



**San Luis Obispo
Countywide 10 Year
Plan to End
Homelessness**

We envision a future in which the housing and comprehensive services necessary to remain housed are available for all, affording everyone maximum self-sufficiency, and the opportunity to be productive and participating members of our community

**HOMELESS SERVICES OVERSIGHT COUNCIL (HSOC)
Meeting Agenda**

September 15, 2021, 1 p.m.

Members and the public may participate by Zoom video call:

[https://us06web.zoom.us/j/86935269287?
pwd=R1BacXg5ZVlmOW1WRnlGSy83TkxVZz09](https://us06web.zoom.us/j/86935269287?pwd=R1BacXg5ZVlmOW1WRnlGSy83TkxVZz09)

Or dial in:

+1 720 707 2699

Meeting ID: 869 3526 9287

Passcode: 912377

1. Call to Order and Introductions
2. Public Comment
3. Consent: Approval of Minutes
4. Action/Information/Discussion
 - 4.1. Action Item: Vote to Recommend Awards for \$150,864 in California's Fiscal Year 2021 Emergency Solutions Grant Continuum of Care Allocation Funding
 - 4.2. Discussion Item: Eviction Prevention
 - 4.3. Discussion Item: State and Federal Grant Updates
 - 4.3.1 Discussion Item: Department of Housing & Urban Development Continuum of Care 2021 Notice of Funding Opportunity and the Need for a Special Meeting of the HSOC

The full agenda packet for this meeting is available on the SLO County HSOC web page:
[https://www.slocounty.ca.gov/Departments/Social-Services/Homeless-Services/Homeless-Services-Oversight-Council-\(HSOC\).aspx](https://www.slocounty.ca.gov/Departments/Social-Services/Homeless-Services/Homeless-Services-Oversight-Council-(HSOC).aspx)

- 4.3.2 Discussion Item: Project Homekey
- 4.3.3 Discussion Item: Homeless Housing, Assistance and Prevention Program
- 4.4. Discussion Item: Ten-Year Plan Update
- 4.5. Discussion Item: Upcoming Expiration of Executive Order N-08-21 and Impact on HSOC Meetings
- 4.6. Discussion Item: HSOC Membership
- 5. Committee Updates
- 6. Future Discussion/Report Items
- 7. Updates and Requests for Information
- 8. Next Regular Meeting: November 17 at 1 p.m.
- 9. Adjournment

The full agenda packet for this meeting is available on the SLO County HSOC web page:
[https://www.slocounty.ca.gov/Departments/Social-Services/Homeless-Services/Homeless-Services-Oversight-Council-\(HSOC\).aspx](https://www.slocounty.ca.gov/Departments/Social-Services/Homeless-Services/Homeless-Services-Oversight-Council-(HSOC).aspx)

HOMELESS SERVICES OVERSIGHT COUNCIL
HSOC Meeting
July 21, 2021 1:00 p.m.
Members and the public were able to participate by Zoom call.

MEMBERS PRESENT	MEMBERS ABSENT	STAFF & GUESTS
Amelia Grover Anna Miller Anne Robin Bettina Swigger Brenda Mack Carlyn Christianson Caroline Hall Dawn Addis Dawn Ortiz-Legg Devin Drake Janna Nichols Jeff Smith Kathy McClenathen Kristen Barneich Mark Lamore Mary Ann Reiss Nicole Bennett Rick Gulino Scott Smith Steve Martin Susan Funk Susan Lamont	Bill Crewe Jessica Thomas Shay Stewart	Abby Lassen Alicia Dueck Blake Fixler Brandy Graham Carrie Collins Daniela Garcia Elaine Archer George Solis Jack Lahey Jan Maitzen Jeff Al-Mashat Jessica Lorance Jill Bolster-White Joe Madsen John Day Kelsey Nocket Krista Leon Shordon Laurel Weir Michael Azevedo Michael Hopkins Mimi Rodriguez Molly Kern Russ Francis

		Sharon Ng Sheena Jones Sue Warren Theresa Harpin Tom Sherman Tony Navarro Wendy Lewis Yael Korin Yesenia Alonso
AGENDA ITEM		CONCLUSIONS/ACTIONS
1. Call to Order and Introductions		
2. Public Comment	<p>Susan Funk clarified that applicants to Round 1 of the HHAP (Homeless Housing, Assistance and Prevention) Program are not permitted to comment during discussion of item 4.2, but may comment during Public Comment.</p> <p>Michael Azevedo commented that 5Cities Homeless Coalition (5CHC) applied to HHAP to support youth (age 16-24) who are homeless or at risk of homelessness, particularly those who are also people of color, LGBT+, parenting, or on very low incomes. Through the HEAP (Homeless Emergency Aid Program) program, 5CHC were able to help 82 people, along with 13 adult partners and 32 children. With the HHAP Round 1 grant, 5CHC are aiming to help 90 people into housing.</p>	

	<p>Mark commented that Transitions Mental Health Association (TMHA) applied to HHAP for a Housing Navigator and Maintenance Coordinator. TMHA's programs are expanding, necessitating these new positions. This funding would help to support people who are not yet ready to move into housing, and would also open up positions for new clients.</p> <p>Michael Hopkins commented that People's Self-Help Housing applied to HHAP to house transitional age youth and families via their Pismo Terrace project. The funding requested is to cover a financial gap that opened up due to increasing interest rates, changes in tax pricing, and new infrastructure requirements.</p> <p>Wendy commented that HASLO (Housing Authority of San Luis Obispo) applied to HHAP for a continuation of their HEAP-funded work in Paso Robles and Atascadero. This application included funding for ECHO (El Camino Homeless Organization).</p>	
3. Consent: Approval of Minutes		Devin made a motion to approve the minutes, seconded by Carlyn. The motion passed with all in favor, none opposed and no abstentions.
4. Action/Information/Discussion		

<p>4.1. Discussion Item: Emergency Housing Vouchers</p>	<p>Elaine reported that the Emergency Housing Vouchers program will be known as the Welcome Home program. 263 referrals have already been received. Of these, 39 will be able to rent in place. This represents a very positive start, and HASLO will soon begin a mass voucher issuance. HASLO are monitoring for diversity and equity. So far, minority groups are overrepresented among clients compared to the general population. HASLO are seeing success in developing positive relationships with landlords and property managers. HASLO are connecting clients with landlords in a variety of ways, including media outreach.</p>	
<p>4.2. Action Item: Vote to Recommend Awards for \$3,365,435.40 in Homeless Housing, Assistance and Prevention Program (HHAP) Round 1 Funding</p>	<p>Laurel provided some background on the HHAP program. HHAP was initially authorized as a one time block grant to address homelessness in 2019. Subsequent rounds have been authorized. SLO County received two Round 1 grant allocations – one to the County itself, and one to the CoC (Continuum of Care), for which the County is the Administrative Entity, so the County administers both allocations.</p> <p>In December 2019, the HSOC voted on the following priorities for this funding:</p> <ol style="list-style-type: none"> 1. Bringing projects funded by the Homeless Emergency Aid Program (HEAP) to completion; 2. Creating new shelter and case management programs on the North Coast; and 3. Projects that fill other critical gaps in the homeless 	

	<p>services system.</p> <p>These priorities were presented to the Board of Supervisors in January 2020, and the Board indicated their support.</p> <p>Due to COVID, the RFP (Request for Proposals) for HHAP Round 1 was delayed in order to allow nonprofits to address issues resulting from the pandemic. The RFP was issued in April 2021. The County received 21 applications, with a total request of \$9.5 million across the County and CoC allocations. This represented far more than was available (a little over \$3 million).</p> <p>County staff completed a threshold review and provided information to the Grant Review Committee. As requested by HSOC, the Grant Review Committee met initially to review the applications and develop questions for applicants. County staff then met with applicants to ask the questions, and the Grant Review Committee later convened so County staff could report back with the answers, and the Committee could make recommendations. Due to the large number of applications, the Committee weighted scores heavily in favor of the priorities identified by HSOC, and youth work (8% of the funding is mandated by the State to go towards youth projects).</p> <p>The Grant Review Committee recommended funding the following projects:</p>	
--	---	--

	<ul style="list-style-type: none">• 5CHC's two youth project applications, in full (\$356,378). Although 5CHC submitted two applications (one to each funding allocation), these represented two parts of one whole project. The recommended funding split across the two allocations is different than what 5CHC requested; County staff were asked by the Grant Review Committee to consider the split of funding and make sure everything lined up with the allocations from the State. County staff will work with 5CHC to ensure this works operationally and administratively.• People's Self Help Housing's Pismo Terrace project (\$1,187,354), as a continuation of their HEAP project work, minus the requested costs for a Housing Navigator position, which was not part of their HEAP grant.• HASLO's Rehab shelters in Atascadero and Paso Robles (\$110,286), as a continuation of their HEAP project work, minus some requested costs for a Workforce Development Coordinator position.• TMHA's North Coast Housing application, for three years (\$396,847).• CAPSLO's street outreach program that serves the North Coast, for one year (\$78,998). <p>Following HSOC's approval, the recommendations will be taken to the Board of Supervisors for final approval.</p>	
--	---	--

	<p>Susan Funk asked for clarification on the Tiny Homes proposal in Los Osos, and if there is another way forward for this project. Laurel responded that People’s Self Help Housing have been meeting with the Planning & Building Department to get a better understanding of the project. The HHAP application was for pre-development activities worth around \$650,000, so a concern was that there was no guarantee that the development (costed at around \$5 million) would be funded. The second round of HHAP will be for less funding, but will be happening later so there will be opportunities in the meantime to complete due diligence and see if the challenges can be overcome.</p> <p>Laurel clarified that TMHA’s project will involve seeking out landlords willing to rent units, some of which will happen on the North Coast. It will probably not be possible to link this into the Welcome Home program, as HASLO will most likely have leased up all of the Emergency Housing Vouchers by the time the HHAP funding is released. However, HASLO will still have mainstream vouchers to distribute, and this can be linked to TMHA’s work on the North Coast.</p>	<p>Dawn Addis made a motion to recommend awards for \$3,365,435.40 in Homeless Housing, Assistance and Prevention Program (HHAP) Round 1 funding, seconded by Anne. The motion passed with none opposed. Anna, Carlyn, Janna, Mark, Nicole, Rick and Scott abstained.</p>
<p>4.3. Action Item: Approve the 2021 Revisions to the San Luis Obispo County CoC HMIS</p>	<p>George reported that the updated HMIS (Homeless Management Information System) Policies and Procedures were reviewed by the Finance & Data Committee at their meeting on July 7th, and submitted</p>	

<p>Policies and Procedures</p>	<p>to the full HSOC. The Policies and Procedures were last updated in 2016. County staff worked with HUD (US Department of Housing & Urban Development) TA (Technical Assistance) in late 2019, who provided feedback and suggested revision on the Policies and Procedures. Due to staffing changes and COVID, the Policies and Procedures were not updated in 2020, although staff did bring certain elements to the full HSOC for approval (including the Participating Agency Agreement, Grievance Form, Public Posted Notice). All of the documents approved by HSOC have been incorporated into the revised Policies and Procedures. George confirmed there are no new obligations being placed on participating agencies, beyond those in other HMIS documents already approved by HSOC.</p>	<p>Janna made a motion to approve the 2021 revisions to the San Luis Obispo County CoC HMIS Policies and Procedures, seconded by Carlyn. All were in favor, with none opposed and no abstentions.</p>
<p>4.4. Discussion Item: Encampment Committee</p>	<p>Laurel reported that the Encampment Committee was established as an ad hoc Committee, which has since produced the report to the Board of Supervisors which was one of the main purposes for it having been set up. The Executive Committee instructed the Encampment Committee to meet again and consider its own future now that this purpose has been fulfilled. The Encampment Committee decided it still has a role, with a focus on coordination and identifying system wide initiatives to engage people in encampments. To continue meeting, it will need to be constituted as a standing Committee. This will first be voted on at the next Executive Committee</p>	

	<p>meeting, then will come to the full HSOC for final approval. Jeff Smith has indicated that he would like to continue as Committee Chair.</p>	
<p>4.5. Discussion Item: Ten-Year Plan Update</p>	<p>Laurel reported that the State will now require CoCs to submit an updated plan by June 30th 2022, and that it will need to tie in directly to Rounds 3 and 4 of HHAP. There will be funding available to help pay for the planning process, which will be made available by September 15th. This has meant that County staff have had to make changes to the Scope of Work for the vendor for the Ten-Year Plan Update. County staff will be talking to the Executive Committee about the application for HHAP Round 3, which will be due in 2022, and will require outcome measures that are approved by the State and based on HUD System Performance Measures.</p>	
<p>5. Committee Updates</p>	<p>Devin reported that the Services Coordinating Committee met and received reports on the Emergency Housing Vouchers program, TMHA's success in administering COVID vaccines, and the HMIS inactives list that County staff have been working to clean up.</p> <p>Scott reported that the Housing Committee did not meet.</p> <p>Janna reported that the Finance & Data Committee met and their discussions have been covered in the</p>	

	above items.	
6. Future Discussion/Report Items	<ul style="list-style-type: none"> • Returning to in person meetings or continuing to meet virtually • New State funding for homelessness, including for Board & Care and residential care facilities • Where people can shelter in heat (to be discussed at the next Executive Committee meeting) 	
7. Updates and Requests for Information	<p>Tony reported that the Department of Planning and Building will release their NOFA (Notice of Funding Availability) for the 2022 Entitlement funds, including the CDBG (Community Development Block Grant), HOME funding, and Federal ESG (Emergency Solutions Grant) in September.</p> <p>Abby reported that the Rent Relief Program application process has been simplified, and the eviction moratorium has been extended until the end of September.</p>	
8. Next Regular Meeting: Wednesday 15th September at 1pm		
9. Adjournment	Susan Funk adjourned the meeting at 3:05pm.	

**HOMELESS SERVICES OVERSIGHT COUNCIL
ACTION ITEM
SEPTEMBER 15, 2021**

AGENDA ITEM NUMBER: 4.1

**ITEM: VOTE TO RECOMMEND AWARDS FOR \$150,864 IN CALIFORNIA'S FISCAL YEAR 2021
EMERGENCY SOLUTIONS GRANT CONTINUUM OF CARE ALLOCATION FUNDING.**

ACTION REQUIRED:

Vote to Recommend Awards to the Board of Supervisors for \$150,864 in California's Fiscal Year 2021 Emergency Solutions Grant Continuum of Care (CoC) Allocation Funding

SUMMARY NARRATIVE:

The federal ESG program, authorized by the McKinney-Vento Homeless Assistance Act, as amended by the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009, provides funds to: (1) engage homeless individuals and families experiencing homelessness; (2) improve the quality of emergency shelters for homeless individuals and families by helping to operate these shelters and provide essential services to shelter residents; (3) rapidly re-house homeless individuals and families experiencing homelessness, and (4) prevent families/individuals from becoming homeless.

ESG funding is distributed to States and local entitlement jurisdictions. California distributes its ESG funds to two type of entities, CoCs and non-entitlement jurisdictions. The State Department of Housing and Community Development (HCD) aims to align with local systems' federal ESG and HEARTH goals, invest in impactful activities based on key performance goals and outcomes, improve geographic distribution of funded activities and continuity of funded activities, and create a streamlined delivery mechanism. The program emphasizes the involvement of local CoC and ESG entitlement entities in the funding distribution process. The State has approved the County of San Luis Obispo to act as the Administrative Entity (AE) for the State ESG program funds in collaboration with the San Luis Obispo County CoC.

On August 17, 2021, HCD released its 2021 Notice of Funding Availability (NOFA) for Emergency Solutions Grant funds for Continuums of Care. The preliminary 2021 ESG Allocation for the San Luis Obispo County CoC in the NOFA is shown in Table 1:

Table 1: Preliminary Estimated HCD ESG CoC Allocation for San Luis Obispo County CoC

CoC #	CoC Name	2021 Total CA CoC ESG Allocation	2021 CA CoC ESG Admin	Minimum for Rapid Rehousing	Balance for other activities (RR, ES, HP, SO)
614	San Luis Obispo County CoC	\$ 150,864	\$ 4,124	\$ 58,696	\$ 88,044

The County Department of Social Services released the local Request for Proposals (RFP) on July 29, 2021, with a due date of August 23, 2021, with the total amount for application estimated from last year's application. An addendum to the County's RFP was released on August 17, 2021 to provide an updated estimate from HCD's NOFA released on August 17. This amount in the HCD NOFA is the preliminary estimate from HCD as to how much will be made available to the CoC. The final amount available may change once the State receives its allocation from HUD.

Federal ESG-funded activities may serve the entire service area of the CoC but ESG funds passed through from HCD must also serve non-entitlement areas within the service area. An entitlement area as defined by HUD is as follows: "metropolitan cities with populations of at least 50,000; and qualified urban counties with a population of 200,000 or more". San Luis Obispo County is considered an entitlement area. A non-entitlement area is one that does not qualify as an entitlement area or is located within an entitlement jurisdiction but has elected not to participate. The City of Grover Beach has elected not to participate in the Urban County's entitlement jurisdiction.

The State NOFA requires that a minimum of 40% of the funds must be used for Rapid Rehousing (RR). A maximum of 10% may be used for Homeless Management Information System (HMIS) activities. Rental assistance payments provided as part of RR or HP activity typically may not exceed HUD's Fair Market Rent (FMR) and must comply with rent reasonableness standards established by HUD under 24 CFR Part 982.507.

Funded applicants must make matching contributions in an amount that equals the amount of federal ESG funds awarded. ESG match is provided by the applicant on a dollar for dollar basis. Specific sources of match or leverage are identified at the time of application and must comply with 24 CFR 576.201. The primary sources of match identified for this funding round for ESG include local match funding (such as cities and counties), private match funding including cash fundraising, federal match funding, and donated goods, volunteers, and building value or lease.

Provider Selection Process

On July 29, 2021, the County issued an RFP. The County received three applications. One was a combined application from the 5Cities Homeless Coalition (5CHC), the El Camino Homeless

Organization (ECHO), and the Community Action Partnership of San Luis Obispo (CAPSLO). Applications were also received from the Salvation Army and Transitional Food and Shelter. Copies of the three applications are available at the Department of Social Services Homeless Services web page on <https://www.slocounty.ca.gov/Departments/Social-Services/Homeless-Services/Funding-Availability.aspx>

The applications met the threshold requirements for State Regulation Core Practices (Section 8709), which include Housing First/low-barrier practices, and the applications were scored based on the criteria scoring guideline in Section 8407.

Table 2: 2020 Pass Through ESG Requests from Respondents to the RFP

ESG Requests		
Applicant	Project	Request
5Cities Homeless Coalition, together with CAPSLO and ECHO	Emergency Shelter, Street Outreach, Rapid Re-Housing	\$146,740
Salvation Army	The Salvation Army Homeless Prevention and Rapid Rehousing Program	\$116,000
Transitional Food and Shelter	Medically Fragile Housing: Sustaining Capacity as a Bridge to Health and Housing	\$ 34,314

A non-conflicted ad hoc Grant Review Committee (Committee) met on September 1, 2021 to discuss the recommendations for the State's pass-through ESG funding. Using the State's criteria, the Committee considered need for funds, applicant experience, program design, impact and effectiveness, cost efficiency, and State objectives.

The Committee recommended the following awards listed in Table 3.

Table 3: Funding Recommendations

CA ESG COC ALLOCATION RECOMMENDATIONS		
Applicant	Project	Recommendation
5Cities Homeless Coalition, together with CAPSLO and ECHO	Emergency Shelter, Street Outreach, Rapid Re-Housing	\$146,740
PROJECT TOTAL		\$146,740
Administrative Entity	Administration and staffing	\$ 4,124
TOTAL ALLOCATION		\$150,864

There was unanimous consent from the committee that the recommended project offered a collaborative approach and covered all regions of the county.

BUDGET/FINANCIAL IMPACT:

If successful, the application may result in approximately \$150,864 in additional grant funds being secured to provide emergency shelter and rapid rehousing assistance to persons experiencing homelessness in San Luis Obispo County.

STAFF COMMENTS:

Grant awards are for a one-year term. Funding for the recommended awards is expected to be available to the recipients for program expenditures beginning July 1, 2022 and ending on June 30, 2023.

It is important to note that the funding being awarded through the current RFP process is separate from the ESG funding allocations that the HSOC approved through the County's annual Action Plan process. The U.S. Department of Housing and Urban Development (HUD) distributes ESG funding annually via a formula block grant to states, and local governments that qualify to be entitlement communities for purposes of the ESG, Community Development Block Grant, and HOME grant. As an entitlement community, the County receives ESG funding directly from the HUD for use in the Urban County.

As noted above, each of the seven incorporated cities in the county may either choose to participate in the Urban County for purposes of qualifying for the ESG and the other HUD administered block grants noted above, or a city may opt out of the Urban County entitlement and apply through a competitive process for Balance of State ESG and other block grant funds. If a city opts out of participating in the Urban County, ESG entitlement funds received directly from HUD by the County may not be used to serve people in that city.

The State of California allocates its ESG funding to serve areas in the state that are not ESG entitlement communities. This is done through two mechanisms. The first is a competitive Balance of State allocation. The second is through a formula grant allocation from the State to Continuums of Care (CoCs). As stated earlier, a CoC that receive ESG funds from the State must guarantee that portion of the funds used will fund services that are accessible to homeless persons in cities in the CoC that opted out of the Urban County.

For the funds allocated from HCD, HCD has estimated the funding that will be available from HUD. The amount available to the San Luis Obispo County Continuum of Care may change once the final amount allocated to the State from HUD is known. If the final award amount exceeds the estimated CoC allocation by \$30,000 or more, staff recommends that the excess amount be awarded to Transitional Food and Shelter. If less than \$30,000 above HCD's most recent estimate is made

available, staff recommend the final award to the 5Cities Homeless Coalition be adjusted proportionately.

ATTACHMENT:

- A. Notice of Funding Availability – FY2021 Preliminary CoC Award

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE**

2020 W. El Camino Avenue, Suite 670, 95833
P.O. Box 952054
Sacramento, CA 95833
(916) 263-2771
www.hcd.ca.gov



August 17, 2021

MEMORANDUM FOR: All Potential Applicants

FROM: Geoffrey M Ross, Deputy Director
Division of Federal Financial Assistance 

**SUBJECT: Emergency Solutions Grants Program
Continuum of Care Allocation
Notice of Funding Availability**

The California Department of Housing and Community Development (HCD) is pleased to announce the availability of approximately \$6 million in new federal funds for the Emergency Solutions Grants (ESG) program. Funding for this NOFA is made available pursuant to Subtitle B of Title IV of the McKinney-Vento Homeless Assistance Act, 42 of the United States Code 11371 et seq.

The Department will be accepting 2021 ESG applications through the **eCivis Grants Management System** portal beginning **August 17, 2021**. Applications and all required documentation must **be received by the Department no later than Tuesday, October 19, 2021, 5:00 p.m. Pacific Daylight Time (PDT)**. Any application received after **Thursday, October 19, 2021, 5:00 p.m. PDT** will not be accepted.

The application must include a completed Authorizing Resolution (AR) approved by the applicant's governing board. The AR designates a person or persons responsible for, and authorized to execute, all documents related to the application for ESG funds and submittal of funds requests.

Please see the instructions for completing the AR, along with an AR template, on the ESG website. Failure to use the AR form provided by HCD will require execution of a corrected AR and may delay execution of the Department's Standard Agreement for ESG funds. If a governing body must prepare a separate resolution concurrently that conforms to its local standard, it may do so in addition to preparing the AR form provided by HCD. ***In the event the applicant's AR is not submitted by the application due date, then the entire application will be deemed untimely and thus automatically rejected in its entirety.***

ESG Program, Continuum of Care Allocation, Notice of Funding Availability

August 17, 2021

Page 2

Applicants are encouraged to set-up their profiles in the eCivis portal located at [eCivis Grants Management System Portal](#) as early as possible. Information about setting up a profile, submitting an application, and managing awards through the eCivis portal is available under the Training and Technical Assistance tab on the Department's ESG website: <https://www.hcd.ca.gov/grants-funding/active-funding/esg.shtml>.

Applicants are encouraged to begin the application process early to ensure successful submission before the application deadline. If you have any trouble logging into the portal, or have questions on how to complete the online application, please contact the Department at: ESGNOFA@hcd.ca.gov

To receive ESG FAQs and other Program Information and updates, please subscribe to the Federal Programs listserv at http://www.hcd.ca.gov/HCD_SSI/subscribe-form.html.

For questions, or assistance, please email ESGNOFA@hcd.ca.gov

Attachment

Federal Emergency Solutions Grants Program
Continuum of Care Allocation
2021 Notice of Funding Availability



Gavin Newsom, Governor
State of California

Lourdes M. Castro Ramírez, Secretary
Business, Consumer Services and Housing Agency

Gustavo Velasquez, Director
California Department of Housing and Community Development

Division of Financial Assistance, Federal Programs Branch
Emergency Solutions Grants Program
2020 W. El Camino Avenue, Suite 200, Sacramento, CA 95833
ESG Program Email: ESGNOFA@hcd.ca.gov

August 17, 2021

Table of Contents

I.	Overview	1
	A. Notice of Funding Availability	1
	B. Tentative Program Timeline	1
	C. What is new in the NOFA	2
II.	Authorizing Legislation	3
III.	Program Requirements	4
IV.	State Annual Action Plan requirements relative to ESG	5
	A. Amounts Available for Administrative Activities	5
	B. Eligible Costs	5
	C. Minimum and Maximum Grant Limits	6
	D. Eligible Activities	6
	E. Match Requirements	7
	F. Non-entitlement Areas	7
V.	ESG Administrative Entity application submission requirements	7
	A. Application Submittal	7
	Appendix A: Estimated Continuum of Care Allocation	8

I. Overview

A. Notice of Funding Availability

The California Department of Housing and Community Development (HCD) receives funding from the United States Department of Housing and Urban Development (HUD) for the Emergency Solutions Grants (ESG) program and allocates funds to eligible Continuum of Care (CoC) service areas. Approximately \$6 million in new federal funds, as well as additional disencumbered funds that *may* become available later this year, will be allocated to eligible CoC service areas listed in [Appendix A](#).

The ESG program provides funding for the following objectives:

- Engaging individuals and families experiencing homelessness
- Improving the quality of Emergency Shelters (ES) for individuals and families experiencing homelessness by helping to operate these shelters and by providing essential services to shelter residents
- Rapidly re-housing individuals and families experiencing homelessness
- Preventing families/individuals from becoming homeless

The funds are distributed in two separate funding pools: the CoC allocation and the Balance of State (BoS) allocation.

This Notice of Funding Availability (NOFA) outlines application requirements and timelines for approved units of general-purpose local government¹, known as Administrative Entities (AEs), in the CoC allocation (see the Authorizing Legislation Section of this NOFA for the applicable program regulations). AEs are responsible for administering ESG funds in collaboration with their local CoC for their respective CoC service area. This NOFA also provides documentation requirements for AEs approved to administer available ESG funding.

All references to the “state” are references to the State of California. All references to ESG funding reference federal ESG funds administered by HCD unless otherwise noted.

B. Tentative program timeline

ESG NOFA and application for the CoC allocation released:	August 17, 2021
Application deadline:	October 19, 2021
HCD announces AE awards:	December 2021

¹ Unit of general-purpose local government means any city, county, or other general-purpose political subdivision of a state.

C. What is New in the NOFA

1. The implementation of the new eCivis Grants Management System (GMS) is called “Grants Network”. Grants Network will allow Applicants to apply for ESG funding online and will track the status of their application once submitted. This new system is easier to navigate and does not require Applicants to submit hard copies of the application to the Department. Grants Network will support programs and projects from application through to implementation and closeout and will connect with other digital accounting and reporting systems used by both the Department and HUD.

2. 2021-22 ESG Applications **must** be accessed through the [eCivis portal - Programs Available for Solicitation page](#). **Paper binder applications will no longer be accepted or required.**

Applications will be reviewed and awarded on a ‘rolling’ basis. Applications that are submitted prior to the October 19, 2021 application due date will be reviewed immediately and if approved, will be awarded.

3. Advancing Racial Equity

Grantees should prioritize the advancement of racial equity at all levels of the homeless response system. The Department asks grantees to be leaders in their homeless response systems, facilitating partnerships among service organizations and promoting racial equity practices. Grantees must respond to disproportionality in access to services, service provision and outcomes. Grantees cannot simply rely on delivering a standardization of services to address equity. Grantees have the responsibility to examine their data to ensure all eligible persons receive equitable services, support, and are served with dignity, respect, and compassion regardless of circumstances, ability, or identity. When applying for ESG funds, applicants should consider:

- What are your community’s racial demographics and the demographics of those within your homeless response system?
- What are the outcomes of the homeless response system based on race? What are your requirements for all sub-grantees to analyze data to determine racial disparities and then put a plan in place to address them?
- How do underserved and marginalized communities learn about and enter ESG- programming? What marketing and communication strategies are used to increase equitable access to ESG programming?
- How does your grant making process include prioritization for programs that are addressing the disproportionate impacts that homelessness has on communities of color, particularly Black, Latinx, Asian, Pacific Islander, and Native and Indigenous communities?

- How are the voices of Black, Latinx, Asian, Pacific Islander, Native and Indigenous communities and those with lived experience of homelessness being centered in a meaningful, sustained way in creating effective approaches to reducing and ending homelessness? How are they involved in the funding decision-making process?
- How are these funds accessible to smaller and non-traditional organizations that have historically been serving communities of color but may not have previously participated formally in the COC or be a part of the homeless provider community, and how would these funds address the organization capacity of organizations that are led by Black, Latinx, Asian, Pacific Islander, and Native and Indigenous people that support the goal of making homelessness rare, brief, and non-recurring?
- List your partner organizations that are addressing racial equity in the housing and homeless response system and how do you partner with them?

The Department will require applicants to submit related racial and ethnic data metrics of the homeless population and those served by the COC service area from their Homeless Management Information System (HMIS) on a quarterly reporting basis.

The Department recommends that grantees refer to and utilize the Racial Equity Tools available on the HUD Exchange to inform efforts to advance racial equity within the homeless response system. The tools are available at the following link: <https://www.hudexchange.info/news/new-coc-racial-equity-analysis-tool/>

The Department also encourages grantees to refer to the Increasing Equity in the Homeless Response System through Expanding Procurement Tool from the HUD Exchange to help guide practices in this area at the following link: <https://www.hudexchange.info/resource/6083/covid19-homeless-system-response-increasing-equity-in-the-homeless-response-system-through-expanding-procurement/>

II. Authorizing legislation

Funding under this NOFA is made available pursuant to Subtitle B of Title IV of the McKinney-Vento Homeless Assistance Act, 42 U.S.C. 11371 et seq. This NOFA should be read in conjunction with the following regulations that establish state and federal ESG requirements. Relevant legal authority includes, but is not limited to, the following:

- [Code of Federal Regulations \(CFR\), Title 24, Part 576;](#)
- [25 CCR, Division 1, Chapter 7, Subchapter 20;](#)
- [24 CFR Part 91 relating to Annual Action Plan requirements;](#)
- [24 CFR Part 58, relating to environmental reviews;](#)
- Homeless Definition Final Rule: The Interim Rule, published in the Federal Register on December 4, 2015, cited above, provides the homeless definition that applies to the ESG program;

- Chronically Homeless Definition Final Rule: The Interim Rule, published in the Federal Register on December 4, 2015, cited above, provides the chronically homeless definition that applies to the ESG program;
- [Office of Management and Budget \(OMB\) requirements for Universal Identifier and Central Contractor Registration, 2 CFR Part 25, Appendix A to Part 25.](#)

If state or federal statutes or regulations, or other laws, relating to the ESG program are modified by Congress, HUD, HCD or the state Legislature, the changes may become effective immediately and impact the work that was awarded funding under this NOFA.

If there is a conflict between the state and federal regulations, the federal regulations shall prevail. In addition, HCD reserves the right, at its sole discretion, to suspend or amend the provisions of this NOFA. If such an action occurs, HCD will notify interested parties. Awards made under this NOFA are also contingent upon HCD receiving an award letter from HUD for 2021.

III. Program requirements

The AE Provider selection process:

AEs are responsible for awarding ESG funds to eligible service providers for ESG-eligible activities in their approved CoC Service Area(s). Continuation grants are acceptable if they meet the requirements of 25 CCR 8403.

As further specified pursuant to 25 CCR 8403(g), AEs shall select qualified service providers through a process that is consistent with the following requirements:

- Is a fair and open competition that avoids conflicts of interest;
- Follows the procurement requirements of 24 CFR Part 84;
- Evaluates provider capacity and experience, including the ability to deliver services in non-entitlement areas;
- Evaluates eligibility and quality of services, including adherence to Core Practices pursuant to 25 CCR 8409;
- Utilizes data and considers community input to identify unmet needs;
- Prioritizes activities that address the highest unmet need, considering other available funding and system wide performance measures;
- Considers project-level performance measures when evaluating proposals; and
- Collaborates with the local CoC.

Note: 25 CCR 8408(e) prohibits subpopulation targeting with ESG funds in Homelessness Prevention (HP) and Rapid Re-Housing (RR) programs except if documentation of both of the following is provided to HCD prior to the award of funds for these activities:

- Evidence of an unmet need for these activities for the subpopulation proposed for targeting; and
- Evidence of existing funding in the CoC Service Area for programs that address the needs of the excluded populations for these activities.

IV. State Annual Action Plan requirements relative to ESG

Pursuant to 24 CFR Part 91 and as required by HUD, the following requirements regarding the AE activities are in HCD's Annual Action Plan.

A. Amounts available for Administrative activities

Of the allocation available to each AE, approximately 2.6 percent of federal ESG funds² may be used to pay for direct administrative costs. For the estimated administrative amounts see [Appendix A](#).

B. Eligible costs

Grantees and their recommended subgrantees must follow all Office of Management and Budget (OMB) Cost Principles and Generally Accepted Accounting Principles (GAAP). OMB and budget requirements are listed in 2 CFR Part 200. Costs charged to the ESG must be *allowable*, *allocable*, and *reasonable*. Shifting costs between awards to overcome funding deficiencies is **not** allowed.

Allowable costs must conform to any limitations or exclusions set forth in the federal cost principles. Additionally, the ESG NOFA allowable costs must comply with the policies and procedures afforded all activities within the grantee or subgrantee organization and be treated consistently (whether as a direct or indirect cost). Finally, allowable costs must comply with the GAAP and the costs must be adequately documented.

Allocable costs are those treated consistently with other costs incurred for the same purpose in like circumstances. These costs must meet the requirements listed in 2 CFR Part 200.405.

Reasonable costs do not exceed in nature or amount of costs that would be incurred by a prudent person under the same or similar circumstances prevailing at the time a decision was made to incur the cost.

Eligible costs may be direct or indirect. They must be incurred for the same purpose in like circumstances and must be treated consistently as either direct or indirect costs.

Direct costs are those costs that can be identified specifically with a particular final cost objective (such as the ESG award) and can be directly assigned to an activity relatively easily with a high degree of accuracy.

Indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective or activity. Grantees that allow their sub grantees to seek reimbursement for indirect costs

² 25 CCR 8402 (a)

must comply with all OMB requirements, including 2 CFR Part 200.403 and Part 200 Appendix 4. Grantee records must include evidence of the modified total direct cost calculations, indirect cost limits, and supporting documentation for actual direct cost billing.

All eligible costs incurred after the date of the ESG award letter issued by HCD are reimbursable after full execution of the state Standard Agreement. Contractors shall not plan to expend any state ESG funds requiring reimbursement prior to the award letter. In addition, no funds shall be expended until any required environmental review process has been completed, if required under 24 CFR Part 50.

C. Minimum and maximum grant limits

Where there is an approved AE, the AE will be responsible for setting any minimum and maximum grant amounts since it will be evaluating provider applications and managing these contracts. HCD will monitor AEs to ensure that they effectively manage the number of awards they make.

D. Eligible activities (25 CCR 8403 (h) 8408 (b))

1. For the 2021 NOFA, all activities permitted under 24 CFR Part 576.102 shall be eligible except for: renovation, conversion, or major rehabilitation activities. Minor repairs to an ESG-funded ES that do not qualify as renovation, conversion, or major rehabilitation are an eligible use of state ESG funds.
2. The following additional limitations apply:
 - a) HMIS - A maximum of 10 percent of ESG funds may be used for actual costs for HMIS activities (24 CFR Part 576.107; 25 CCR 8408(c)).
 - b) Minimum and maximum percentage of an allocation for RR - AEs must award a minimum of 40 percent of their available ESG funds to RR. There are no limitations on the maximum percentage of their RR allocation. AEs collaborating with a geographically contiguous CoC in the BoS allocation must award 100 percent of both CoC Service Area allocations to RR. In the absence of an approved AE, 40 percent of a CoC Service Area allocation may be accessed noncompetitively for RR. The CoC may recommend up to two applications for RR. HCD will administer these contracts. The remainder of the funds will be distributed through the formula to the BoS allocation³.

Note: Rental assistance payments provided as part of an RR or HP activity under 24 CFR Part 576.106 typically cannot exceed HUD's Fair Market Rent (FMR) as provided under 24 CFR Part 888 and must comply with HUD's standard for rent reasonableness as established under 24 CFR Part 982.507. Request for exceptions to FMR can be made to HUD through HCD and must be approved in writing by HUD. Contact your HCD representative in the Federal Programs Branch for further assistance.

³ 25 CCR 8403

E. Match requirements (24 CFR Part 576.201; 25 CCR 8410)

Funded applicants must make matching contributions in an amount that equals the amount of federal ESG funds awarded. HCD will request documentation as part of its monitoring to determine the sources and amounts used to meet the federal ESG matching requirement.

F. Nonentitlement areas (25 CCR 8403 (i))

The AE must ensure that all funded activities are available to nonentitlement areas of the CoC Service Area using the Coordinated Entry System and other means. The AE shall facilitate outreach to populations in the non-entitlement areas and shall evaluate participation from these areas at least annually. Funded activities may also serve households located in ESG entitlement areas.

V. ESG Administrative Entity (AE) application submission requirements

The online 2021 ESG application link is available on the ESG webpage at <https://www.hcd.ca.gov/grants-funding/active-funding/esg.shtml>. 2021 ESG Applications **must** be accessed through the [eCivis portal - Programs Available for Solicitation page](#). **Paper binder applications will no longer be required or accepted.**

Applications will be reviewed and awarded on a ‘rolling’ basis. Applications that are submitted prior to the October 19, 2021 application due date will be reviewed immediately and if approved, will be awarded.

Applications and required documentation must be received by HCD no later than **Tuesday, October 19, 2021, 5:00 p.m. Pacific Daylight Time**. Any applications received after this time, will not be accepted.

Submit applications and all required documentation through the [eCivis Grants Management System portal](#). Applications that do not meet the filing deadline will not be eligible for funding.

Applicants are encouraged to set up their profiles in the eCivis Grants Management System portal located at <https://portal.ecivis.com/#/login> as early as possible. Profile set-up instructions can be found in the **eCivis Grants Management System, External User Manual** on the ESG webpage at <https://www.hcd.ca.gov/grants-funding/active-funding/esg.shtml>.

If you have trouble logging into the portal, or have questions on how to complete the online application, please contact HCD at ESGNOFA@hcd.ca.gov.

Questions regarding the ESG NOFA and application process can be directed to ESGNOFA@hcd.ca.gov.

Appendix A: Estimated Continuum of Care Allocation

2021 Estimated CoC Allocation*						
	CoC #	CoC Name	Grant Admin	Minimum of 40% for RR	Balance for other activities (RR, ES, HP, SO)	2021 ESG Formula Allocation
1	604	Bakersfield/Kern Co CoC	\$8,100	\$115,272	\$172,907	\$296,279
2	512	Daly/San Mateo Co CoC	\$5,543	\$78,894	\$118,341	\$202,778
3	514	Fresno/Madera Co CoC	\$8,603	\$122,432	\$183,647	\$314,682
4	600	Los Angeles City & Co CoC	\$34,003	\$483,934	\$725,900	\$1,243,837
5	502	Oakland/Alameda Co CoC	\$10,802	\$153,726	\$230,589	\$395,117
6	611	Oxnard/San Buenaventura/ Ventura Co CoC	\$4,890	\$69,595	\$104,393	\$178,878
7	505	Richmond/Contra Costa Co CoC	\$8,420	\$119,826	\$179,739	\$307,985
8	608	Riverside City & Co CoC	\$9,293	\$132,255	\$198,383	\$339,931
9	503	Sacramento City & Co CoC	\$6,477	\$92,180	\$138,269	\$236,926
10	506	Salinas/Monterey, San Benito Counties CoC	\$7,079	\$100,754	\$151,131	\$258,964
11	609	San Bernardino City & Co CoC	\$8,869	\$126,222	\$189,333	\$324,424
12	601	San Diego City and Co CoC	\$11,918	\$169,616	\$254,423	\$435,957
13	500	San Jose/Santa Clara City & Co CoC	\$12,511	\$178,054	\$267,082	\$457,647
14	614	San Luis Obispo Co CoC	\$4,124	\$58,696	\$88,044	\$150,864
15	602	Santa Ana/Anaheim/Orange Co CoC	\$19,746	281,030	\$421,544	\$722,320
16	603	Santa Maria/Santa Barbara Co CoC	\$9,304	\$132,408	\$198,611	\$340,323
17	504	Santa Rosa/Petaluma/ Sonoma Co CoC	\$6,181	\$87,972	\$131,957	\$226,110
18	511	Stockton/San Joaquin Co CoC	\$5,639	\$80,255	\$120,383	\$206,277
19	510	Turlock/Modesto/Stanslaus Co CoC	\$8,019	\$114,114	\$171,171	\$293,304
TOTAL						\$6,932,603

*Estimates are based on HCD's 2021 ESG allocation. **Note:** The 2021 allocation includes \$411,238 in unencumbered funds from the 2020 ESG allocation. Amounts are subject to award of 2021 ESG funds by HUD to the State and will be finalized prior to issuance of Standard Agreements to State grantees. **Note:** Allocations are also subject to change if AEs or CoCs do not continue to participate for 2021.