for additional information. Contact the assigned MSHDA Homeless Assistance Specialist for any additional questions.

[Jen Leaf](#) – Regions 1, 2, & 3  
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## I. Overview

Continuums of Care (CoCs) and Local Planning Bodies (LPBs) will receive notification of the second round allocation amounts in conjunction with the release of this addendum. These allocations will be added to existing ESG-CV grants via grant amendment, pending the review and approval of the proposed allocation budget by both the CoC/LPB and MSHDA. CoCs and LPBs are encouraged to consider new subgrantees within this allocation and grant amendment as needed.

## II. Timeline

<b>CARES Act ESG-CV Funding: Second Round</b>	
<b>March 1, 2020 to September 30, 2022</b>	
<b>March 1, 2020</b>	Continuums of Care (CoCs) and Local Planning Bodies (LPBs) can incur costs related to addressing and preventing COVID-19 among those who are homeless or at risk of homelessness. These costs can be reimbursed via ESG-CV funding.
<b>May 1, 2020</b>	NOFA released and posted (5/1/20) to the <a href="#">MSHDA ESG website</a> .
<b>November 19, 2020</b>	Addendum to NOFA for second round ESG-CV, amendment documents, and CoC/LPB allocation totals released and posted (11/19/20) to the <a href="#">MSHDA ESG website</a> .
<b>December 2, 2020</b>	Webinar at 10am to review the ESG-CV NOFA Addendum and required amendment documents. Webinar will be recorded and posted to the MSHDA ESG website. <a href="#">REGISTER HERE</a>
<b>January 5, 2021</b>	Deadline to submit all required amendment documents via email to assigned MSHDA Homeless Assistance Specialist.

## III. Required Amendment Documents

By January 5, 2021, CoCs and LPBs must submit the following documents for review and approval of the second round allocation for MSHDA ESG-CV funding:

- [Budget Component Detail](#) – This worksheet outlines the CoC/LPB proposed budget for the second round allocation.
- [Amendment Application](#) – This document outlines any proposed new subgrantees specific to the second round allocation, required documents to be submitted by new subgrantees prior to funding release, estimated numbers to be served under the second round allocation, and a comprehensive list of other funding sources to date.
- [Memorandum of Understanding \(MOU\)](#) – The MOU must include all grantees and subgrantees. This is an updated MOU and must be completed to include all grantees and subgrantees (both first and second round allocations).

CoCs and LPBs can submit all documents at any time in advance of the established deadline. Grant amendments can be approved and completed at any time in advance of the established deadline. Second round allocations will be available for advance or reimbursement as soon as the amendments are completed.

Given the extended grant period for ESG-CV (3/1/2020 to 9/30/2022), MSHDA is prepared to complete additional grant amendments as needed to respond to future funding needs identified by the CoC or LPB.

**Please note:** Once the second round amendment is approved by MSHDA, fiduciaries will be asked to submit current Financial Status Report (FSR) spreadsheets to MSHDA to be updated to reflect the full ESG-CV budget (both first and second round allocations).

#### **IV. Budget Requirements and Eligible Expenses**

Except for what is detailed below, all eligible program components remain the same as outlined in the ESG-CV NOFA.

The following budget thresholds and limits are established for second round funding:

- **Up to 25%** of the total allocation can be applied to **Emergency Shelter** costs (operations and essential services)
- **At least 25%** of the total allocation must be applied to **Homelessness Prevention** costs
  - At least 15% of proposed Homelessness Prevention budget must be applied to rental assistance
- **At least 35%** of the total allocation must be applied to **Rapid Re-Housing** costs
  - At least 20% of the proposed Rapid Re-Housing budget must be applied to rental assistance

MSHDA is providing \$2 million in direct funding to the Michigan State Bar Foundation for continued support of Homelessness Prevention through local eviction diversion services.

As established by the [HUD Notice CPD-20-08](#), the following new items are eligible expenses under ESG-CV funding only<sup>1</sup>:

- **Landlord incentives** are eligible under Housing Relocation and Stabilization Services for both Homelessness Prevention and Rapid Re-Housing. **MSHDA will allow for reimbursement of these costs only:**
  - Repair or Maintenance
    - Paying the cost to repair damages *incurred by the program participant* not covered by the security deposit or that are incurred while the program participant is still residing in the unit; and/or
    - Paying the costs of extra cleaning or maintenance of a program participant's unit or appliances.
    - Reimbursement for these costs is limited to \$1,500.00 total per household.
    - Additional forms to document these costs will be provided by MSHDA.
  - Signing Bonuses
    - One-time \$500.00 payment to the landlord at the time of lease signature.
    - Reimbursement for these costs is limited to \$500.00 per household.
    - Signing bonuses cannot be provided for households remaining in units under previously established lease agreements.
    - The Rental Assistance Agreement form will updated by MSHDA to document these costs.
- **Volunteer incentives** are eligible under Street Outreach, Emergency Shelter, and Housing Relocation and Stabilization Services for both Homelessness Prevention and Rapid Re-Housing. **MSHDA will allow for reimbursement of these costs only:**
  - Cash or gift cards provided to volunteers who have been and are currently helping to provide necessary Street Outreach, Emergency Shelter, Essential Services, and Housing Relocation and Stabilization Services during the coronavirus outbreak.
    - Reimbursement for these costs is limited to less than 10% of the selected component within the proposed budget.

<sup>1</sup> <https://www.hud.gov/sites/dfiles/OCHCO/documents/20-08cpdn.pdf>, page 13

- Documentation of these costs can be provided via receipts or general ledger.

Hazard pay remains an eligible expense under the second round allocation.<sup>2</sup> In the budget document provided by MSHDA, CoCs and LPBs will have the option to denote what portion of funds are proposed specifically for hazard pay.

## V. Staffing Requirements

To ensure sufficient capacity to carry out critical tasks, ESG-CV second round allocations will require CoCs and LPBs to secure additional staff in the areas of Housing Navigation and Coordinated Entry/Housing Relocation and Stabilization Services. The prescribed approach to additional staffing is detailed below, based on overall CoC/LPB allocation:

- Housing Navigators to primarily perform landlord outreach, develop lists of available housing, and assist households in identifying available housing units
  - CoC/LPB **allocation between \$200,000-\$500,000**: Navigator hired for at least **20 hours per week**
  - CoC/LPB **allocation between \$500,001-\$700,000**: Navigator hired for at least **30 hours per week**
  - CoC/LPB **allocation over \$700,001**: Navigator hired for at least **40 hours per week**
  - New hires or expansion of hours for previously part-time staff is required
  - Position(s) can be employed by any subgrantee, including the HARA
- Additional Housing Resource Specialists to support Coordinated Entry and Housing Relocation and Stabilization Services (i.e. case management) for Homelessness Prevention and/or Rapid Re-Housing households
  - CoC/LPB **allocation under \$500,000**: Specialist hired for at least **20 hours per week**
  - CoC/LPB **allocation over \$500,000**: Specialist hired for at least **40 hours per week**
  - New hires or expansion of hours for previously part-time staff is required
  - Position(s) can be employed by any subgrantee, including the HARA

Required staffing must be in place by March 1, 2021. Staff name and contact information will be collected from each CoC/LPB.

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<sup>2</sup> <https://www.hud.gov/sites/dfiles/OCHCO/documents/20-08cpdn.pdf>, page 13