



CA HCD ESG-CV Training Series: Leveraging and Braiding Funds with ESG-CV



Introductions

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Learning Objectives

1. Learn about braiding funds and guidelines
2. Understand the difference between supplementing and supplanting
3. Explore local, state, and federal funding sources
4. Strategize about braiding funds for different communities



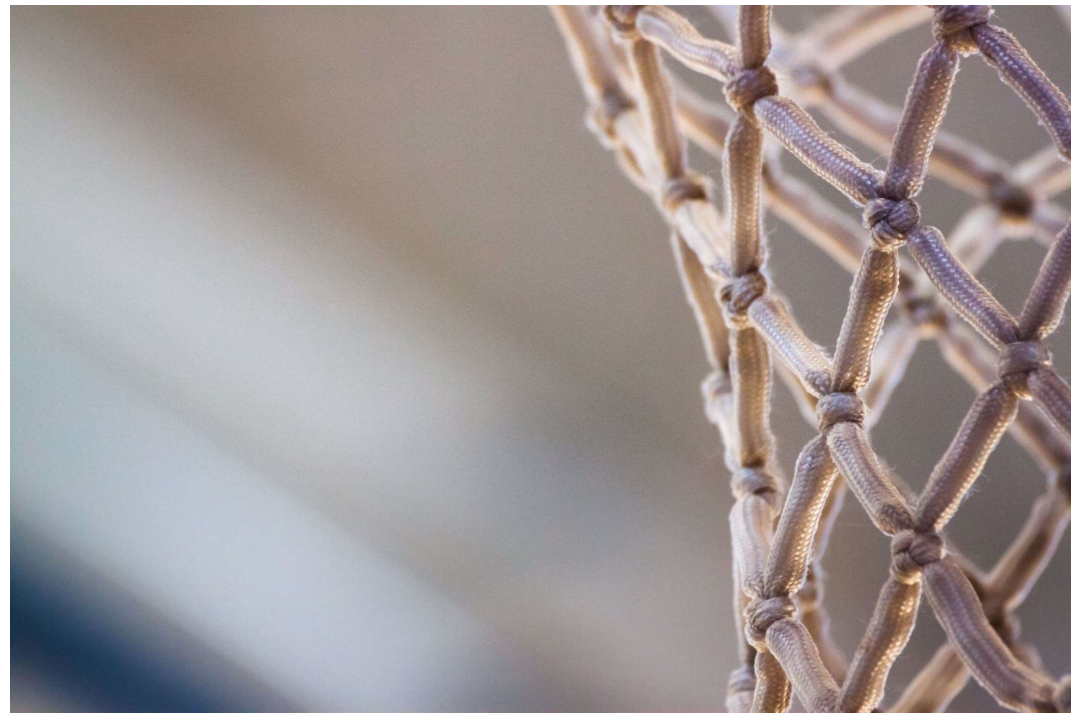
Agenda



- Welcome
- Braiding Funds Overview & Guidelines
- Existing State and Federal Funds
- Developing a Local Strategy
- Micro- and Macro-Braiding Examples



Overview of Braiding Funds & Guidelines





Overview: What is braiding funds?

Weaving together of federal, state and private funding streams to support high quality programs





Braiding Funds

Braiding Funds vs. Supplanting Funds

“supplement don’t supplant!”

Braiding	Supplanting
Funding sources are coordinated to support the cost of a program	Federal funding replaces state or federal funding
Funding increases the level of services	State or local government reduces government funding for a program because federal funds are available
Funding can be tracked back to the original source and therefore maintains any requirements of those funds	Paying for services, staff, programs, or materials that would otherwise be paid with state/local funds



Braiding Funds: Guidelines

ESG-CV Supplanting Rules (“Maintenance of Effort”):

- Rule does not apply to Rapid Re-Housing funds
- Only applies to essential services related to street outreach and emergency shelter
- See [24 CFR 576.101\(c\)](#) and [576.102\(d\)](#)



Pop Quiz!

Question: We have 2 shelter programs that were funded by one-time state funds which will be fully expended by June 30, 2020. We would like to use some of our ESG-CV to continue these programs and maintain our crisis bed capacity. Do Maintenance of Effort regulations apply to one-time funds that are ending? ESG would not be supplanting any ongoing funding source.

Answer: *Unless expressly stated otherwise by a HUD waiver, the maintenance of effort requirements continue to apply for purposes of annual ESG funding and ESG-CV funding, and ESG-CV funding must not be used to replace or reduce the amount of non-Federal funding local governments must maintain and use for street outreach and emergency shelter essential services.*



Braiding Funds – Guidelines

ESG-CV funds may be braided with other state/federal funds if the following applies:

- No other public funding source is being provided for the same type of assistance at that time; **AND**
- The program participant must meet the eligibility criteria for ESG assistance; **AND**
- The funding is necessary to help the program participant regain stability in their current Permanent Housing (PH) or move into other PH and achieve stability in that housing
- See [24 CFR § 576.105\(d\)](#) and [24 CFR § 576.106\(c\)](#)



Braiding Funds – Guidelines

Restrictions:

- Only applies to ESG-CV funded rental and financial assistance
- Does NOT apply to services such as housing search and placement and housing stability case management





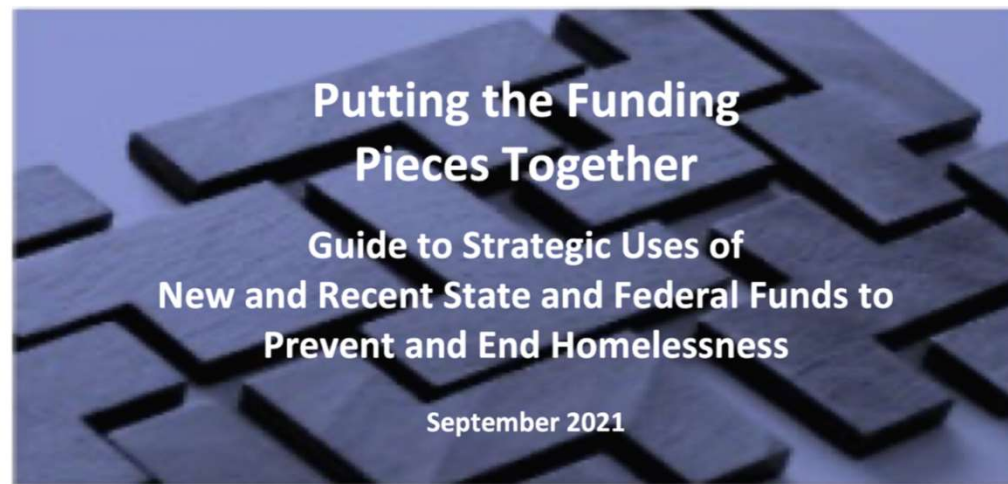
Pop Quiz!

Question: The County wants to support a vaccination clinic site that will be operated by the local Public Health Department. Can the County support this clinic site and what are the ESG and ESG-CV eligible costs?

Answer: *ESG-CV funding may NOT be used to replace or reduce funds that the public health department typically provides for vaccination clinics. The County would need to talk with its public health partner to determine what costs are covered and what needs to be covered.*



Existing State and Federal Resources



This Guide replaces the earlier
*Guide to Strategic Uses of Key State and Federal Funds to Reduce Homelessness
During the COVID-19 Pandemic* issued in 2020

[Putting the
Funding Pieces
Together](#)



PART I:
Crosswalk of Eligible and Prioritized
Uses of Major State and Federal
Homelessness Funding Programs

PART III:
Putting the Pieces Together
within
Local Investment Plans

PART II:
Using Funding Resources Strategically

PART IV:
Defining Crisis Response and
Permanent Housing Interventions



Strategic Funding Guide: State Resources

PART I: Crosswalk of Eligible and Prioritized Uses of Major State and Federal Homelessness Funding Programs

The Tables in this section provide guidance regarding eligible and prioritized uses of each funding source to support essential crisis response and permanent housing interventions, but should not be read to indicate that all of the funding sources can be used together for the same activities or projects.

See Key at top of each table for explanation of the color-coding used.

TABLE 1: MAJOR STATE INVESTMENTS, NEW AND CONTINUING				
KEY:	= highly prioritized use	= prioritized use	= not a prioritized use	= not an eligible use
Funding Source or Program	Non-Congregate Shelter / Interim Housing (Capital / Operations / Services)	Rental Assistance (Short-Term to Permanent)	Permanent Supportive and Service-Enriched Housing (Capital / Operations / Services)	Diversion and Homelessness Prevention
Homekey [HCD INFO]	Capital Uses Eligible; Operations Eligible with Limitations	Not Eligible	Capital Uses Eligible; Operations Eligible with Limitations	Not Eligible
Affordable Housing Backlog Production [HCD INFO]	Not Eligible	Not Eligible	Eligible Use	Not Eligible
California COVID-19 Rent Relief Program [BCSH INFO]	Not Eligible	Eligible Use	Not Eligible	Eligible Use
HOME-ARP [HUD INFO] [HCD INFO]	Eligible Use	Eligible Use (TBRA up to 24 months)	Capital Uses Eligible; HUD to Define Limited Eligible Services Uses	Limited, But Not Prioritized, Use
Emergency Solutions Grant – CV (ESG-CV) [HUD INFO] [HCD INFO]	Eligible Use	Eligible Use	Not Eligible	Eligible, But Not Prioritized, Use
Community Development Block Grant – CV (CDBG-CV) [HCD INFO]	Eligible Use	Eligible Use (Up to 3 months)	Eligible Use	Eligible Use
Homeless Housing, Assistance and Prevention Program (HHAP) [HCFC INFO]	Eligible Use	Eligible Use	Eligible Use	Eligible, But Not Prioritized, Use
Encampment Resolution Grants [HCFC INFO]	Eligible Use	Eligible Use	Eligible Use	Not Eligible
Family Homelessness Challenge Grants [HCFC INFO]	Eligible Use	Eligible Use	Eligible Use	Eligible Use
Project Roomkey and Rehousing [CDSS INFO]	Services and Operations Uses Eligible	Eligible Use	Services Uses Eligible	Not Eligible
Community Care Expansion [CDSS INFO]	Not Eligible	Not Eligible	Capital Use and Operating Reserves Eligible	Not Eligible
CalWORKs Housing Support Program (HSP) [CDSS INFO]	Services Uses Eligible; Capital and Operations with Limitations	Eligible Use with Some Limitations	Services Uses Eligible; Capital and Operations with Limitations	Eligible Use with Limitations
CalWORKs Homeless Assistance [DSS INFO]	Services Uses Eligible (Limited to Hotel/Motel Reimbursement)	Eligible Use with Limitations	Not Eligible	Eligible Use
Housing and Disability Advocacy Program (HDAP) [CDSS INFO]	Services Uses Eligible; Capital and Operations with Limitations	Eligible Use	Services Uses Eligible; Capital and Operations with Limitations	Eligible Use with Limitations
Home Safe [CDSS INFO]	Services Uses Eligible; Capital and Operations with Limitations	Eligible Use	Services Uses Eligible	Eligible Use
Bringing Families Home [CDSS INFO]	Services Use Eligible; Capital and Operations with Limitations	Eligible Use	Services Uses Eligible; Capital and Operations with Limitations	Eligible Use with Limitations
Supportive Services for Formerly Homeless Veterans [CALVET INFO]	Not Eligible	Not Eligible	Services Eligible	Not Eligible



Strategic Funding Guide: Federal Resources

TABLE 2: MAJOR FEDERAL INVESTMENTS, NEW AND CONTINUING				
KEY: ■ = highly prioritized use ■ = prioritized use ■ = not a prioritized use ■ = not an eligible use				
Funding Source or Program	Non-Congregate Shelter / Interim Housing (Capital / Operations / Services)	Rental Assistance (Short-Term to Permanent)	Permanent Supportive and Service-Enriched Housing (Capital / Operations / Services)	Diversion and Homelessness Prevention
American Rescue Plan Resources				
Emergency Rental Assistance (ERA)* [TREASURY INFO]	Not Eligible	Eligible Use (Up to 18 months)	Not Eligible	Eligible Use
Emergency Housing Vouchers (EHVs) [HUD INFO]	Not Eligible	Eligible Use (Permanent)	Tenant-Based Subsidies; Not Capital or Services	Can Prioritize At-Risk Households
HOME-ARP [HUD INFO]	Eligible Use	Eligible Use (TBRA up to 24 months)	Capital Uses Eligible; HUD to Define Limited Eligible Services Uses	Limited, But Not Prioritized, Uses
Coronavirus Fiscal Recovery Funds [US TREASURY INFO]	Eligible Use	Eligible Use	Eligible Use	Eligible, But Not Prioritized, Use
CARES Act Resources				
Emergency Solutions Grant – CV (ESG-CV) [HUD INFO] [HCD INFO]	Eligible Use	Eligible Use	Not Eligible	Eligible, But Not Prioritized, Use
Community Development Block Grant – CV (CDBG-CV) [HCD INFO]	Eligible Use	Eligible Use (Up to 3 months)	Eligible Use	Eligible, But Not Prioritized, Use
Coronavirus Relief Fund (CRF) [US TREASURY INFO]	Eligible Use (Only through 12/31/21)	Eligible Use (Only through 12/31/21)	Eligible Use (Only through 12/31/21)	Eligible, But Not Prioritized, Use
Other Frequently Used Federal Funding Sources				
FEMA – Public Assistance Program Category B [FEMA INFO] [DSS INFO]	Eligible Use (Subject to FEMA approvals)	Not Eligible	Not Eligible	Not Eligible
Continuum of Care Program (CoC) [HUD INFO]	Not Eligible	Eligible Use	Eligible Use	Diversion Uses Eligible
Emergency Solutions Grants (ESG) [HUD INFO] [HCD INFO]	Eligible Use	Eligible Use (Up to 24 months)	Not Eligible	Eligible, But Not Prioritized, Use
Community Development Block Grant (CDBG) [HUD INFO] [HCD INFO]	Eligible Use	Eligible Use (Up to 3 months)	Eligible Use	Eligible, But Not Prioritized, Use
HOME Investment Partnerships Program (HOME) [HUD INFO]	Not Eligible	Eligible Use (TBRA up to 24 months, renewable)	Capital; Not Operations or Services	Not Eligible
Housing Choice Vouchers [HUD INFO]	Not Eligible	Eligible Use (Permanent)	Operating Subsidies; Not Capital or Services	Can Prioritize At-Risk Households
HUD-VA Supportive Housing Program (HUD-VASH) [HUD INFO] [VA INFO]	Not Eligible	Eligible Use (Permanent)	Operating Subsidies & VA Services; Not Capital	Can Serve At-Risk Veterans
Family Unification Program Vouchers (FUP) [HUD INFO]	Not Eligible	Up to 36 months for youth; permanent for families	Operating Subsidies; Not Capital or Services	Can Serve At-Risk Families & Youth
Supportive Services for Veteran Families Program (SSVF) [VA INFO]	Eligible Use (Emergency Housing Assistance)	Eligible Use, including 2-Year Shallow Subsidies in Some Places	Not Eligible	Eligible Use

* ERA 1 funded through Consolidated Appropriations Act; ERA 2 funded through American Rescue Plan.



Overview of Strategic Funding Guide

TABLE 3: STATE INVESTMENTS IN FY 21-22 AND BEYOND

Provides information regarding State programs, some of which are supported through Federal investments, providing funding resources during FY 21-22 and, in many case, in future FYs.

HOMEKEY – via California Department of Housing and Community Development (HCD)

<p>Funding Amounts and Time Constraints:</p>	<ul style="list-style-type: none"> The State budget includes an additional \$2.75 billion in funding for the Homekey program to be administered by HCD over 2 years, using a mix of American Rescue Plan funding (\$2.25 billion) and General Funds (\$500 million) to support the acquisition and conversion of properties into affordable and supportive housing or interim housing.
<p>Eligible Activities:</p>	<ul style="list-style-type: none"> Awarded funds can be used to provide permanent or interim housing for individuals and families experiencing homelessness or at risk of experiencing homelessness. See https://homekey.hcd.ca.gov/content/eligibility for more information on eligible uses.
<p>Status of State Actions to Date:</p>	<ul style="list-style-type: none"> The State announced the release of \$1.45 billion in Homekey grant funds on September 9, 2021 and the Notice of Funding Availability is at https://homekey.hcd.ca.gov/. Applications will be accepted on a continuous, over-the-counter basis. The application will be available September 30, 2021 and due by Monday, May 2, 2022 at 11:59 p.m. PST, or until the available funds are exhausted, whichever occurs first. All applicants will be required to engage in a Pre-application Consultation prior to applying. Another round of funding for Homekey will be announced in 2022, bringing the total to \$2.75 billion.
<p>Strategic Guidance for Local Use of Funds:</p>	<ul style="list-style-type: none"> Recommended Use: These funds should be used to acquire hotels/motels and other buildings and facilities to be used for permanent housing, for housing that can be used as interim housing with eventual ability to convert to permanent housing, or for interim housing with a focus on supporting people to exit to permanent housing. A priority should be placed on using funding to create permanent supportive housing units, if feasible.

HOMEKEY





State and Federal Resources

	Funding Source	Expenditure Deadline	Street Outreach	NCS/Shelter <small>Capital/Operating/Services</small>	Rental Assistance	PSH- Enriched Housing	Diversion & Prevention
CARES ACT	ESG-CV	9/30/22	Highly Prioritized Use	Prioritized use	Highly Prioritized Use	--Not Eligible	Not a Prioritized Use
	CDBG-CV	6/24/26	Prioritized use	Prioritized use	Prioritized use	Highly Prioritized Use	Prioritized use
AMERICAN RESCUE PLAN	COVID-19 Rent Relief Program/ERA	9/30/22 and 9/30/25	--Not Eligible	--Not Eligible	Highly Prioritized Use	--Not Eligible	Highly Prioritized Use
	HOME-ARP	9/30/30	--Not Eligible	Prioritized use	Prioritized use	Highly Prioritized Use	Not a Prioritized Use
	EHVs	9/30/23	--Not Eligible	--Not Eligible	Highly Prioritized Use	Highly Prioritized Use	Not a Prioritized Use
STATE BUDGET	HHAP	HHAP-3 App: 06/30/22 Outcome goals:	Highly Prioritized Use	Highly Prioritized Use	Highly Prioritized Use	Highly Prioritized Use	Prioritized use
	Homekey	Application due May 2022	--Not Eligible	Highly Prioritized Use	--Not Eligible	Highly Prioritized Use	--Not Eligible
	Project Roomkey	6/30/22	--Not Eligible	Highly Prioritized Use	Highly Prioritized Use	Prioritized use	--Not Eligible
	CalWORKS Housing Support Program	6/30/23 and 6/30/24 (two allocations)	--Not Eligible	Highly Prioritized Use	Highly Prioritized Use	--Not Eligible	--Not Eligible

KEY
Highly Prioritized Use
Prioritized use
Not a Prioritized Use
--Not Eligible



Federal Resources

	Funding Source	Expenditure Deadline	Street Outreach	NCS/Shelter <small>Capital/Operating/Services</small>	Rental Assistance	PSH- Enriched Housing	Diversion & Prevention
CARES ACT	ESG-CV	9/30/22	Highly Prioritized Use	Prioritized use	Highly Prioritized Use	--Not Eligible	Not a Prioritized Use
	CDBG-CV	6/24/26	Prioritized use	Prioritized use	Prioritized use	Highly Prioritized Use	Prioritized use
AMERICAN RESCUE PLAN	COVID-19 Rent Relief Program/ERA	9/30/22 and 9/30/25	--Not Eligible	--Not Eligible	Highly Prioritized Use	--Not Eligible	Highly Prioritized Use
	HOME-ARP	9/30/30	--Not Eligible	Prioritized use	Prioritized use	Highly Prioritized Use	Not a Prioritized Use
	EHVs	9/30/23	--Not Eligible	--Not Eligible	Highly Prioritized Use	Highly Prioritized Use	Not a Prioritized Use

KEY
Highly Prioritized Use
Prioritized use
Not a Prioritized Use
--Not Eligible



State Resources

	Funding Source	Expenditure Deadline	Street Outreach	NCS/Shelter <small>Capital/Operating/Services</small>	Rental Assistance	PSH- Enriched Housing	Diversion & Prevention
STATE BUDGET	HHAP	HHAP-3 App: 06/30/22 Outcome goals:	Highly Prioritized Use	Highly Prioritized Use	Highly Prioritized Use	Highly Prioritized Use	Prioritized use
	Homekey	Application due May 2022	--Not Eligible	Highly Prioritized Use	--Not Eligible	Highly Prioritized Use	--Not Eligible
	Project Roomkey	6/30/22	--Not Eligible	Highly Prioritized Use	Highly Prioritized Use	Prioritized use	--Not Eligible
	CalWORKS Housing Support Program	6/30/23 and 6/30/24 (two allocations)	--Not Eligible	Highly Prioritized Use	Highly Prioritized Use	--Not Eligible	--Not Eligible

KEY
Highly Prioritized Use
Prioritized use
Not a Prioritized Use
--Not Eligible



Developing a Local Strategy





Strategy Development Steps

- Use your local data to consider where there is need:
 - Unsheltered
 - Sheltered and needing permanent housing
 - Access to resources
 - Ways to accelerate monthly housing placements
- Identify which interventions are needed (new and existing)
- Pay attention to funding expenditure deadlines to prioritize order of spending money



Developing a Strategy

Step 1:
Is your community unsheltered population high or low?

Step 2:
What interventions are needed in your community?

FUND USE LEGEND:
1: HIGHEST PRIORITY
2: HIGHER PRIORITY
3: LESSER PRIORITY
4: NOT A PRIORITY

Step 3:
What funding sources should you prioritize?

		ESG-CV	CDBG-CV	Roomkey	Homekey	HHAP	HOME-ARP
If high, start with these interventions and then complete those below	Stand up and sustain non-congregate emergency shelters	2	3	1	-	2	4
	Purchase hotel/motels or other properties for expanding NCS and/or permanent housing	-	2	-	1	-	1
	Outreach and other supports for unsheltered	1	3	-	-	2	-

Source: [How to Fund COVID-19 Homelessness Response with CARES Act Funding](#)



Developing a Strategy

Step 1:

Is your community unsheltered population high or low?

Step 2:

What interventions are needed in your community?

Step 3:

What funding sources should you prioritize?

		ESG-CV	CDBG-CV	EHVs	CalWORKS	HHAP	ERA
If low, start with these interventions	Rapid Rehousing	1	-	Note: Prioritize most vulnerable	2	2	-
	Diversion Diversion to help households avoid entry into homelessness and rapid resolution for households who don't need more intensive housing help to exit homelessness quickly	2	2	-	-	1	-
	Targeted homelessness prevention for formerly homeless people	3	2	-	-	-	1

Source: [How to Fund COVID-19 Homelessness Response with CARES Act Funding](#)



Micro- and Macro- Braiding





Micro- and Macro- Braiding Funds

- Micro-braiding: individual service provider working with an eligible program participant and utilizing multiple funding sources to support housing stability
- Macro-braiding: organization- or community-level planning and implementation efforts using multiple funding sources to support multiple activities



Micro-braiding Example

- Individual presents with 4 months of rental arrears and in need of ongoing rental assistance
 - Rent relief funds can pay for rental arrears and 3 months of prospective rental assistance
 - ESG-CV funds can pay for rental arrears
 - HHAP funds can pay for rental assistance
 - Braiding: use Rent Relief funds to pay for rental arrears, 3 months of prospective rental assistance, HHAP for future rental assistance
- Can the case manager also use ESG-CV to pay for prospective rent?



Micro-braiding Example

- Program participant and his 5-year-old daughter are living unsheltered, and a 2-bedroom apartment just became available in a rapid rehousing program
 - ESG-CV funds can pay for rental assistance, furnishings, and case management
 - Private funding can pay for furnishings, childcare, public transportation costs
 - Braiding: use ESG-CV to pay for rental assistance and case management, use private funding to pay for furnishings, childcare, and public transportation costs so client can get to/from job



Macro-braiding Example

- Community has 0.5% vacancy rate, PIT count has shown an increase in unsheltered homelessness, more units are needed to address those living unsheltered
 - Homekey can pay for NCS and PSH
 - CDBG can pay for rehabilitation (public services)
 - HOME ARP can pay for affordable housing development
 - ESG-CV, HHAP can pay for rental assistance
 - Braiding: Use Homekey to pay for NCS acquisition, CDBG for NCS rehabilitation, HOME ARP for PSH development, HHAP for rental assistance, ESG-CV for supportive services



Macro-braiding Example – Eligible Funding

- City has 1.5% vacancy, CoC set up NCS at the beginning of pandemic through Project Roomkey, focus is now on rehousing
 - HHAP (rental assistance, supportive services, flexible housing subsidy)
 - Homekey (housing units)
 - ESG-CV (rapid rehousing, landlord incentives, sponsor-based rental assistance, essential services)
 - EHV (rental assistance, housing placement costs)
 - CalWORKs (rental assistance)
 - Continuum of Care (rapid rehousing)
 - HMIS (data set up, collection, use and reporting)



Macro-braiding Example – Funding Priorities

- City has 1.5% vacancy, CoC set up NCS at the beginning of pandemic through Project Roomkey, focus is now on rehousing
 - ESG-CV for rapid rehousing, landlord costs, and HMIS costs
 - HHAP, CoC, CalWORKs for rapid rehousing
 - EHV for permanent housing
 - Homekey (available housing units)



Audience Choice

Offer up your most challenging braiding question and let's crowdsource it!

Slide 32

PC1 I hid this slide for the recording.
Pitcher, Chris, 10/23/2021



Thank you for listening