



## **CARES Act Funding Recommendation for ESG-CV and CDBG-CV April, 2021**

The Municipality of Anchorage (MOA) was allocated a combined total of \$7,356,958 from the U.S. Department of Housing and Urban Development (HUD) that was authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), which must be used for activities that prevent, prepare for, and respond to the COVID-19 Pandemic.

Throughout the month of February, the Anchorage Health Department (AHD) met with 20 organizations to discuss projects that could potentially be funded. As a result of these meetings, AHD received 22 project proposals from 14 organizations with funding requests in excess of \$8.5M.

AHD staff reviewed the project proposals received for eligibility, timeline to meet spenddown requirements, alignment of proposed activities with priorities identified by the Anchorage Coalition to End Homelessness (ACEH) Gap Analysis to serve People Experiencing Homelessness (PEH) in the municipality, as well as other funding sources for certain projects. To the extent possible, AHD coordinated its recommendations to avoid duplication of funding for similar projects; in some cases Recovery Act funding could cover some of these costs, while in others future RFPs would address similar proposed work.

Successful proposals still require Assembly and HUD approval in addition to final applications that inform contracts to be completed and fully executed.

### **ESG-CV funding recommendations**

**ESG-CV** funds are designated for activities that benefit people experiencing homelessness or people at risk of homelessness. Examples of activities that can be funded by ESG-CV are rapid rehousing, essential services provided by emergency shelters, homelessness prevention assistance, homeless outreach, rental and utility assistance, recruiting landlords to provide housing, implementing non-congregate shelter strategies, and paying for shelter to isolate individuals with COVID-19.

The following ESG-CV projects were approved in Substantial Amendment 4 to the 2019 Action Plan:

1. \$450,000 to be awarded to Choices for unsheltered outreach and rental assistance. Unsheltered outreach focuses on connecting unsheltered homeless individuals and families to appropriate homeless services, including finding housing options using Housing Problem Solving resources that has housed over 60 PEH from the shelter system since November, 2020. \$126,000 of this proposed award is from the \$126,000 initially earmarked for homeless outreach in Substantial Amendment #3.

2. \$200,000 to be awarded to Catholic Social Services for Rapid Rehousing, which includes a continuation of their Housing Problem Solving work that has thus far housed more than 30 PEH from the shelter system since January, 2021. This is additional funding to the \$296,000 awarded in Substantial Amendment #3.
3. \$146,400 to be awarded to the Anchorage Coalition to End Homelessness (ACEH) for unsheltered homeless outreach coordination. This proposed award will fund staff that will support the coordination of Anchorage Outreach staff across various entities through project management, training, reporting, and information sharing.
4. \$200,000 to be awarded to Alaska Legal Services for education and legal services. This project will target outreach and education efforts in those communities disproportionately affected by the economic fallout of the pandemic by providing education and free services to individuals and families facing eviction.
5. \$225,000 to be awarded to Covenant House for housing and mobile navigation resources to do expanded case management at any location that requires it (including street outreach and at other providers as necessary) with a focus to decompress the Sullivan, which is reportedly serving a large number of TAY (or Transition Aged Youth, 18-24 year-olds).
6. \$225,000 to be awarded to Covenant House for services at the Youth Engagement Center shelter. Covenant house is increasing the age of the population that they are serving by transitioning youth age 13-17 to a different site with current staff. The project will fund new staff, to include a program supervisor, ANCHOR Team Coordinator, two youth engagement specialist, and 2 other support staff to support new operations serving transition age youth (18-24) at the covenant house. These staff will provide trauma informed care, case management, and referrals and connections to additional services.
7. \$650,000 to be awarded to Volunteers of America for case management and permanent supportive housing targeting transition aged youths (18-24-year-olds). This project is proposed in coordination with Covenant House's project for housing and navigation resources.
8. \$188,296 to be awarded to Neighborworks for case management and rapid rehousing. The activities associated with this project will act as a bridge between shelter and permanent housing. The funding will be used to move individuals into temporary living arrangements and provide case management while Neighborworks works with clients to provide permanent housing through other programs funded through Neighborworks.
9. \$175,000 to be awarded to United Way for a landlord liaison position and landlord incentive program (often locally referred to as the "risk mitigation pool"). This project will fund a landlord liaison position that will work across entities to recruit and

support landlords to increase the availability of housing options for people experiencing homelessness.

10. \$450,000 to be awarded to United Way – Home for Good for rental assistance vouchers. This project will provide rental assistance for approximately 50 eligible people, prioritized for people exiting congregate temporary shelters.

Below are previously approved ESG-CV Awards from Substantial Amendment 3:

11. \$100,000 awarded to Catholic Social Services for Emergency Shelter Essential Services.
12. \$100,000 awarded to AWAIC for Emergency Shelter Essential Services.
13. \$100,000 awarded to Covenant House Alaska for Emergency Shelter Essential Services.
14. \$100,000 awarded to Salvation Army for Emergency Shelter Essential Services.
15. \$296,000 awarded to Catholic Social Services for Rapid Rehousing.
16. \$260,000 awarded to MOA Aging and Disability Resource Center for Homeless Prevention.
17. \$492,521 awarded to MOA AHD for administrative costs associated with HUD grants authorized under the CARES Act.

### ***CDBG-CV funding recommendations***

**CDBG-CV** funds must be used for CDBG eligible activities that meet a HUD national objective, with the primary objective being to benefit the low to moderate income population. 70% of CDBG-CV funds not designated for administrative costs must benefit low to moderate income persons or families. To meet a HUD national objective, 51% of the people served by the activity must be low to moderate income or the activity must fit the criteria of urgent need. To qualify under the urgent need criteria, the activity must resolve a condition that poses an immediate threat to public welfare and the grantee must be unable to fund the activity on its own. Examples of activities that can be funded by CDBG-CV are public service activities such as funding the operations of an organization that provides services to low to moderate income persons and families, public facility improvements, housing related activities, COVID-19 testing, and the acquisition of real property.

Based on its review, AHD recommends the following CDBG-CV projects for Substantial Amendment 5:

1. \$398,331 to be awarded for AHD administration costs associated with grant and contract management. \$214,107 was allocated for AHD administration costs related to CARES in Substantial amendment 3, for a total of \$613,438.

2. \$1,593,324 allocated to provide for operations and services in the shelter system in support of stepping-down the MOA mass care site.
3. \$143,968 remains unallocated from substantial amendment number 3 for program to provide permanent housing.
4. \$370,000 to be awarded to Covenant House to purchase a 4-bedroom home to provide rapid rehousing to transition youths and provide for quarantine and isolation during the pandemic.
5. \$167,100 to be awarded Standing Together Against Rape (STAR) to renovate their office space to comply with COVID-19 protocols.
6. \$75,000 to New Life Development to support operations of its residential re-entry service program. New Life Development has been impacted by the COVID-19 Pandemic through the loss of program fees usually paid by its participants. Many of New Life Development's program participants have been unable to find and maintain employment due to the COVID-19 Pandemic.
7. \$100,000 to AHD for Activity Delivery Costs associated with CDBG-CV projects. Capital projects and acquisitions require additional implementation and monitoring costs. Examples of such costs are labor associated with Davis Bacon monitoring, increased environmental review assessments required by HUD, and onsite inspections.

### **Spenddown Timelines**

#### **ESG-CV spenddown milestones:**

- 20% (~\$859K) by September 30, 2021
- 80% (~\$3.44M) by March 31, 2022
- 100% (~\$4.3M) by September 30, 2022.

If these milestones are not met, HUD may recapture the amount of funds that should have been expended and were not by these dates. These dates were recently affirmed at the national level.

Additionally, all ESG-CV funds must be obligated within 240 days of receiving the signed award from HUD; therefore, all contracts associated with ESG-CV funds must be fully executed by October 29, 2021.

#### **CDBG-CV spenddown milestones:**

- 80% (~\$2.45M) end of the third year of the beginning of the performance period
- 100% (~\$3M) within 6-years from the beginning of the performance period

If this three-year requirement is not met, and evidence meeting the criteria for extension is not provided by the MOA, an amount equivalent to the difference between the total amount

expended at the end of the third year and 80 percent of all CDBG-CV funds will be recaptured from the CDBG-CV grant.

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