

**STATE OF SOUTH DAKOTA**  
**Coronavirus Aid, Relief and Economic Securities Act (CARES Act)**  
**Supplemental Funding Application Program Information**  
**Emergency Solutions Grants (ESG-CV) Program**  
**Administrative and Allocation Changes**

Per the CARES Act, South Dakota has received a second-round allocation of \$5,554,958 of special Emergency Solutions Grants (ESG) Program funds to be used to **prevent, prepare for, and respond to the coronavirus pandemic (COVID-19)** among individuals and families who are homeless or receiving homeless assistance; and to support additional homeless assistance and homelessness prevention activities to mitigate the impacts of COVID-19. The additional funds are referred to as ESG-CV funding.

With additional funding and program waivers and variances, SDHDA will be modifying the administration of the ESG-CV funds as it relates to the process and award of funds to sub-recipients. Following are variances to the 2020-2021 ESG Allocation Plan. Application and program requirements remain unchanged, unless specified within this notice or any notice provided by the U.S. Department of Housing and Urban Development.

**Application Deadlines:** Applications for ESG-CV funding will be accepted until 5:00 p.m. Central Time, January 29, 2021, and February 26, 2021.

**ESG Funding Levels:** The second allocation of ESG-CV funding is \$5,554,958. This funding will be allocated in two separate application rounds as described below.

**First Application Round:**

- Application deadline of January 29, 2021.
- Total funding available \$4,166,218 which does include up to ten percent (10%) for program administration.
- One million dollars (\$1,000,000) of the \$4,166,218 funding will be set aside for applicants providing ESG services to tribal communities.
- A minimum of five percent (5%) of funding will be available to agencies for program administration.

**Second Application Round:**

- Application deadline of February 26, 2021.
- Total funding available \$1,388,740, which does include up to ten percent (10%) for program administration.
- Applicants must be located in or provide services in three targeted geographic areas of Cheyenne River Reservation, Pine Ridge Reservation or Pierre and surrounding areas (within 100 miles of Pierre).
- A minimum of five percent (5%) of funding will be available to agencies for program administration

**VALUES AND GUIDING PRINCIPLES** – For the second allocation of ESG-CV funding, SDHDA will prioritize programs that:

- Are addressing the disproportionate impacts that homelessness and COVID-19 has on communities of color and other vulnerable populations as determined by data assessment.
- Center and engage those with lived experience of homelessness and communities most impacted by COVID-19 in creating effective approaches to reducing and ending homelessness.
- Are culturally responsive, culturally specific and led by those who reflect the populations served.

- Initiate or enhance partnerships and collaborations that include traditionally marginalized groups in program planning and implementation.
- Are actively engaged in or seek to build partnerships with Tribal Nations in addressing homelessness among Native Americans, in tribal communities and within Tribal Nation land.

The ESG funding through the CARES Act does have variances from traditional ESG funding; these variances are briefly outlined below. The full ESG-CV Notice can be found on HUD Exchange at [ESG-CV NOTICE - 8-31-20 CLEAN \(hud.gov\)](#). Please note that additional guidance from HUD will be ongoing and there may be program modifications, even after the ESG funds have been awarded to subrecipients.

The following provisions apply to the CARES Act ESG funding:

- Assistance eligibility is extended to very low income individuals defined as 50% AMI, (as determined by HUD) at risk of homelessness.
- Funding can be used to cover or reimburse allowable costs related to coronavirus response including costs incurred before enactment of the legislation. We are allowing pre-award costs back to March 13, 2020.
- Regular procurement standards can be waived in procuring goods and services in coronavirus response.
- Grantees may use 10% of funds for administrative costs – SDHDA will allocate a minimum of 5% to subrecipients.
- Match requirements do not apply to this allocation of funds.
- Temporary emergency shelters are eligible expenses including property leases, temporary structures, and other activities, and minimum period of use standards do not apply. Funds for this category must be utilized by January 31, 2022.
- Environmental review standards do not apply in utilizing temporary emergency shelters.
- Additional activities available under CARES Act funding: Temporary Emergency Shelter, Training for infectious disease prevention & mitigation, Hazard Pay, Handwashing Stations and Portable Bathrooms, Landlord Incentives and Volunteer Incentives; these activities are allowed expenses outside of the program's 10% administrative cap.
- Short-Term and Medium-Term Rental Assistance – under Round 2 of the ESG-CV funding medium-term rental assistance is defined as “more than 3 months but not more than 12 months”.
- HUD is permitted to waive regulations or statutes in program implementation necessary to facilitate coronavirus response (except for fair housing, nondiscrimination, labor standards, and environmental unless otherwise previously noted).

**APPLICATION DEADLINE** - The application deadline is firm as to the date and hour. SDHDA will not consider any incomplete applications or applications received after the deadline. Applications must be submitted electronically via our Online Application Submission at [Application Submission | SDHDA](#) or typed and mailed. If you choose to mail in your application please allow sufficient time for delivery.

**PROGRAM OVERVIEW** - In order to address the COVID-19 pandemic, HUD is providing a supplemental allocation of ESG funds as authorized by the Coronavirus Aid, Relief and Economic Security (CARES) Act, Public Law 116-136. These special ESG-CV funds are to be used to ***prevent, prepare for, and respond to the coronavirus pandemic (COVID-19)*** among individuals and families who are homeless or receiving homeless assistance. The funds will also support additional homeless assistance and homelessness prevention activities to mitigate the impacts of COVID-19. Please note that agencies are not allowed to apply for funding to assist residents living within their own residential housing units. The following components are available:

- Emergency Shelter – funds must be expended by January 31, 2022
- Temporary Emergency Shelter – funds must be expended by January 31, 2022

- Street Outreach
- Homeless Prevention
- Rapid Rehousing
- Homeless Management Information System (HMIS)
- Administration

**ELIGIBLE APPLICANTS** – Eligible applicants are non-profits, units of local government, housing agencies or redevelopment commissions. Applicants must be in compliance with ESG guidelines and applicable state and federal policies and procedures, including compliance with federal and state non-discrimination laws.

Applicants must have established standard accounting practices including internal controls, fiscal accounting procedures and cost allocation plans, and be able to track agency program budgets by revenue sources and expenses.

**EXPENDITURE DEADLINES** – The overall deadline for expending first and second allocations is September 30, 2022. To ensure ESG-CV funds are spent quickly on eligible activities to address the public health and economic crisis caused by coronavirus, the following alternative requirements are established:

- HUD may recapture up to 20 percent of a recipient's total award, including first and second allocation amounts, if the recipient has not expended at least 20 percent of that award by September 30, 2021.
- HUD may recapture up to 80 percent of a recipient's total award, including first and second allocation amounts, if the recipient has not expended at least 80 percent of that award by March 31, 2022.

SDHDA reserves the right to review a subrecipient's balance of funds quarterly and reallocate unused funds if the subrecipient is not meeting the expenditure requirements above.