



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

## Office of Audits and Investigations


June 2, 2021

### MEMORANDUM

TO: Robert J. Williams, Jr.  
Council Administrator

William M. Hunt  
Deputy Council Administrator

THRU: Josh Hamlin   
Senior Legislative Budget and Policy Analyst

FROM: Warren E. Burris, Sr.   
Senior Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement  
CR-041-2021, FY 2020 Annual Action Plan Amendment – ESG CV Funds (DR-1)

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**CR-041-2021** (*proposed by:* The Chair of the Council at the request of the County Executive;  
*Introduced by:* Council Members Hawkins, Turner, Glaros, Franklin, Dernoga, Davis, and Harrison)

Assigned to Committee of the Whole (COW)

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A RESOLUTION CONCERNING THE FISCAL YEAR (“FY”) 2020 ANNUAL ACTION PLAN FOR HOUSING AND COMMUNITY DEVELOPMENT FOR HOUSING AND COMMUNITY DEVELOPMENT for the purpose of amending the Prince George’s County Fiscal Year (“FY”) 2020 Annual Action Plan for Housing and Community Development in order to allow for a change in the use of Emergency Solutions Grant COVID-19 (ESG-CV) Program funds, in the amount of three million dollars (\$3,000,000) from one existing activity to other existing eligible activities in any category within the applicable Program from the FY 2020 Annual Action Plan.

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### Fiscal Summary

**Direct Impact:**

*Expenditures:* None

14741 Governor Oden Bowie Drive, Upper Marlboro, Maryland 20772  
VOICE (301) 952-3431; FAX (301) 780-2097; TDD (301) 925-5167

*Revenues:* None

**Indirect Impact:**

Potentially Positive

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**Legislative Summary:**

CR-041-2021, proposed by the Chair of the Council at the request of the County Executive, and introduced by Council Members Hawkins, Turner, Glaros, Franklin, Dernoga, Davis, and Harrison, and co-sponsored by Vice Chair Taveras was introduced and referred to Committee of the Whole (COW) on April 27, 2021 with public hearing held on May 18, 2021.

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**Current Law/Background:**

Pursuant to 24 Code of Federal Regulations (CFR) § 576, the Emergency Solutions Grants (ESG) program authorized by subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11371-11378). The program authorizes the Department of Housing and Urban Development (HUD) to make grants to States, units of general purpose local government, and territories for the rehabilitation or conversion of buildings for use as emergency shelter for the homeless, for the payment of certain expenses related to operating emergency shelters, for essential services related to emergency shelters and street outreach for the homeless, and for homelessness prevention and rapid re-housing assistance.

HUD will provide that the percentage of the total amount available for allocation to each State, metropolitan city, or urban county is equal to the percentage of the total amount available under section 106 of the Housing and Community Development Act of 1974 for the prior fiscal year that was allocated to that State, metropolitan city, or urban county.

Except as otherwise provided by law, if the amount a metropolitan city or urban county would be allocated is less than 0.05 percent of the total fiscal year appropriation for ESG, that amount will be added to the allocation for the State in which the city or county is located.

*Background*

In the early 1980s, the initial responses to widespread and increasing homelessness were primarily local. Homelessness was viewed by the Reagan Administration as a problem that did not require federal intervention. In 1983, the first federal task force on homelessness was created to provide information to localities on how to obtain surplus federal property; this task force did not address homelessness through programmatic or policy actions. In the years that followed, advocates around the country demanded that the federal government acknowledge homelessness as a national problem requiring a national response. With this goal in mind, the Homeless Persons' Survival Act was introduced in both houses of Congress in 1986. This act contained emergency relief measures,

preventive measures, and long-term solutions to homelessness. Only small pieces of this proposal, however, were enacted into law. The first, the Homeless Eligibility Clarification Act of 1986, removed permanent address requirements and other barriers to existing programs such as Supplemental Security Income, Aid to Families with Dependent Children, Veterans Benefits, Food Stamps, and Medicaid. Also, in 1986, the Homeless Housing Act was adopted. This legislation created the Emergency Shelter Grant program and a transitional housing demonstration program; both programs were administered by the Department of Housing and Urban Development (HUD). In late 1986, legislation containing Title I of the Homeless Persons' Survival Act -- emergency relief provisions for shelter, food, mobile health care, and transitional housing -- was introduced as the Urgent Relief for the Homeless Act. After an intensive advocacy campaign, large bipartisan majorities in both houses of Congress passed the legislation in 1987. After the death of its chief Republican sponsor, Representative Stewart B. McKinney of Connecticut, the act was renamed the Stewart B. McKinney Homeless Assistance Act. A reluctant President Ronald Reagan signed it into law on July 22, 1987. On October 30, 2000 President William Clinton renamed the legislation National Coalition for the Homeless the McKinney-Vento Homeless Assistance Act after the death of Representative Bruce Vento, a leading supporter of the act since its original passage in 1987 “The Secretary (HUD) shall provide assistance directly to a jurisdiction only if the jurisdiction submits to the Secretary a comprehensive housing affordability strategy; the jurisdiction submits annual updates of the housing strategy; and the housing strategy, and any annual update of such strategy, is approved by the Secretary.”<sup>1</sup><sup>2</sup>

The change in the program’s name, from Emergency Shelter Grants to Emergency Solutions Grants, reflects the change in the program’s focus from addressing the needs of homeless people in emergency or transitional shelters to assisting people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness.<sup>3</sup>

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## Discussion/Policy Analysis

CR-041-2021 seeks to amend CR-024-2019, Annual Action Plan for FY 2020, by changing the use of Emergency Solutions Grant program funds in the amount of \$3,000,000 from the Homeless Prevention program to other existing activities of the within the applicable program year from FY 2020 Annual Action Plan. The activities this legislation seeks to move funds to include: \$1,000,000 to Department of Social Services Homeless Shelter program and \$2,000,000 to the Department of Social Services’ Rapid Re-housing Program (see Attachment A).

The Department of Social Services (DSS) administers the Emergency Solutions Grant on behalf of the Department of Housing and Community Development and homeless services on behalf of the County. Pursuant to 24 CFR 91.100(d), “a jurisdiction that receives an ESG grant must consult with the Continuum of Care in determining how to allocate its ESG grant for eligible activities; in developing the performance standards for, and evaluating the outcomes of, projects and activities

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<sup>1</sup> 42 USC Chapter 130, Subchapter I: General Provisions and Policies, Section 12705

<sup>2</sup> [McKinney Act](#)

<sup>3</sup> [HUD Exchange](#)

assisted by ESG funds; and in developing funding, policies, and procedures for the operation and administration of the HMIS.”

Emergency Solutions Grants Program (ESG) funds under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), ESG-CV, funds must be used to prevent, prepare for, and respond to coronavirus, 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 created by coronavirus.

Requirements at 24 CFR Part 576 will apply to the use of these funds, unless otherwise provided by the alternative requirements and flexibilities established under the CARES Act, this Notice, or subsequent waivers, amendments or replacements to this Notice. Accordingly, any ESG or ESG-CV activities included in an action plan or substantial amendment for which HUD completed its review must comply with the requirements in effect at the time of the recipient’s consolidated plan submission, except where this Notice provides new flexibility as authorized by the CARES Act<sup>4</sup>.

#### ***Potential Benefits of Adopting CR-041-2021***

Adoption of CR-041-2021 would provide critical additional resources to the County to meet the needs of the Homeless population and preventing homelessness caused by the COVID Pandemic.

#### ***Potential Costs of Adopting CR-041-2021***

Adoption of CR-041-2021 would represent no fiscal impact to the County expenditures as the \$3,000,000 funds proposed to support this project are being reallocated from one eligible activity to other eligible activities approved under the FY 2020 Annual Action Plan.

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#### **Fiscal Impact:**

##### *Direct Impact*

Adoption of CR-041-2021 would represent no fiscal impact to the County expenditures as the \$3,000,000 funds proposed to support this project are being reallocated from one eligible activity to other eligible activities approved under the FY 2020 Annual Action Plan.

##### *Indirect Impact*

Over time, adoption of CR-041-2021, could potential represent a positive impact on the County as critical resources and services could be provided to impacted residents to keep them in their homes and prevent being on the County’s rolls. These funds provide and fulfil critical social safety net services for residents impacted by COVID-19.

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<sup>4</sup> [HUD CPD Notice 20-08 dated September 1, 2020](#)

*Appropriated in the Current Fiscal Year Budget*

No

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**Items for Committee Consideration:**

- ✓ Pursuant to 24 CFR § 91.105 (a)(2)(i) “the citizen participation plan must provide for and encourage citizens to participate in the development of the consolidated plan, any substantial amendment to the consolidated plan, and the performance report.” As currently written, the citizen’s input comes after the plan for the dollars have already been decided and drafted. This could be perceived as mitigating the public’s due process of expenditure of public funds. Consistent with 24 CFR § 91.500, HUD could be perceived as inconsistent with the spirit of the federal legislation<sup>5</sup>.
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**Resource Personnel:**

DHCD Staff  
Council Administration

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**Effective Date of Proposed Legislation:**

The Resolution shall become effective as of the date of its adoption.

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If you require additional information, or have questions about this fiscal impact statement, please reach me via phone or email.

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<sup>5</sup> 24 CFR § 91.500