

# Using a Disaster Policy to Fund Infectious Disease Preparedness and Response with ESG

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## Did You Know?

Emergency Solutions Grants (ESG) Program recipients (States, territories, cities and counties) can establish a policy in their Consolidated Plan/Annual Action Plan (Con Plan/AAP) to rapidly direct available ESG funds towards disaster preparedness and response strategies (Disaster Policy).

## The Need

Individuals experiencing homelessness are at greater risk of exposure to a variety of infectious diseases including influenza and coronavirus. Effective sanitation measures can reduce the spread of infectious disease for people who are unsheltered or living in emergency shelters. ESG Program recipients may use ESG Street Outreach and Emergency Shelter funds for essential supplies and services to reduce the spread of infectious disease in their programs. See [Eligible ESG Program Costs for Infectious Disease Preparedness](#).

All ESG-funded activities used to support natural disasters or public health emergencies must align with all applicable ESG Program requirements.

## Planning Steps

To effectively prepare and respond to disaster situations, ESG recipients may establish a policy in their Con Plan/AAP that outlines how they intend to make quick, targeted ESG awards in exceptional circumstances, such as a public health emergency. Once HUD approves the recipient's Con Plan/AAP amendment (likely a substantial amendment), recipients can award funds to eligible subrecipients to address specific needs in affected areas.

Key elements of a Disaster Policy to rapidly deploy ESG funds for disaster preparedness and response are:

- **Flexible:** Build in the flexibility to temporarily suspend traditional allocation processes, such as time consuming competitive award processes. Funding flexibility affords recipients the ability to directly award funds to subrecipients (as opposed to contractors) through subrecipient agreements. See [SNAPS-Shot: Using Contractors in the ESG and CoC Programs](#).
- **Targeted:** Specify that the recipient may direct funds to the geographic area(s) where it is most needed and will have the greatest impact. Example: funding street outreach activities in specific encampment locations impacted by hurricane flooding.

Similarly, recipients can target funding to certain types of activities that may be needed immediately. Example: funding generators and water tanks for emergency shelters as a part of a community-wide response to a natural disaster.

- **Streamlined:** Minimize the administrative burden to the extent possible, accounting for the limitations impacted areas and organizations may have for burdensome application requirements. For instance, jurisdictions can amend existing contracts to include a new activity.

Recipients should also work with State and local procurement departments in advance to determine if they can accommodate the flexible approach to awarding funds that is described above.

- **Strategic:** Thoughtfully analyze the availability of all existing grant balances, including those from older grant years. Consider establishing a threshold for recouping funds from slow spending or inactive subgrants that can be repurposed to address emergent disaster or public health needs.

## Process

To establish a Disaster Policy to rapidly deploy ESG assistance in emergency situations, recipients should:

1. Execute a Substantial Amendment to their Con Plan/AAP that includes the rationale and process, the areas that may be served and the activity types that will be funded. Ensure that:
  - a. States include the policy in their Method of Distribution for ESG (screen AP-30 in the eCon Planning Suite). For instance, recipients may consider adding language such as:

*In the event of a public health emergency, such as an outbreak of the coronavirus, the State will suspend its competitive award process and directly allocate ESG funding to existing subrecipients that have the capacity to take on additional work and be responsive during a public health outbreak.*
  - b. States and local governments include this policy in their identified process for making ESG subawards on AP-90 in the eCon Planning Suite
2. Consider requesting a waiver to reduce the 30-day public comment period through the HUD CPD Field Office if funding is needed imminently.
3. Receive notification from HUD that the amended Con Plan/AAP (which now includes the Disaster Policy) has been approved.
4. Issue direct awards to eligible ESG subrecipients to serve areas likely to be impacted by a disaster or public health emergency. Recipients may award funding under their Disaster Policy using both existing grant balances from older grant years and/or current awards.

## Key Considerations

- The Emergency Shelter/Street Outreach cap is a statutory requirement and cannot be waived.
- Be aware of local procurement requirements when developing a Disaster Policy.
- Ensure that the terms and conditions of subrecipient grant agreements and the Disaster Policy are consistent.

## Related Resources

[Notice CPD 17-06: Using CPD Funds for Disaster Response and Recovery](#)

[Eligible ESG Program Costs for Infectious Disease Preparedness](#)

[Infectious Disease Toolkit for CoCs](#)

## Ask A Question

Submit questions to the [Ask A Question \(AAQ\) portal](#). In Step 2 of the question submission process, select “CoC: Continuum of Care Program” from the “My question is related to” drop down list and write “Health Preparedness and Response” in the subject line.

***This resource is prepared by TA providers and intended to help recipients and subrecipients understand the ESG Program Interim Rule. Always refer to the program regulations to ensure compliance with program requirements. The contents of this document, except when based on statutory or regulatory authority or law, do not have the force and effect of law and are not meant to bind the public in any way. This document is intended only to provide clarity to the public regarding existing requirements under the law or agency policies.***