

July 30, 2020
Funding Recommendation

**Coronavirus Aid, Relief and Economic Security (CARES) Act Funding:
 Emergency Solutions Grant – Corona Virus (ESG-CV)**

King County has received a second allocation of CARES Act Emergency Solutions Grant (ESG) funds to prevent, prepare for, and respond to coronavirus. These second-round funds were allocated according to a new formula developed by the HUD Secretary based on risk of coronavirus transmission, numbers or rates of sheltered/unsheltered homeless, and economic and housing market conditions. King County's allocation is \$ 11,139,409 in ESG-CV funds to be spent over a two year period.

Eligible Fund Uses

Must be used to support activities serving people experiencing homelessness including shelter support, rapid rehousing, rental assistance, outreach. The ESG spending cap for emergency shelters has been lifted by the CARES Act.

Recommendation

After Admin share, allocate ESG-CV funds to emergency shelters and rapid re-housing.

Rationale

Recommendation is based on the following factors:

- Emergency shelter is the core use of ESG funds in serving those who are currently homeless. In the context of COVID, in addition to shelter operations, funding is needed to support one-time expenses for structural adjustments to facilities to meet public health and CDC guidelines.
- Rapid Re-housing is a proven approach for ending a household's homelessness, and a good match for one-time funds at this scale as there is not an ongoing housing or facility commitment involved. Rapid-rehousing is a strongly recommended use of ESG-CV by HUD and its technical assistance providers as a tool that not only ends homelessness for a household, but also has COVID-protective benefits by providing physical distancing and having a place to isolate.
- Other COVID funds are better suited to and addressing rent assistance for those already housed including CDBG, CARES Act, and funds through Washington State Commerce.

Financial Assumptions/Impacts

- King County will retain 3% for Admin costs, lower than the 10% cap HUD is allowing for these funds
- County ESG funds are typically combined with other funds for shelter and rapid re-housing activities. ESG-CV funds will likewise be used in concert with other funds for shelter and rapid rehousing, each source leveraging the other to their best use. Such funds include ESG, FEMA, Commerce Shelter Grant funds, and CARES Act funds.