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**Iowa Emergency Solutions Grant CARES Act (ESG-CV)**

**Public Comments Received with IFA Responses**

**May 2020**

**Comments Received with IFA Responses**

1. **Heather Harney, HACAP:**

I have two questions about the ESG Cares funds as HACAP is thinking about how best to serve communities with assistance.

1. Question 1: One is the HACAP’s traditional ESG service area (11 counties) is split into 7 different coordinated services regions. 4 main urban regions and then 3 rural regions. The coordinated service region system works really well for providers in that are only in one region, but for the larger agencies this is difficult. Due to the large geographic coverage of our agency I was curious about the Option 3 criteria or any guidance on how that could work? Or if HACAP does do services in multiple regions thinking about how best to administer that separately. Like one contract but have funds separated and tracked per region (that is what happened in HPRP). Just trying to think down the road a little on how to do this but not be administratively burdened (I know IFA is thinking through the same).
2. Question 2: Have you heard anything about waiving the rule that ESG providers cannot pay themselves the funds for assistance if they own permanent housing properties? I know of multiple providers (Willis Dady, HACAP, Shelter House, etc) that own permanent housing units for a high risk population. Unfortunately these providers cannot assist individuals in their own units, making at risk clients not eligible for some services. Previously when multiple providers are doing the same programming in an area and we can collaborate with one another and enroll them with a different provider and can overcome this barrier. As we are planning for these funds regionally it is just something agencies need to discuss and any guidance would be appreciated.

**RESPONSE:**

1. IFA intends to accept applications per region. If an agency wishes to serve more than one region, they may indicate this in their application. Option 2 is still the best option for this.
2. We have not heard anything recently from HUD on this issue. We would advise submitting the question directly to HUD’s Ask-A-Question help desk at <https://www.hudexchange.info/program-support/my-question/>.
3. **Jaymes Sime, Micah House:**

I'd like to submit the following comments for consideration for the ESG. Let me know if there is a specific portal or process.

The ESG program typically provides funding to:

1. Engage homeless individuals and families living on the street;
2. Improve the number and quality of emergency shelters for homeless individuals and families;
3. Help operate these shelters;
4. Provide essential services to shelter residents;
5. Rapidly re-house homeless individuals and families; and
6. Prevent families and individuals from becoming homeless.

Emergency Shelters are responsible for items 2,3, and 4 of the above-listed funding priorities. Per the ESG-CV notice from HUD, ***The funds are not subject to the spending cap on emergency shelter and outreach under 24 CFR 576.100(b)(1).***Why is the Iowa Finance Authority proposing to limit the funding to support shelter services to a pool of funding that is 19% of the total award? That 19% will be split amongst Shelter and Street Outreach, so potentially 10% of the total allocation will go to support shelter services. In conversations with shelter providers, they’ve been one of the few providers who’ve incurred additional costs and risks associated with the response to coronavirus. Within HUD guidelines for funding, shelters are one of the hardest programs to fund, yet most critical, and most at risk due to the nature of a health pandemic. I agree that housing and prevention have to be a part of the conversation, but shelters have to have the staffing and operational capacity for Rapid Rehousing to work in most communities.

**RESPONSE:**

We recognize the critical role and the increased needs of shelters at this time. This is why shelters currently funded through either ESG or SAF and that have remained open and serving clients are automatically eligible for a 50% increase in their current funding, without needing to apply competitively. In some communities, seeking FEMA non-congregate sheltering and other sources of funding are also helping meet additional needs.

We are interested in hearing more from shelters across the state about continuing needs that are not currently being met. HUD will be issuing a second round of ESG-CV funding by the end of June, and the State of Iowa may be eligible for additional funds through this. If so, additional input will be especially important in determining how those funds may best be directed.

No change at this time.

1. **Tim Wilson, Home Forward Iowa:**

The following comments are submitted in response to the proposed use of Emergency Solutions Grant (ESG)-CV funding you shared on May 11, 2020.

Option 1

This plan as described seems straightforward and a fair way to acknowledge programs already working. Recipients of ESG project funding should use these additional funds as broadly as possible to address needs in their Coordinated Entry Regions (CSRs). This includes participating in required weekly/biweekly “pull meetings” and applying these additional funds to the highest-need households first. In some CSRs, this may mean that an agency which normally focuses on serving a particular sub-population and/or narrow geographic area uses the new funding to serve other households because they have the highest need despite not meeting that agency’s normal profile. In general, these new CARES Act funds should be used to broadly serve those with the highest needs created by the COVID-19 pandemic. This may require ESG grantee agencies to collaborate with new partners in order to serve those most in need.

Option 2

Basing allocations of these funds utilizing the Balance of State’s Coordinated Entry Region system is a sound idea. The formula should incorporate population as the major component of the allocation plan. There is currently wide geographic unevenness in the allocation of ESG (and other HUD homeless) funds. However, no struggling Iowa household should suffer because housing services that meet their needs are not offered where they happen to be experiencing homelessness. It is our hope that this regionally-based model – while also incorporating both need and performance as variables – becomes the standard for future ESG and SAF allocations.

The CARES Act provides an opportunity to begin to address gaps in terms of geography and types of household, especially for the general homeless population. Competent and willing service providers throughout the state have recently been identified by HFI. A list of these agencies and contacts was shared with you in an April 22 email. This list includes agencies in what is currently considered the Balance of Counties. For funding allocation, the area including the western ten counties and the area including fifteen counties to the south and east of Polk should be considered separately in the allocation of eligible funding.

Finally, the fact that two non-Balance of State Continuums of Care included in the proposed plan were allocated separate CARES Act funds should be acknowledged and reflected in the allocation amounts. These areas are not at the same starting line as the CSRs or Pottawattamie County and this fact should be reflected in some way in the funding allocation formula.

Option 3

It seems prudent to allow for circumstances and service needs not foreseeable based on the past. It is also wise to limit the funding available in this category.

General

We assume there will be additional ESG support allocated to Iowa in a second funding opportunity via the CARES Act. Anticipating this, it would be advisable for IFA keep in mind all relevant guidelines and goals issued by HUD specific to the CARES Act in closely monitoring the use of this initial wave of funding. It is also wise to look for any gaps in services that persist after the allocation of these funds and to structure the allocation of any additional funds to effectively address those gaps.

Thank you for this opportunity to provide a response to the draft plan.

**RESPONSE:** Thank you for these comments. No changes made.

**Additional comments from Tim Wilson submitted later:**

Please add these comments to those I previously submitted. They relate to the more detailed plans for ESG allocation under Option 2:

"During the public hearing earlier this week, it was indicated that IFA and IEDA would prefer that a single agency apply for all the funds to conduct rapid re-housing and prevention in a region and if I heard correctly, that a grantee agency not engage partner agencies. Though I understand a desire to not be overwhelmed with applications and program monitoring, I think this approach contradicts the very collaborative approach that the CSR member agencies have been building over the past two-and-a-half years. I also think it is not particularly client-centered, since this approach would inevitably lead in some regions to agencies serving populations with whom they have little or no experience or agencies providing services with which they have no experience or both. I urge that the process be open to multiple applications to serve the same region and to funding more than one provider, especially if it is clear that collaboration is to take place between/among submitting agencies which will address both stated targets for prevention and rapid re-housing services."

Knowing that more applications and grantees adds to the administrative burden of administering the program, I can at least offer assistance with the former. If desired, I am more than happy to help with recruiting volunteers to serve as reviewers of ESG project applications. Let me know how many and any particular criteria you are looking for and I will use my extensive contact network to find as many qualified and willing people as possible.

Thanks again for the opportunity offered for response and comment on the plan.

**RESPONSE:**

IFA’s preference is still that a single agency serve as applicant and lead agency for a region; however, in response to multiple comments, we will allow subcontracts within a region.

1. **Bob Sheehan, New Visions:**

We are grateful for the allocation we hopefully receive as part of Option 1 that you forwarded to us earlier this week. I do not want my comments to sound like sour milk, as I agree that Options 2 and 3 are important to our continuum but would like IFA to reconsider the level of funding in all three options and distribute the dollars using a different formula.

First, I think it important for you to know that MACCH has initiated a Housing Problem Solving (HPS) grant to help prevent the escalation of homelessness. NVHS is an Access Center for those services and collectively (Six Agencies in the Metro area) in 6 short weeks, we have allocated over $200,000 to prevent further homelessness to those who are close to losing their home. MACCH offers these funds through Access points, which are all homeless provider agencies that are able to prevent homelessness by meeting needs like utility, transportation, rent help, or any other need requiring dollars. We are attempting to use this fund after public resources are not available.

I also would add that our housing stock was not adequate before the crisis and housing availably has not increased as a result of this crisis. In my judgement the dollars allocated to Option 2 are inflated and may not be practical.

If I suspend judgement on all the possibilities for those dollars, the work we do starts with deferring as many as we can from shelter, which often leaves clients with multi occurring issues for those who cannot be deferred. The further complicated fact is that our shelter, like many shelters, is able to function during regular times because of partnerships with other agencies. (19 agencies at a variety of levels for our agency alone).

When this pandemic began our partners left our shelters. We had to assume as many roles as we could. A few weeks later a few have come back into our shelter, while most are now working virtually which works fine for their organizations but does not work for us. It also adds work and burden to our staff who remains and is asked to make sure all things technological work correctly for or virtual partners. In other words, we find ourselves alone and having to meet more needs for other organizations while providing safety for the men and each other at New Visions.

The most difficult issue for us exists for everyone. When does this end? We have done the PPP, we have foundations that have helped us, (I am sure other shelters do not have the resources we have as part of the MACCH CoC), so we have been able to absorb the extra expenses since March. All those resources will be used up by mid-June.

The formula you have laid out would financially take us through the summer. Like most COVID-19 Resources, there is a full stop at Public and Private Dollars at this time.

Our only thought at this time, while I am appreciative we are included in Option 1, I would suggest the distribution formula be evaluated so that Option 1 is given a greater proportion than it currently is allocated in the current proposed.

I appreciate all you do and look forward to 2021 !!

**RESPONSE:**

Please see response to Comment #2.

1. **Linda Munden, Emergency Residence Project:**

Is there available an individual county breakdown for the Two Rivers 70/30 HP/RRH split in Table 2? For planning purposes in meeting the needs in each of our 5 counties, I want to be able to focus resources where they will benefit people most, even this early in the process. If Marshall has been hit the hardest, for example, that would be good to know.

As far as one agency being able to do all of the Option 2 work, I have serious reservations. I know the challenges of being the only general population homeless provider and leading Two Rivers as a very small agency. I'm going to meet with our ED tomorrow and perhaps have more comments.

**RESPONSE:**

As for calculations, amounts were calculated after first pulling all the counties together into regions, so this is all that is available.

Please see response to Comment #3.

1. **Jess Bleile, Institute for Community Alliances:**

I was on the call this afternoon but didn't have a microphone to ask my question, so I wanted to send you a quick email. If a region is applying for funding for RRH and HP, would one agency apply as the fiscal agent for the region, or if the thought that one agency would apply and provide services to the entire region?

**RESPONSE:** Please see response to Comment #3.

1. **Angie Arthur, Polk County Continuum of Care**
2. Funding that is received through the entitlement areas bring great value to Polk County. The funding provides support to West Des Moines and Des Moines residents. However, we have over 200,000 (42.4%) of our Polk County residents that do not receive ESG or CDBG funds from entitlement allocations. The funds received through the proposed allocation of Iowa ESG funds to Polk County is appreciated and necessary to provide the opportunity of support to all our citizens. When non-entitlement funding from Iowa isn’t allocated to Polk County, there is a significant gap in services for a large portion of our population.
3. As a Continuum of Care (CoC) and a region for the ESG Option 2 funds, we recommend that individual applications must be coordinated with the local CoC based on priorities established by the local CoC.

I appreciate the ability to provide input on the Action Plan and allocation.

**RESPONSE:**

1. The plan as proposed provides additional funding to the ESG entitlement cities.
2. We agree that support from the applicable local CoCs is important. This is more difficult over the large 96-county Balance of State. For the smaller CoCs, we will recommend a letter of support as part of the application.
3. **Tess Cody, ACCESS**

I hope this email finds you well. Writing to add public comment for the plan to administer CARES ACT funds through ESG. I believe my colleagues at the Two Rivers Region will be jointly submitting some notes, but also wanted to make sure to include some specific to our agency:

As a region we have set up referral systems that work well and are based on the unique populations we serve. Under the current proposal for option 2 Homelessness Prevention and Rapid Rehousing funds, there would be one regional entity receiving the funds. Putting all of the option 2 CARES Act funds into one agency makes identifying roles more complicated. It will create systems where clients who are receiving shelter, case management and other services from one agency will need to go to a second agency in order to access the financial assistance through homelessness prevention and rapid rehousing. This increases the burden on low income Iowans to navigate multiple systems rather than meeting their needs in one place.

In addition, this set up would put all of the dollars outside of victim service providers in most regions. At times the housing needs of domestic violence victims are different than that of what a homelessness service provider can provide. This includes eligibility by being “fleeing domestic abuse.” The proposed structure would mean in some cases requiring a person experiencing homelessness to disclose victimization to non-confidential, non-victim service providers in order to access or be eligible for the CARES funds. This is counterproductive to the DVIMS and other protections we have created as a state.

It seems like utilizing the structure described in option 1 for a larger share of the funds could help alleviate this. Allowing joint applications per region or allowing multiple agencies per region would also be options.

**RESPONSE:**

 Please see response to Comment #3.

1. **Hope Metheny, YSS**
2. We would like to see special populations being served in Option 2 of the Regional Homelessness Prevention and/or Rapid Rehousing dollars. Doing this will allow special populations to be served quickly with experts in the field. This would mean that more than one provider per region could apply for these dollars.
3. For Two Rivers region we would like to see the split of prevention/rapid rehousing dollars to be closer to a 60/40 or even a 50/50 split. The reasoning for this is that City of Ames is also getting an allotment of CARES act money (around 354k), and they are proposing that all of this money would be used in prevention area at this time. This would allow more of the prevention dollars to be used throughout the rest of the region and not as many dollars to be used in Ames (the largest city in the region). Due to that we feel that the rapid rehousing in the region could be raised higher to ensure all of the funds are used quickly and efficiently without running into barriers of duplication of benefits in the region.

Thank you for your consideration.

**RESPONSE:**

1. Please see response to Comment #3.
2. The plan recommends amounts per region for HP and RRH, but there will be flexibility between these categories once awarded.
3. **Ryan Bobst, Humility Homes & Services**

Thanks for all of your work related to gathering input and sharing this out! I appreciate it!

I like the three options. I think it would be good for option 2 to allow partnerships to emerge - for instance, one entity apply for homeless prevention and another entity apply for rapid rehousing (what our region plans to do) in order to allow entities to play to their strengths and to have the most effective and efficient use of the funds.

I’m hard pressed to think any one agency can administer all of these funds on their own and thus encouraging collaboration I think sets communities up for success.

**RESPONSE:**

Please see response to Comment #3.

1. **Linda Munden, Emergency Residence Project**

Is there available an individual county breakdown for the Two Rivers 70/30 HP/RRH split in Table 2? For planning purposes in meeting the needs in each of our 5 counties, I want to be able to focus resources where they will benefit people most, even this early in the process. If Marshall has been hit the hardest, for example, that would be good to know.

As far as one agency being able to do all of the Option 2 work, I have serious reservations. I know the challenges of being the only general population homeless provider and leading Two Rivers as a very small agency. I'm going to meet with our ED tomorrow and perhaps have more comments.

**RESPONSE:**

Please see response to Comment #3. As for calculations, amounts were calculated after first pulling all the counties together into regions, so this is all that is available.

1. **Craig Fenton, Transitions DMC**

I am confused by the plans. Does Transitions DMC fall into Category 2 or Category 3, since we are not under a State of Iowa or HUD Contract? In many ways category 3 seems like it makes sense. Working with the others in the region we are assigned seems competitive to the point that if left to those currently getting funds we will not get anything for the needs of our area?

**RESPONSE:**

Option 1 is only for current grantees. Options 2 and 3 are open to any agency that qualifies. Option 2 is best for agencies with experiencing administering Homelessness Prevention and/or Rapid Rehousing assistance. Option 3 is intended to be the best fit for an agency providing shelter that isn’t currently funded through ESG or SAF as such.

1. **Ben Brustkern, Friends of the Family**

Consider allowing multiple contracts for service within the Coordinated Services Region to ensure that the needs of special populations are met and services are provided in a way that best leads to success.

As an agency that provides different levels of service across 5 Coordinated Services Regions we hope to have the opportunity to provide further ESG services in multiple regions. We also know that not all regions have agencies that have capacity to administer these dollars and meet ESG regulations. However, multiple partners in a region could help build capacity for future projects that can lead to ending homelessness is Iowa.

With several agencies receiving increased funds under option 1 you could allow those agencies to apply within option 2 and receive larger allocations based on quality applications and also allow for 1-2 new programs to be funded in option 2. This would lead to potential new contracts in CSR but also allow you as the funder to limit overall contracts.

**RESPONSE:**

Please see response to Comment #3.

1. **Tess Cody, ACCESS; Jodi Stumbo, Emergency Residence Project; Linda Munden, Emergency Residence Project (submitted by Linda Munden as joint comments)**

The following comments and concerns were identified through conversations between the leadership of Shelter Housing Corporation (ERP) and Assault Care Center (ACCESS). Thank you in advance for your time and thoughtful consideration.

1. In whatever form the application process moves forward, either as a regional process or through individual agencies applying, we understand that it must be a collaborative effort. For example, in the event that a regional application process were to be implemented, no one agency is capable of anticipating the needs of a population it has not historically served and cross-agency discussions must be held prior to completing the application.

On the other hand, if individual agencies are invited to apply, the tentative regional funding amount should be considered and the combined totals for agencies approach but not exceed that regional amount. In the case of Two Rivers, that number is $295,913, and the split between Homeless Prevention and Rapid Rehousing should be 70.5% ($208,619) and 29.5% ($87,294) respectively.

Requirements, Restrictions, and Eligible Costs

1. We understand that previously eligible costs for ESG and SAF under current contracts would be the same for this funding, with none eliminated.
2. It has been our understanding that there would be no match requirement and believe that should be the case.
3. Costs that have not been eligible should be considered, including staff activities for things like staff meetings time and other aspects of being employees of the agencies funded.

Coordinated Entry

1. There is no funding for coordinated entry at this time. Given the likely increased coordination required in order to successfully administer the CARES Act assistance, we would like this to be an allowable cost.

Data and Administration Costs

1. If current ESG 2% administration and 5% data entry maximums carry through to the Option 2 funding, for Two Rivers the amounts follow.

$295,913.63 Total potential award

2% Admin = $5,918.27

5% Data = $14,795.68

For a region-only application, the administration staff time would be inadequate as it involves managing many agencies and much documentation across several counties.

1. As a region, we have set up referral systems that work well and are based on the unique populations we serve. Under the current proposal for Option 2 HP and RRH funds, there would be one regional entity receiving the funds. Putting all of the CARES Act funds into one agency would make identifying roles more complicated. It would create systems where clients who are receiving shelter, case management, and other services from one agency need to go to a second agency in order to access the financial assistance through HP and RRH. This would increase the burden on low-income Iowans to navigate multiple systems rather than meet their needs in one place.

In addition, this set up would put all of the dollars outside of victim service providers in most regions. At times, the housing needs of domestic violence victims are different from that of what a homelessness service provider can provide. This includes the eligibility of “fleeing domestic abuse.” This structure would mean, in some cases, requiring a person experiencing homelessness to disclose victimization to non-confidential, non-victim service providers in order to access or be eligible for the CARES Act funds. This is counterproductive to the DVIMS and other protections we have created as a state.

**RESPONSE:**

1. See response for Comment #3.
2. Eligible costs will follow the usual rules for the ESG program, with any applicable adjustments, flexibilities, or waivers from HUD related to the CARES Act.
3. Correct.
4. Eligible costs follow the federal ESG Interim Rule, with any modifications from the CARES Act for these funds, as well as federal cross-cutting regulations at 2 CFR 200. If an agency has questions about eligible staff costs, it is recommended they consult with these resources, and follow up with IFA staff as needed. Employee costs for things like staff meetings are often eligible, depending on the meeting topic and if it’s necessary to carry out the ESG assistance.
5. The costs required for agencies to participate in Coordinated Entry are allowable under ESG rules.
6. The intention is not that one agency serves as administrator for a region, managing multiple sub-contracts, but rather that one agency provides assistance throughout a region. Amounts allowed for Administration will be higher than 2%, as the CARES Act provided for additional Administration funding.
7. See response for Comment #3.

**Comments below are verbal comments from the public hearing on May 20, 2020; comments summarized and/or edited for brevity:**

1. **Craig Fenton, Transitions:**
2. Will the funding be allowed to cover expenses already incurred since the start of the pandemic?
3. Is there a specific amount set aside for the Option 3 described in the plan?

**RESPONSE:**

1. Yes. The CARES Act allows this. We would anticipate that expenses could begin in March.
2. No. We anticipate funding this through any amount remaining that is not used through Option 1. But this is flexible.
3. **Tim Wilson, Home Forward Iowa:**
4. How were the regional allocations developed?
5. What will the application process look like? Online?
6. Will there be just one application accepted per region? Or will subcontracts be allowed?
7. Recommendation: An agency serving a whole region should serve all subpopulations of people needing assistance.

**RESPONSE:**

1. The Institute for Community Alliances, our HMIS data partner for Iowa, used data to develop recommendations for regional amounts. The process and data used for this is explained in the attachment that was distributed on May 19, 2020, with the ESG Notice that went out to stakeholders.
2. The application process will likely use the same online portal that is usually used by IFA for ESG and SAF applications each year.
3. The preference is to have one agency per region administering Prevention and Rapid Rehousing. There may be some flexibility for this, as we understand regions are all different.
4. See response to Comment #3.
5. **Hope Metheny, YSS**
6. Can you explain how the allocation was made to Polk County, since they receive additional funds from HUD for Des Moines?
7. How about an agency that works in multiple regions; how will this work?

**RESPONSE:**

1. The Institute for Community Alliances, our HMIS data partner for Iowa, used data to develop recommendations for regional amounts. The process and data used for this is explained in the attachment that was distributed on May 19, 2020, with the ESG Notice that went out to stakeholders. This includes Polk County.
2. IFA intends to accept applications per region. If an agency wishes to serve more than one region, that will likely mean submitting more than one application. We will attempt to clarify this when the application is released. After reviewing and selecting awardees, if there is an agency selected to provide assistance in more than one region, we will determine at that time if one or multiple contracts will be issued.
3. **Jaymes Sime, Heartland Family Service:**

Has there been consideration of capacity for the Option 2? Such as having enough landlords willing to work with the program to actually be able to make use of all this funding? The needs of shelters are also very high right now. Would like consideration of additional dollars for shelter at this time.

**RESPONSE:**

See response to Comment #2.