

Funding homelessness responses

In response to the COVID-19 crisis, local governments face the challenge of expanding resources for sheltering and serving people experiencing homelessness just as their budgets are being decimated by the loss of revenue caused by the pandemic. To prevent or slow the spread of COVID-19 among people experiencing homelessness, and to protect homelessness service providers, local governments are expending funds on housing people experiencing homelessness, expanding their existing shelter space to allow for isolation of at-risk or COVID-19 positive clients, implementing new screening and testing procedures, procuring personal protective equipment, installing portable handwashing stations and restrooms, and increasing staff time dedicated to [homelessness responses](#). In this brief, we examine (a) how local governments are funding homelessness responses using a combination of local and federal funds, and (b) highlight key components of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), signed into law on March 27, that provide localities with additional federal funding and program flexibility to address homelessness.

Funding sources local governments have used to address homelessness during the COVID-19 crisis

In the early days of the pandemic, many cities, towns, and counties responded quickly to the crisis by reallocating general funds or raising money in collaboration with community partners to address homelessness. The [City of Atlanta](#), for example, allocated \$1 million of its general fund to support transportation, testing, and isolation practices for people experiencing homelessness, then separately transferred \$1.5 million in general funds to support local nonprofits and philanthropic funders in raising funds to increase shelter options and wraparound services. In Detroit, the city received funding support from philanthropic partners that helped increase the testing of individuals experiencing homelessness. Many local governments have worked with community partners to establish or tailor centralized portals for donations to local service providers that address homelessness and other challenges exacerbated by COVID-19, including [Atlanta](#), [Charlotte](#), and [Los Angeles](#). Federal funding is clearly essential to help meet local homelessness response needs, but we recommend that localities try to supplement federal funding with other sources, as local homelessness needs may be greater than federal funding alone will address.

Federal funding sources and program flexibility to assist local governments in addressing homelessness

The passage of the CARES Act provides local governments with increased and flexible funding to address homelessness and protect the health of people experiencing homelessness. Highlighted below are several of the most important resources available to help eligible local governments fund responses to homelessness (for a more comprehensive list of available resources, refer to the US Interagency Council on Homelessness' [resource page](#)).

1. The CARES Act provided \$45 billion to the Federal Emergency Management Agency (FEMA) to address the COVID-19 crisis. During the pandemic, local governments should use FEMA funds before other federal funding sources as FEMA funds are the most time-limited. At the direction of public health officials. Local governments can adopt emergency protective measures using FEMA's Public Assistance grant program. FEMA will reimburse 75 percent of the cost of eligible activities, which includes the procurement of non-congregate medical sheltering (e.g., hotel rooms) to promote social distancing and personal protective [equipment](#). Separately, additional funding is available to qualifying jurisdictions from FEMA's Emergency Food and Shelter grant program ([EFSP](#)). Local governments and nonprofit service providers can use EFSP grants to support a range of facilities and services for people experiencing homelessness, including food, temporary lodging, short-term rental assistance, transportation, and minor repairs and accessibility improvements to sheltering facilities.

2. The Department of Housing and Urban Development (HUD) received \$12 billion in additional funding to aid local governments in addressing the COVID-19 crisis. Specific to addressing homelessness, HUD grantees may benefit from additional funding or flexibility provided through the CARES Act for several HUD programs:
 - CDBG – A total of \$5 billion in CDBG funding was provided in the CARES Act, including (a) \$2 billion in general funds that were distributed to states and entitlement jurisdictions on April 1, 2020, (b) \$1 billion to that HUD will distribute to states and insular areas by May 11 to “to prevent, prepare for, and respond to coronavirus,” and (c) \$2 billion to be distributed at HUD's discretion on a rolling basis according to public health needs and economic and housing market conditions. [Eligible CDBG activities](#) under the CARES Act include acquiring facilities to isolate or quarantine individuals at risk for COVID-19 and constructing or rehabbing facilities (including mobile facilities) to conduct testing, diagnosis, or treatment. HUD has removed the 15 percent public services cap on CDBG grants funded by the CARES Act, as well as for FY 2019 and 2020 CDBG grant funds used to address the pandemic. Eligible public services include conducting testing for COVID-19, increasing the capacity of health facilities, and delivering food to individuals who are quarantined.
 - \$4 billion has been allocated to the Emergency Solutions Grants (ESG), \$1 million of which has been distributed to state and local governments, and the remainder of which will be distributed at HUD's discretion by June 25, 2020. Recipients can use ESG funds to support homelessness prevention, emergency shelters, rental assistance, supportive services, and staff training on COVID-19 prevention and mitigation and hazard pay.
 - Several federal programs that can assist local governments in preventing homelessness and reducing the threat of COVID-19 received additional funding from the CARES Act. For Tenant-Based Rental Assistance, Project-Based Rental Assistance, and the Public Housing Operating Fund, funds are mainly intended to address the increased cost of serving existing assisted households, rather than to serve additional households. CARES Act funding for Housing Opportunities for Persons with AIDS (HOPWA), the Native American Housing Block Grant program, and the Indian Community Development Block Grant program can support existing assisted households and also address emerging housing needs due to COVID-19.
 - HUD has issued numerous waivers for ESG, HOPWA, and Continuum of Care (CoC) programs, details of which are available on [HUD Exchange](#).

3. The US Department of Veterans Affairs (VA) received \$202 million in supplemental funding for Supportive Services for Veteran Families ([SSVF](#)) and has relaxed certain program guidelines. SSVF grantees will now temporarily be allowed to place veterans experiencing homelessness who are at high-risk for contracting COVID-19 in emergency housing (e.g. hotels or motels) even if space is available at congregate shelters. Additionally, during the crisis, grantees are allowed to exceed the 50 percent spending cap on [Temporary Financial Assistance \(TFA\)](#), which can assist with costs of securing housing for veterans facing homelessness, and can exceed the TFA limit on the number of months rental assistance is provided.

4. The Department of Health and Human Services (HHS) has issued guidance on how Temporary Assistance for Needy Families (TANF) can help localities respond to the COVID-19 crisis. To specifically address homelessness, the non-recurrent, short-term benefit ([NRST](#)) may be used for up to four months to assist clients with housing search and placement services, rental assistance, and family support services. While this does not make new money available to states, it does give states flexibility to use existing TANF funds for new purposes that can be used to help prevent or address homelessness.

The following are examples of how localities are already using CARES Act funding and flexibility as part of their homelessness response.

- California localities – Securing hotel and motel rooms. California Governor Newsom announced a statewide effort titled “Project Roomkey” to dedicate 15,000 hotel rooms to isolate those experiencing homelessness who have tested positive for, been exposed to, or are at high risk of complications from, COVID-19. California will seek reimbursement from FEMA for up to 75% of the costs associated with the occupancy agreements and operating services.¹
- Phoenix, AZ – Expanding emergency shelter and housing. The Phoenix City Council allocated \$27 million of CDBG dollars from CARES Act funding to address homelessness. The funds have been used for 48 additional shelter beds for individuals whose COVID-19 test results are pending, a 25-bed emergency shelter expansion, rapid-rehousing for 100 families, and dedicating 100 hotel rooms for high-risk seniors experiencing homelessness.³
- Sacramento, CA – Purchasing personal protective equipment for shelter staff and clients. The County and City of Sacramento outlined a plan⁴ to use additional ESG funding provided through the CARES Act for the purchase and distribution of personal protective equipment for front line shelter staff in both existing dormitory style shelters and expansion shelters consisting of trailers and motels.

Resources:

[Local Housing Solutions COVID Fund section](#)

[A Framework for COVID-19 Homelessness Response](#), National Alliance to End Homelessness – The Framework offers localities guidance on coordinating the immediate and long-term use of CARES Act Funding and other funding sources to address homelessness, increase housing stability, and support public health goals. The Framework emphasizes a focus on racial justice and equity.

[COVID-19: Federal Resource Guideline Series](#), National Alliance to End Homelessness – The Series includes details available funding and eligible activities to address homelessness using multiple federal programs, including: CDBG, ESG, FEMA, Medicaid, SAMHSA Grant Programs, SNAP, and TANF.

[COVID-19 Response and Homelessness: An Action and Resource Guide](#), US Department of Housing and Urban Development – A series of HUD and additional federal resource guides to assist localities in addressing homelessness and funding homelessness responses

[COVID-19 & Housing/Homelessness](#), National Low Income Housing Coalition – A regularly-updated webpage that includes best practices to address homelessness during the COVID-19 crisis, CARES Act analysis, guidance on using federal funding to house people experiencing homelessness, and FAQs, among other resources.

[CARES Act Suggestions for State, Local, Tribal, and Territorial Elected Officials](#), National Low Income Housing Coalition – This brief summarizes federal funding available to local governments to address housing instability and homelessness and recommends action steps for elected officials to take to effectively manage responses to the crisis.