

STATE OF HAWAII
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
SUBSTANTIAL AMENDMENT NO. 3, PART 2 TO THE
PY2019 ANNUAL ACTION PLAN

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) provides \$4 billion in supplemental funds under the U. S. Department of Housing and Urban Development's (HUD) Emergency Solutions Grant (ESG-CV) program, to prevent, prepare for, and respond to the Coronavirus (COVID-19) pandemic. The State of Hawaii, through the Homeless Programs Office of the Department of Human Services (DHS), is eligible to receive \$8,466,976 under HUD's second and final release of ESG-CV funds. DHS will utilize these funds to assist Hawaii's low-income families and most vulnerable citizens. As the City and County of Honolulu is eligible to receive its own CARES Act funds, DHS will use the State's funds in the neighbor island counties of Hawaii, Kauai and Maui.

In order for DHS to receive CARES Act funds, the state's Hawaii Housing Finance and Development Corporation (HHFDC), Department of Business, Economic Development and Tourism, must submit, for HUD's approval, a substantial amendment to the state's Consolidated Plan, Annual Action Plan (AAP) for Program Year 2019 (PY2019). HHFDC is supporting DHS' efforts by amending the State's PY2019 AAP to include ESG-CV funds and associated activities as soon as possible, to allow for the immediate use of CARES Act funds in affected households and communities. HHFDC previously amended the PY2019 AAP for the first release of CARES Act ESG funds of \$1,567,697 and is adding the second release of \$8,466,976 for a total of \$10,034,673 in CARES Act ESG funds for the state of Hawaii.

DHS identified ESG-CV activities for the second and final release of \$8,466,976, with an emphasis on expanding provider capacity to non-traditional ESG recipients to bolster homeless services system throughout the neighbor islands. The counties of Hawaii and Maui will each receive approximately 42.5% of the grant, and the County of Kauai will receive approximately 15%. DHS will contract with the nonprofit Ka Mana O Na Helu (KMONH) to administer contracts with providers using ESG-CV funds in the neighbor island counties, to be utilized as follows:

- **\$2,558,880** or 30% of the total grant amount will be used by providers of direct services in the neighbor island counties to support homeless individuals and families in emergency shelters combat the effects of COVID-19. Funding will be provided to specialized shelters to provide medical respite, crisis, triage, and/or stabilization beds and support services to assist specific populations (e.g., costs to support the operations of shelters providing beds to assist clients with substance use and/or mental health problems, and costs to support essential services designed to prevent, reduce, eliminate or deter relapse of substance abuse or addictive behaviors and are provided by licensed or certified professionals).
- **\$2,239,935** or 27% of the total grant will be used to provide homeless prevention (HP) services (housing relocation and stabilization services coupled with rental assistance to prevent households from becoming homeless).

- **\$1,979,812** or 23% of the total grant will be used to provide rapid re-housing (RRH) services (in addition to HP services, longer term rent subsidies and supportive services in alignment with ESG-CV regulations and waivers to support higher acuity clients).
- **\$1,265,000** or 15% of the total grant will be used to provide integrated street and encampment outreach, such as emergency health and mental health services, direct outpatient treatment of medical and mental health conditions by licensed professionals in unsheltered settings, development of treatment plans and provision of medication and follow-up services in collaboration with other street outreach providers.
- **\$84,670** or 1% of the total grant amount will be used by KMONH for HMIS oversight responsibilities, including HMIS data entry for newly-awarded organizations to help with CoC data quality, timeliness and reporting, and adherence to BTG's Coordinated Entry System requirements and HMIS policies and procedures..
- **\$338,679** or 4% of the total grant amount will be used for KMONH's administrative costs. KMONH will provide administrative oversight to ensure compliance with program requirements and expenditure thresholds and deadlines. Note that DHS will retain no ESG-CV funds for administration, and each provider of direct services may use up to six percent of its ESG-CV2 funds for administrative costs.

DHS anticipates that the ESG-CV Round 2 program will be operative through September 2022.

Other aspects of the PY2019 AAP will remain the same.

On January 26, 2021 a Public Notice was posted to HHFDC's website and the website of Bridging the Gap, informing the public of ESG-CV funds available to DHS and DHS' intended activities. The public notice satisfied the requirement described in a memorandum issued on May 4, 2020 by the Acting Assistant Secretary for HUD's Community Planning and Development, requiring each grantee of CARES Act ESG-CV funds to publish how it has used and will use its ESG-CV allocation, at a minimum, on the Internet at the appropriate Government website or through other electronic means.