

## COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	<b>23-001</b>	Meeting:	<b>January 9, 2023</b>
	Agenda Item:	<b>28</b>	Roll Call:	<b>23-0035</b>
	Submitted by:	<b>Chris Johansen, Neighborhood Services Department Director</b>		

### AGENDA HEADING:

Reallocation of unspent 2021 and 2022 Emergency Solutions Grant (ESG) funding from the US Department of Housing and Urban Development (HUD).

### SYNOPSIS:

The City receives an annual allocation of ESG funds, which then are allocated to local homeless agencies as subrecipients. Primary Health Care, one (1) of the subrecipients, is voluntarily returning \$205,132 so that the City can reallocate those funds to HOME, Inc. and Hawthorn Hill before contracts with HUD expire.

### FISCAL IMPACT:

Amount: \$205,132

Funding Source: FY2022 Operating Budget, Neighborhood Services Department, Special Revenue and Other Funds, Homeless Grants, p. 140.

### ADDITIONAL INFORMATION:

- In June 2021, HUD monitored the local Continuum of Care (CoC) – known as Homeward, the City, and Primary Health Care’s Rapid Rehousing program (IA0079L7D021804). Although the monitoring was for a CoC program contract, it was discovered that the match requirements for ESG were not being met due to a misunderstanding of what was an eligible source of match.
- The match requirements, as outlined in 24 Code of Federal Regulations, Part 576.201, indicate that the City or its subrecipients must make matching contributions to supplement the ESG program in an amount that equals the fiscal year grant for ESG, or a dollar-for-dollar match, directly related to ESG activities.
- As a result of the HUD monitoring visit and a new understanding of eligible match sources, Primary Health Care indicated it will not be able to meet the ESG match requirements in 2021 and 2022 and voluntarily returned \$205,132 in rapid rehousing funds to be reallocated to other subrecipients.

- Staff at HOME, Inc. and Hawthorn Hill indicated their agencies will be able to expend the outstanding 2021 and 2022 dollars and meet the ESG match requirements.
- On December 12, 2022, the Homeward Board approved a recommendation to City Council for the reallocation of 2021-2022 ESG funds.
- All funds must be expended before the City's contracts with HUD expire, or the funds will be returned to HUD. The grant year 2021 ESG contract with HUD expires in June 2023; the grant year 2022 contract expires in June 2023.
- Up to 60% of ESG program funds in one (1) year can be used for street outreach or emergency shelter. The remainder must be used for homeless prevention, rapid rehousing, and Homeless Management Information Systems (HMIS).

**PREVIOUS COUNCIL ACTION(S):**

Date: June 27, 2022

Roll Call Number: [22-1005](#)

Action: [Reallocation](#) of Emergency Solutions Grant (ESG), including Covid-19 response funds (ESG-CV), funding from the US Department of Housing and Urban Development (HUD). ([Council Communication No. 22-313](#)) Moved by Gatto to adopt. Second by Boesen. Motion Carried 6-1. Absent: Sheumaker

Date: May 24, 2021

Roll Call Number: [21-0783](#)

Action: [2021-2022](#) Emergency Solutions Grant (ESG) funding from U.S. Department of Housing and Urban Development (HUD). ([Council Communication No. 21-233](#)) Moved by Gatto to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S):**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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